



**AUDIT REPORT
ON
THE ACCOUNTS OF
EXPENDITURE OF
GOVERNMENT OF THE PUNJAB
AUDIT YEAR 2017-18**

(VOLUME-I)

AUDITOR GENERAL OF PAKISTAN

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(VOLUME-I)

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ABBREVIATIONS & ACRONYMS

AARI	Ayub Agriculture Research Institute
ABAD	Agency for Barani Area Development
ACL	Audit Command Language
ACS	Additional Chief Secretary
AD	Administrative Department
ADB	Asian Development Bank
AG Punjab	Accountant General Punjab
AGPR	Accountant General Pakistan Revenues
AIMC	Allama Iqbal Medical College
AP TABLETS	Aluminum Phosphate Tablet
APO	Annual Plan of Operations
APPM	Accounting Policies and Procedures Manual
AR	Adaptive Research
BISE	Board of Intermediate and Secondary Education
BMS	Balanced Magnetic Switch
BOM	Board of Management
BOP	Bank of Punjab
BOQ	Bill of Quantity
BPS	Basic Pay Scale
BZU	Bahaudin Zakariya University
C&F basis	Carriage & Freight Basis
C&W	Communication & Works
CBR	Central Board of Revenue
CCCs	Career Counseling Centers
CCI	Council of Common Interests

CCTV	Close Circuit Television
CDR	Call Deposit Receipt
CF	Conservator of Forests
CM	Chief Minister
CM IT	Chief Minister's Inspection Team
COD	Chief Organizational Development
CPW	Central Public Works
CRO	Crime Reporting Officer
CT Scan	Computerized Tomography
CTD	Counter Terrorism Department
CTI	College Teaching Internees
CTO	City Traffic Officer
DAC	Departmental Accounts Committee
DAO	District Accounts Office
DDO	Drawing and Disbursing Officer
DDSC	Departmental Development Sub Committee
DFC	District Food Controller
DFO	Divisional Forest Officer
DFR	Departmental Financial Rules
DG	Director General
DGPR	Director General Public Relations
DHQ	District Headquarter
DNA	Deoxyribo Nucleic Acid
DPO	District Police Officer
DPWO	District Population Welfare Officer
DSD	Directorate of Staff Development
DTL	Drug Testing Lab
EAD	Economic Affairs Division
ECC	Economic Coordination Committee

ECD	Economic Community Development
EIA	Environmental Impact Assessment
EPD	Environment Protection Department
ETO	Excise & Taxation Officer
EXT	Extension
FAO	Food & Agriculture Organization
FAP	Foreign Aided Project
FC cases	Forest Offence Cases
FD	Finance Department
FDA	Fixed Daily Allowance
FIR	First Information Report
FJMU	Fatima Jinnah Medical University
GP Fund	General Provident Fund
GST	General Sales Tax
HDPE	High Density Polyethylene
HEC	Higher Education Commission
HVAC	Heating Ventilation and Air Conditioning
I. Tax	Income Tax
IBCC	Inter Boards Committee of Chairmen
IEE	Initial Environmental Examination
IGP	Inspector General of Police
INTOSAI	International Organization of Supreme Audit Institutions
IT	Information Technology
IUB	Islamia University Bahawalpur
KEMU	King Edward Medical University
Kg	Kilogram
KIBOR	Karachi Interbank Offered Rate
KPK	Khyber Pakhtunkhwa
KSK	Kala Shah Kaku

LC	Letter of Credit
LES	Livestock Experiment Station
LGH	Lahore General Hospital
LP	Local Purchase
LPR	Leave Preparatory to Retirement
M.Phil	Master of Philosophy
M.Ton	Metric Ton
MEPCO	Multan Electric Supply Company
MPA	Member of Provincial Assembly
MRI	Magnetic Resonance Imaging
MRS	Market Rate Schedule
M.sc	Master of Science
MTO	Motor Transport Officer
NADRA	National Database and Registration Authority
NAM	New Accounting Model
NBP	National Bank of Pakistan
NESPAK	National Engineering Services of Pakistan
NFBE	Non Formal Basic Education
NGO	Non Government Organization
NHP	Net Hydrel Profit
NOC	No Objection Certificate
NPA	Non Practicing Allowance
NSC	National Savings Corporation
NTS	National Testing System
OGRA	Oil and Gas Regulatory Authority
OMC	Oil Marketing Companies
PAC	Public Accounts Committee
PAO	Principal Accounting Officer
PBCC	Punjab Boards Committee of Chairmen

PC	Punjab Constabulary
PCC	Plain Cement Concrete
P-Deposit	Pending Deposit
PDP	Proposed Draft Para
PEEDA	Punjab Employees Efficiency and Disciplinary Act
PFR	Punjab Financial Rules
PFSA	Punjab Forensic Science Agency
PGMI	Post Graduate Medical Institute
Ph.D	Doctor of Philosophy
PHEC	Punjab Higher Education Commission
PHP	Punjab Highway Patrol
PIC	Punjab Institute of Cardiology
PID	Press Information Department
PIEDMC	Punjab Industrial Estate Development & Management Company
PLA	Personal Ledger Account
PLDC	Punjab Land Development Company
PLDDB	Punjab Livestock & Dairy Development Board
PMC	Punjab Medical College
PMDC	Pakistan Medical & Dental Council
PNC	Pakistan Nursing Council
POL	Petrol, Oil and Lubricants
PP bag	Poly Propylene Bag
PPR	Punjab Procurement Rules
PPRA	Punjab Procurement Regulatory Authority
PPSC	Punjab Public Service Commission
PQR	Police Qaumi Razaqar
PR	Procurement Reserve
PRA	Punjab Revenue Authority
PRFTC	Pakistan Railway Freight Transportation Company

PSC	Punjab Seed Corporation
PSDF	Punjab Skill Development Fund
PST	Punjab Sales Tax
PVTC	Punjab Vocational Training Council
QAC	Quad-e-Azam Campus
RCC	Reinforced Cement Concrete
RFO	Range Forest Officer
RHS	Rehabilitation Health Services
RIB	Regional Investigation Branch
RM	Range Management
RPO	Regional Police Officer
S&GAD	Services & General Administration Department
SAP-R3	Systems Application Programms
SBP	State Bank of Pakistan
SDA	Special Drawing Account
SEMS	Strengthening of Emergency Medical Services
Sft	Square Feet
SLA	Services Level Agreement
SOP	Standard Operating Procedure
SPL	Special Publication Lahore
SS	Special Secretary
STR	Subsidiary Treasury Rules
TA/DA	Travelling Allowance/Daily Allowance
TMA	Tehsil Municipal Authority
TO	Treasury Office
TVC	Television Video Cassette
UAF	University of Agriculture, Faisalabad
UET	University of Engineering and Technology
UMDC	University Medical and Diagnostic Center

UOS	University of Sargodha
UVAS	University of Veterinary and Animal Sciences
VC	Vice Chancellor
VRI	Veterinary Research Institute
VSAT	Very Small Aperture Terminal

PREFACE

Articles 169 and 170 (2) of the Constitution of the Islamic Republic of Pakistan 1973, read with Section 8 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 2016-17 and accounts of some formations for previous years. The Directorate General Audit Punjab conducted audit during 2017-18 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 2017 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 the Constitution of Islamic Republic of Pakistan, 1973 for causing it to be laid before the Provincial Assembly.



(Javaid Jehangir)

Auditor General of Pakistan

Dated: 20th Feb. 2018

EXECUTIVE SUMMARY

Audit Report on the Accounts of Government of the Punjab

This Report contains thirty one chapters incorporating results of regularity and certification audits mainly carried out in the year 2017-18.

The report calls attention to a set of issues, including disregard toward prescribed regularity framework, inappropriate use of funds, poor record management, lack of transparency in procurements and mismanagement of receipts. It further emphasizes the need for strengthening of internal controls and initiating effective accountability of persons responsible for irregularities.

Audit was conducted in accordance with INTOSAI Auditing Standards, as adopted by the Department of the Auditor General of Pakistan. A desk audit exercise was carried out to identify high risk entities and high value transactions. To this end, use of Audit Command Language (ACL) was made besides placing reliance on the judgment of the auditors in the field. Final audit findings were framed after considering the response from the auditee departments.

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 applicable laws, rules and regulations;
- see that every item of expenditure was incurred with the approval of the competent authority; and
- see that the canons of financial propriety were observed.

a. Scope of Audit

For the financial year 2016-17, auditable budget in the ambit of Directorate General Audit Punjab was Rs. 1,264,190 million. The budget audited was Rs. 820,981 million. Moreover, audit findings on budget of Rs. 167,239 million for the financial year 2015-16 also make part of this Report.¹

b. Recoveries at the instance of audit

Recovery of Rs. 8,424.52 million was pointed out by audit. Recovery effected from January to December 2016 was Rs.343.80 million.

c. Audit Methodology

This office conducts a detailed audit drill combining an elaborate planning process with a set of robust execution techniques. Detailed planning files are prepared covering all the areas of activities of the auditee formations besides details of their budget and organizational and legal framework. A risk assessment exercise is carried out to identify main risk areas. Audit strategy based on desk audit is implemented by using ACL to draw sample and extract information on accounts of the Government of the Punjab from SAP-R3 data. In the second leg, a work program is developed according to geographical locations of auditee formations. Following that, inspection visits of auditee formations are carried out to apply substantive tests and collect sufficient evidence for audit observations. This information is recorded, in detail, in the execution files prepared according to the standard working paper kit issued by Auditor General of Pakistan. Once done with this step, responses of the auditees are gathered through DACs and incorporated in the audit findings. Then, an internal quality review is performed to evaluate the adequacy of audit findings in terms of auditing standards. In the end, an external quality review is carried out to shape up the final contours.

1. This report mainly incorporates results of regularity audit. However, the gist of audit findings of the certification audit carried out on the accounts of Government of the Punjab for financial year 2016-17 is also included. In addition, this Directorate conducted certification audit of twelve Foreign Aided Projects, five Special Studies, five Performance Audits, one Special Audit, two Information System Audits and three Thematic Audits.

d. 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 financial powers
- HR management
- Payroll procedures
- Contract management
- Inventory management
- Asset management
- Procurements
- Utilization of grants and development funds

Critical areas which need special attention of the PAO and DDO are:

- Receipts
- Payroll
- Stocks and stores
- Loans & advances
- Procurements
- Deduction of taxes at source

f. The key audit findings of the report:

1. Misappropriation of funds amounting to Rs. 52.50 million were noticed in nine cases.¹
2. Non production of record pertaining to transactions amounting to Rs. 33,198.96 million was noted in eight cases.²
3. Procurement of goods and services in violation of Punjab Procurement Rules amounting to Rs. 10,454.47 million in fifteen cases.³
4. Unauthorized expenditure and payments of Rs. 353.33 million were noticed in seven cases.⁴
5. Irregular appointments were noticed in five cases amounting to Rs. 713.73 million.⁵
6. Recovery pointed out in seven cases amounting to Rs.5,821.96 million.⁶
7. There were five cases pertaining to management of assets amounting to Rs. 112.14 million.⁷
8. Non adjustment of advances was noticed in three cases amounting to Rs. 477.10 million.⁸

1. Para: 11.4.1;11.4.4;12.4.1;12.4.2;12.4.3;13.4.6;25.4.1;25.4.2;26.4.1

2. Para: 2.4.2;4.4.1;9.4.1;11.4.6;12.4.4;13.4.15;15.4.1;31.4.1

3. Para: 6.4.3; 9.4.7; 11.4.7; 11.4.9; 12.4.12; 12.4.29; 13.4.16; 17.4.6; 17.4.17; 17.4.18; 18.4.2; 20.4.3; 20.4.5; 24.4.2; 25.4.6

4. Para: 2.4.23;12.4.53;13.4.37;13.4.38;13.4.45;17.4.27;23.4.5

5. Para: 2.4.10;11.4.38;12.4.15;12.4.41;12.4.69

6. Para: 2.4.22;9.4.16;9.4.17;9.4.18;10.4.11;11.4.31;20.4.21

7. Para: 2.4.19;9.4.33;12.4.83;13.4.32;20.4.19

8. Para: 12.4.42;24.4.28;25.4.9

g. Recommendations

1. Investigation of cases regarding embezzlements/frauds and suspected misappropriation of public money and, taking necessary remedial and preventive measures.
2. 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.
3. Adherence to canons of financial propriety, rules and regulations, especially in autonomous institutions.
4. Strengthening of internal control mechanisms to prevent recurrence of irregularities of similar nature.
5. Ensuring prompt recovery of government dues and overpayments, wherever applicable, and their deposit into the government treasury.
6. Uniform interpretation and application of Acts, Statutes and Rules in Autonomous bodies.
7. Monitoring of progress regarding holding of DAC meetings by respective Principal Accounting Officers and their output.
8. Improving compliance with directives of Public Accounts Committee by the departments.
9. Capacity building of financial managers.

SUMMARY OF TABLES

Table 1: Audit Work Statistics

(Rupees in millions)

Sr. No.	Description	No.	Budget
1.	Total Entities (Administrative Departments/PAOs)	34	1,264,190
2.	Total Formations	2206	1,264,190
3.	Total Entities Audited	32	1,262,260
4.	Total Formations Audited	568	820,981
5.	Audit & Inspection Reports	568	820,981
6.	Other Reports (FAP/Special Studies)	28	*1,383,239

* This figure represents the amount of budget of one Special Audit, twelve FAP Audits and two Information System Audits conducted.

Table 2: Audit observations classified by categories

(Rupees in millions)

Sr. No.	Description	Monetary Value of Audit Observations
1.	Unsound asset management	112.89
2.	Weak financial management	43,533.61
3.	Weak Internal controls relating to financial management	28,295.46
4.	Others	302,624.98
Total		374,566.94

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.	Financial outlay audited	12,381.65	12,948.73	160,407.48	426,138.78	611,876.64	192,766.76
2.	Monetary Value of Audit Observations	1,259.93	2,060.58	3,411.17	367,835.26	374,566.94	47,180.61
3.	Recoveries Pointed Out at the instance of Audit	80.71	79.58	58.60	8,205.63	8,424.52	4,414.35
4.	Recoveries Accepted/ Established at the instance of Audit	80.71	79.58	58.60	8,205.63	8,424.52	4,414.35
5.	Recoveries Realized at the instance of Audit	-	-	-	343.80	343.80*	480.58

***Note:** Recoveries realized at the instance of Audit for this year are from January to December 2017.

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

Sr. No	Description	Monetary Value of Audit Observations
1.	Violation of Rules and regulations and violation of principles of propriety in public operations	34,306.71
2.	Reported cases of fraud, embezzlement, thefts and misuse of public resources	822.90
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	7,117.75
4.	Weaknesses of internal control systems	28,295.46
5.	Recoveries and overpayments, representing cases of established overpayments or misappropriations of public money	8,424.52
6.	Non-production of record	34,835.27
7.	Others, including cases of accidents, negligence etc.	260,764.33

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

Sr. No	Description	Amount			2016-17
		2017-18		Total	
		Expenditure	Revenue Receipt		
1	Outlays audited (Item-1 of Table-3)	611,876.64	143,415.86	755,292.50	290,982.62
2	Expenditure on audit			290.84	253.07
3	Recoveries realized at the instance of audit	343.80	144.84	488.64	621.93
4	Cost-benefit ratio			1:1.68	1:2.45

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

CHAPTER 1

Public Financial Management Issues

Directorate General Audit Punjab conducts Financial Attest Audit of the Accountant General Punjab and Director Budget & Accounts Forest Department on annual basis. Following observations surfaced during the audit of financial year 2016-17.

1.1 AUDIT PARAS

1.1.1 Excess payment against Domestic Debt-Rs.24.293 billion

Risk Categorization: High

Observation:

Excess repayment of Domestic Loans amounting to Rs. 24.293 billion was appearing in Annexure-1 of Finance Accounts. Despite the fact that, there was already a negative balance indicating excess payment; further repayment of Rs. 1.345 billion was found recorded against Domestic Loans during the financial year 2016-17.

Implications:

- Indication of 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 observation has been communicated to the Finance Department and reply will be submitted to Audit as received from the Finance Department.

Recommendation:

Debt balances are 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 Unjustified negative balances of Foreign Debt-Rs. 84.973 billion

Risk Categorization: High

Observation:

There was a negative closing balance of foreign debt appearing in Annexure II (E03302) of Finance Accounts amounting to Rs. 84.973 billion.

Implications:

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

Management response:

The observation has been communicated to the Finance Department and reply will be submitted to Audit as received from the Finance Department.

Recommendation:

Debt balances are 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.

1.1.3 Difference of cash balances between book and bank- Rs. 21.300 billion

Risk Categorization: High

Observation:

There was a difference of Rs.21.300 billion between Closing Cash Balance as per Finance Accounts and Closing Cash Balance as per State Bank of Pakistan during the Financial Year 2016-17.

Implications:

- Affect the 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:

During June, cash moved from Account-V & Account VI by State Bank of Pakistan, Head Office, Karachi amount to Rs.35,744,663,382. However, SBP branched reported the same in the Financial Year 2016-17 by the mostly local branched of NBPs in District reported in the Financial Year 2017-18. Resultantly, District Accounts Office booked the figures reported by local bank branches in financial year 2017-18.

Recommendation:

The issue needs to be looked into at a higher level for rectifying the discrepancies in a timely manner with a view to enable accurate reporting.

1.1.4 Excess expenditure than budget allocations-Rs.13.888 billion

Risk Categorization: High

Observation:

As per Para 13.2 (ii) of the Punjab Budget Manual “the total expenditure incurred for any purpose should not exceed the grant or grants provided for that purpose.” Further, as envisaged in Para 15.1 & 15.2 “expenditure should not be incurred on a scheme/service without provision of funds.”

Expenditure of Rs.13.888 billion was incurred against the budget released by Finance Department in SAP R3 system during 2016-17. The same however, was not published in revised budget book. This caused excess expenditure against budget being shown in the accounts.

Implications:

- Non-compliance of Budget Manual.
- Lack of control over expenditure against allocated budget by the AG Punjab.
- Occurrence of unauthorized expenditure.
- Leads to financial indiscipline.

Management response:

The Observation has been communicated to Finance Department and replies will be submitted in due course.

Recommendation:

Management needs to take effective steps and ensure that all budget releases should be incorporated into the Revised Budget Book published by the Finance Department.

1.1.5 Non recording of expenditure-Rs.7.960 billion

Risk Categorization: High

Observation:

An expenditure of Rs. 7.960 billion incurred through Assignment Accounts (ADB) was not recorded as consolidated fund expenditure due to non -budgeting of Donor Funded Assignment account releases.

Implications:

- Understated expenditure.
- Lack of control over expenditure

Management response:

The matter was referred to the Special Secretary Finance. A proper response will be submitted in due course.

Recommendation:

Management needs to forward the case to CGA to take up with EAD/Finance Division.

1.1.6 Unutilized budget-Rs.257.521 billion

Risk Categorization: High

Observation:

According to Rule 14.3 of Punjab Budget Manual, the Heads of Departments should submit to the Finance Department the first Statement of Excesses and Surrenders by 1st January and the second Statement of Excesses and Surrenders by the 31st March. 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 of Govt. of the Punjab it was observed that an amount of Rs.1,850.098 billion was allocated in the annual budget for the year 2016-17 and placed at the disposal of departmental authorities but funds amounting to Rs. 257.521 billion i.e. 14 percent were not utilized.

Implications:

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

Management response:

The Observation has been communicated to Finance Department and replies will be submitted in due course.

Recommendation:

Audit recommends that government resources be used efficiently and effectively for the intended purposes.

1.1.7 Fraudulent payment-Rs.0.205 billion

Risk Categorization: High

Observations:

- Under the object Pension Payments, the amounts of Rs.0.058 billion and Rs. 0.007 billion were paid by the Accountant General Punjab and District Accounts Office, Khushab respectively to fake pensioners.

- Under the object Pay & Allowances, an amount of Rs. 0.051 billion was paid by the District Accounts Office, Multan to the fake employees of Punjab Constabulary, Multan. Similarly, Rs. 0.028 billion and Rs. 0.010 billion were paid by District Accounts Officer, Gujrat against excess and fake claims submitted by District Police Officer, and Superintendent District Jail Gujrat respectively.
- Under the object Contingent Payments, an amount of Rs.0.058 billion was paid by the District Accounts Officer, Gujrat to District Police Officer, Gujrat against fake claims of POL.

Implication:

Weak internal controls on the part of entity and potential of further fraud.

Management response:

The matters are under investigation.

Recommendations:

The matters may kindly be probed in detail and any further excess/ fraudulent expenditure be recovered.

1.1.8 Unauthorized and fraudulent payment from Public Account Receipts-Rs.0.184 billion

Risk Categorization: High

Observations:

- Under the head General Provident Fund Payments, an amount of Rs. 0.162billion was paid by the District Accounts Officer, Multan

against advances to fake employees of Punjab Constabulary, Multan.

- Cheques amounting to Rs.0.022 billion were issued to different Drawing & Disbursing Officers and private vendors unauthorized under the head Sales Tax and Income Tax instead of issuing the same to Federal Treasury of Tax by Accountant General Punjab and District Accounts Offices.

Implication:

Weak internal controls on the part of entity and potential for further fraud.

Management response:

The matter is under investigation.

Recommendations:

The matter may kindly be probed in detail and amounts may be recovered and deposited into government treasury.

1.1.9 Non-reconciliation of expenditure Rs.167.423 billion

Risk Categorization: High

Observations:

Expenditure of Rs. 167.423 billion pertaining to Provincial Government was not reconciled by the Principal Accounting Officers (PAOs)/Drawing & Disbursing Officers (DDOs).

Implications:

- Unauthentic expenditure because reconciliation is the primary requirement of credible 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 response:

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

Recommendations:

Reconciliation of expenditure at all level be ensured.

1.1.10 Post audit of SDA not conducted Rs.295.194 billion

Risk Categorization: High

Observation:

As per SDA Policy 2007 para No.2.3 (a) the drawing authority will submit monthly accounts of expenditure supported with copies of paid vouchers to the concerned AG/DAO/TO for post audit purpose by 15th of each month. Further the DAOs will carry out 100% post audit themselves, whereas TOs will submit this account to the concern Accountant General for complete post audit.

During scrutiny of record, it was found that post audit on account of SDA payment by AG office Punjab and DAOs was not being carried out in contravention to the SDA policy referred above. Detail is as follows;

Profit Center	Amount (Rs.)	Profit Center	Amount (Rs.)	Profit Center	Amount (Rs.)
AG-AK	942,883,560	AG-JM	608,137,286	AG-NL	1,045,364,320
AG-BH	475,134,092	AG-KB	630,989,573	AG-OK	1,159,232,482
AG-BK	777,952,225	AG-KS	1,475,518,698	AG-PK	647,389,823
AG-BR	12,336,239,572	AG-KW	1,027,099,897	AG-RI	15,565,437,528
AG-CH	1,010,825,279	AG-LN	811,990,871	AG-RN	5,486,966,200
AG-CT	302,947,457	AG-LO	174,862,252,778	AG-RP	499,680,492
AG-DG	6,285,071,601	AG-LY	717,042,219	AG-SA	1,163,306

Profit Center	Amount (Rs.)	Profit Center	Amount (Rs.)	Profit Center	Amount (Rs.)
AG-FD	20,023,725,084	AG-MB	729,391,030	AG-SG	4,618,587,126
AG-GA	8,194,512,533	AG-MH	1,564,456,417	AG-SL	5,380,257,470
AG-GT	984,554,078	AG-MI	843,499,068	AG-ST	3,558,761,897
AG-HF	558,664,873	AG-MN	18,417,244,733	AG-TS	387,113
AG-JG	1,181,821,007	AG-NK	1,006,926,044	AG-VR	1,461,452,290
Totals					295,193,560,022

Implications:

- Leads to financial indiscipline.
- Failure of pre-audit checks

Management response:

In this regards it is submitted that it is the duty of the Treasury Officer to submit the vouched account to the concerned AG for requisite post audit. Treasury Office showed it inability to provide the vouched account.

Recommendation:

Post-audit conducted on regular basis according to the prescribed rules and regulations and irregularities / shortcomings maybe communicated to the concerned departments.

1.1.11 Non-reconciliation of manual pension payments with bank Rs.9.593 billion

Risk Categorization: High

Observation:

According to Para 554 of Standard Procedure Manual (Revised) 2008 of National Bank of Pakistan with reference of Controller General Accounts Islamabad vide letter No.22-AC-III/8-38/92-Vol-II dated 09.02.2002, the branches dealing with Government transactions provide daily account supported with scroll/challan/paid bills/cheques to the

District Account Officer/Treasury Officer on the same day. The District Accounts Officer/Treasury Officer will check and report the errors if any, to the branch by 1.00 afternoon, (the next day). The branch would make necessary correction and thereafter send agreed amounts to Head Office.

During financial year 2016-17 detailed below pension payments of Rs.9.593 billion were received from National Bank of Pakistan and booked by the Treasury Officer, Lahore and District Accounts Officers in the monthly accounts. The status of reconciliation with National Bank of Pakistan along with the observations raised by AG/DAOs, if any, was not produced to Audit.

Implications:

- Leads to financial indiscipline.
- Possibility of unauthorized/fraudulent pension payments.

Management response:

The observation has been communicated to the concerned and reply will be submitted to audit as received.

Recommendation:

Reconciliation of manual pension payments on daily basis at all level be ensured.

Director Budget and Accounts Forest Department

1.1.12 Un-presented cheques-Rs. 1.334 billion

Risk Categorization: High

Observation:

According to “Trust Accounts-Others” as on 30.06.2017 there were un-presented cheques of Rs.1.334 billion of Punjab Forest Department.

Implication:

Affects the reliability of the data used by the Government in preparing the Accounts.

Management response:

Balances of Forest Cheques pertains to previous years i.e. 2002-03 to 2009-10 before on lining the accounts of Punjab Forest Department into SAP/R3 system, which has been wrongly booked by the DAOs. The concerned DAOs and Accountant General, Punjab have already been requested repeatedly for rectification thereof.

Recommendation:

Un-presented cheques be reconciled and cleared timely.

***1.1.13 Unjustified negative balance of Forest Department-
Rs.2.924 billion***

Risk Categorization: High

Observation:

According to “Trust Accounts-Others”, Negative closing balance of Rs.2.924 billion is appearing against head G10402-Forest Remittances as on 30th June, 2017 which needs reconciliation.

Implication:

Existence of such negative balance leads to incorrect reporting.

Management response:

This balance pertains to previous years and has been wrongly booked by the DAOs. The reconciliation of remittances have been made from 2002-03 to 2009-10 and the concerned DAOs and AG Punjab have

already been requested repeatedly for rectification thereof. The remaining years will be reconciled on provision of the Civil Accounts and detailed books by the AG Punjab.

Recommendation:

Negative balances be reconciled and rectified on timely basis.

CHAPTER 2

AGRICULTURE DEPARTMENT

2.1 *Introduction*

As per Rules of Business, 1974 (amended to-date), the department is comprised of four attached departments and six autonomous bodies. It 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 cultivable 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.

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

Introduction

The Appropriation Accounts for the year 2016-17 of Agriculture Department indicate expenditure on various specified services vis-à-vis appropriation authorized by Government of the Punjab.

Summary of Appropriation Accounts

The summarized position of actual expenditure during 2016-17 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	225.976	(81.248)	144.728	141.880	(2.848)
PC21018	7,868.789	6,682.498	14,551.287	13,926.897	(624.390)
PC22036	19,394.590	(12,214.252)	7,180.338	5,945.206	(1,235.132)
PC12038	565.395	0.001	565.396	143.284	(422.112)
Total	28,054.75	(5,613.001)	22,441.749	20,157.267	(2,284.482)

Overview of Expenditure

The final budget of Agriculture Department for the year ended 30.06.2017 was Rs. 22,441.749 million. Out of this, actual expenditure was Rs. 20,157.267 million. 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	8,660,160,000	14,068,777,446	5,408,617,446	62.45
Development	19,394,590,000	6,088,489,449	(13,306,100,551)	68.61
Total	28,054,750,000	20,157,266,895	(7,897,483,105)	28.15

During the year, due to supplementary grants and surrenders amounting to Rs. 5,613.001 million, 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	14,696,015,000	14,068,777,446	(627,237,554)	4.27
Development	7,745,734,000	6,088,489,449	(1,657,244,551)	21.40
Total	22,441,749,000	20,157,266,895	(2,284,482,105)	10.18

Anticipated savings not surrendered

As per para 14.3 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. 2,284.482 million at the close of the year 2016-17 under grants PC21010, PC21018, PC22036 & PC12038 were not surrendered in time by the Department.

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	1984-85	40	14	26	35
2	1985-86	85	67	18	79
3	1986-87	107	65	42	61
4	1987-88	21	14	7	67
5	1988-89	88	79	9	90
6	1989-90	71	45	26	63
7	1990-91	43	29	14	67
8	1991-92	25	14	11	56
9	1992-93	26	13	13	50
10	1993-94	49	34	15	69
11	1994-95	15	3	12	20
12	1995-96	46	0	46	0
13	1996-97	38	28	10	74
14	1997-98	76	49	27	64
15	1998-99	30	18	12	60
16	1999-00	110	60	50	55
17	2000-01	205	178	27	87
18	2001-02	89	51	38	57
19	2003-04	22	14	8	64
20	2005-06	62	10	52	16
21	2006-07	44	36	8	82
22	2009-10	35	18	17	40
23	2011-12	16	0	16	0
24	2013-14	46	08	38	17
Total		1389	847	542	61

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 *Misappropriation of university income-Rs. 5.68 million*

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. Moreover, as per University of Agriculture Faisalabad Act, the University shall have a fund to which shall be credited its income from fee, donations, trusts, bequests, endowments, contributions, grants and all other sources.

During audit of the University of Agriculture, Faisalabad for the period 2015-16, it was observed that the management auctioned various service outlets. The income from such auction amounting to Rs. 4,114,200 was not deposited into university receipt account.

Audit was of the view that weak internal controls on receipts resulted in non-receipt/deposit of the university income into university receipt account and indicated the likeliness of misappropriation.

The matter was pointed out in April 2017. The management neither acknowledged the observation nor offered any comments.

The matter was further reported to the PAO. In DAC meeting held on 14.11.2017, the para was kept pending for probe by the administrative department. Further progress was not reported by the department till the finalization of this Report.

Audit recommends that the matter may be probed to fix responsibility against those at fault besides recovery of the above stated amount.

Nonproduction of record

2.4.2 Non production of record/vouched account-Rs.818.09 million

As provided in 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. Further, as per Punjab Finance Department letter No. FD (M1) III-2/87(P-III), dated 22.02.1994, DDO himself is responsible for production of record to the audit party at the time of audit and that in case of any lapse on his part, severe disciplinary action will be taken against him by the Administrative Secretary personally apart from submitting a report to the Chief Minister/Chief Secretary.

During audit of Agriculture Department, neither was the record produced nor was the vouched account provided to audit for scrutiny despite repeated requests. The details are as under:

Sr. No.	Name of management	Period of audit	PDP No.	Nature of record	Amount in (Rs.)
1.	Director General Agriculture (EXT. AR), Lahore	2016-17	19397	Subsidy on SOP and MOP fertilizer	500,000,000
2.	Pir. Mehr Ali Shah Arid Agriculture University, Rawalpindi	2016-17	19588	Consolidated actual receipt statement	290,635,247
3.	Pir Mehr Ali Shah Arid Agriculture University, Rawalpindi	2016-17	19593	Advances	25,187,359

Sr. No.	Name of management	Period of audit	PDP No.	Nature of record	Amount in (Rs.)
4.	Director, Cotton Botanist Research Institute, Multan	2014-17	19513	Maintenance & Repair	1,266,000
5.	Chief Technical Advisor Agriculture Delivery Unit, Lahore	2016-17	19424	Record of amount spent on Conference, Seminar	1,000,000
6.	Pir Mehr Ali Shah Arid Agriculture University, Rawalpindi	2016-17	19781	Income Generation Sources, Student funds Rented building, etc.	*
Total					818,088,606

Audit was of the view that due to non-production of record, the authenticity of the accounts could not be verified.

The matter was pointed out in February, August and September 2017. The formations at Sr. Nos.1 and 2 offered vague and evasive replies. The formations at Sr. Nos. 3 & 6 noted the observations for compliance. The formation at Sr. No. 4 did not offer reply.

The matter was further reported to the administrative department. In DAC meeting held on 05.01.2018, the para at Sr. No.2 was kept pending for compliance. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department should produce record for scrutiny besides fixing responsibility for non-production of record.

* Amount could not be ascertained due to non production of record.

Irregularities & non-compliance

2.4.3 Unauthorized creation of funds accounts and deposit therein- Rs. 66.44 million

According to sub section 1 (a) and 2 (b) of section 27 of University of Arid Agriculture Rawalpindi Act 1995, subject to the provisions of this Act, Statutes may be made to regulate or prescribe all or any of the following matters:

- the constitution of pension, insurance, gratuity, provident fund and benevolent fund for the University employees.
The Syndicate shall frame and approve the Statutes:
- the draft of the Statutes concerning any of the matters mentioned in clause (a) and (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 Pir Mehr Ali Shah Arid Agriculture University, Rawalpindi for the period 2016-17, it was noticed that the different funds were created but approval of Chancellor as required under the provisions of University Act was not produced to audit in support of creation of these funds.

Sr. No.	Name of Bank	Account No.	Title of Bank Account	Closing Balance as on 30.06.17
1.	BOP	1401-17	GP Fund Account	18,159,410
2.	BOP	1402-19	Benevolent Fund Account	10,437,040
3.	BOP	1403-11	Pension Fund Account	37,846,536
Total				66,442,986

Audit was of the view that weak supervisory and financial controls resulted in unauthorized creation of funds accounts and deposit therein.

When pointed out in September 2017, the management did not offer any reply.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that responsibility regarding non adherence to University Act may be fixed, action may be taken against the concerned staff and production of approved statutes in this regard be ensured.

(PDP No.19606-Pir Mehr Ali Shah Arid Agriculture University, Rawalpindi-2016-17)

2.4.4 Irregular/unauthorized use of vehicle- Rs.1.23 million

According to Sub section 1 (b) and 2 (b) of section 27 of the University of Arid Agriculture University Rawalpindi Act 1995, the statutes of scales of pay and other terms and condition of service of officers, teachers and other employees of the University shall forwarded to the Chancellor and shall not be effective until has been approved by the Chancellor. Moreover, according to para (b) of the instructions issued by the Government of the Punjab SGA&I Department vide No. PA/DS(G)1-57/90 dated 03.07.1991 duly endorsed to all heads of autonomous bodies in the Punjab that head of autonomous bodies and others are entitled to POL of 125 liters and 100 liters respectively.

During audit of Pir Mehr Ali Shah Arid Agriculture University, Rawalpindi for the period 2016-17, it was noticed that vehicles were used by the officers of the university without having ceiling of POL duly approved by the competent authority as the VC has no power in this regard. In the absence of such approval, government instructions duly endorsed were applicable in this regard and POL was consumed over and above the ceiling fixed by the government in violation of provisions of University Act and government instructions.

The details are as under:

Total POL Consumed	Limit allowed	Over & above limit	Average Rate	Amount (Rs.)
31892	15900	15992	77.10	1,232,983

Audit was of the view that non observance of provisions of University Act and government instructions resulted in irregular/unauthorized use of vehicles.

When pointed out in September 2017, the management did not offer any reply.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that responsibility regarding non-adherence of government instructions be fixed and recovery to the stated extent be made from the concerned officers.

(PDP No.19599-Pir Mehr Ali Shah Arid Agriculture University, Rawalpindi-2016-17)

2.4.5 Irregular payment of inadmissible allowance-Rs. 13.04 million

According to sub section 1 (b) and 2 (b) of section 27 of University of Arid Agriculture Rawalpindi Act 1995, subject to the provisions of this Act, Statutes may be made to regulate or prescribe all or any of the following matters:

- The scales of pay and other terms and conditions of service of officers, teachers and other employees of the University.
- The Syndicate shall frame and approve the Statutes:

the draft of the Statutes concerning any of the matters mentioned in clause (a) and (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 Pir. Mehr Ali Shah - Arid Agriculture University, Rawalpindi, it was observed that irregular payment of inadmissible allowance was made to various officers/ officials. The details of irregularities are as under:

Sr. No.	Period of audit	PDP No.	Nature of irregularity	Amount (Rs.)
1.	2016-17	19607	Irregular payment of overtime	9,791,277
2.	2016-17	19587	Irregular payment of Additional charge allowance	3,252,696
Total				13,043,973

Audit was of the view that non-observance of provisions of University Act and non-adherence to the government instructions resulted in irregular expenditure.

The matter was pointed out in September 2017. The management did not offer any reply.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the matter be inquired to fix responsibility for non-adherence to University Act and government instructions, regularization of the expenditure be sought from the Finance Department besides strengthening of financial controls.

2.4.6 Execution of 37 Development Schemes out of non-development Funds without Administrative Approval- Rs. 206.29 million

As per CPW D-Code, no technical sanction will be accorded without previously granted administrative approval from the competent authority. Moreover, as per Rule 9(17) (a) and (b) of Punjab Delegation of Financial powers Rules, In the case of development Schemes, re-appropriation will not be made except for approved schemes and the approved cost of the scheme will not be exceeded, though, re-appropriation by more than 10% of the amount for which the scheme has been administratively approved. Moreover, as per Finance Department letter No.RO (Tech) FD 1-2/83-VI dated 29.03.2005, the bill of quantities to be attached with the tender documents in accordance with the provision of para 2.58 of B&R code & should be based upon the detailed technical sanction estimate.

During audit of University of Agriculture, Faisalabad for the period 2015-16, it was observed that thirty seven development schemes were executed out of non-development funds of the University amounting to Rs. 206,295,198 without getting administrative approval of the said schemes.

Audit pointed out the irregularity in April 2017. The management replied that as per practice in the university, a rough cost estimate is prepared by the ECD (Projects) on demand of university authorities and sent to Treasurer's Office. The Treasurer's Office after taking necessary approval from the competent authority notifies the allocation of funds which is actually the Administrative Approval of the scheme. After receipt of said notification the estimate is sanctioned by the ECD (Projects)

The matter was further reported to the administrative department. In DAC meeting held on 14.11.2017, the committee kept para pending for want of ex-post facto approval by the competent authority. Further progress was not reported till the finalization of this report.

Audit recommends that the regularization of the irregularity be sought from the competent forum under intimation to audit.

(PDP No. 18202- University of Agriculture, Faisalabad-2015-16)

2.4.7 *Misprocurement of store items without advertisement- Rs. 15.61 million*

According to Rule 9 of Punjab Procurement Rules 2014, a procuring agency shall announce in an appropriate manner all proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements so planned. Moreover, as per Rule 12 *ibid*, procurements over one hundred thousand rupees and up to the limit of two million rupees shall be advertised on PPRA website in the manner and format specified by regulation by the PPRA from time to time. These procurement opportunities may also be advertised in print media, if deemed necessary by the procuring agency.

During audit of Agriculture Department, it was observed that an amount of Rs.15,613,730 (Annexure-2) was expended on the purchase of cotton seed mixture / cotton phutti and other store items either without advertisement on PPRA website or by avoiding advertisement on PPRA website through splitting.

Audit was of the view that non-adherence to Punjab Procurement Rules resulted in irregular purchases.

The matter was pointed out to concerned managements in February, March, April, August and September 2017. The managements noted the observations for compliance.

The matter was further reported to the administrative department. DAC meetings were held on 20.10.2017 and 05.01.2018. The para at Sr. No. 3 was kept pending for a probe; the para at Sr. No.4 was kept pending for compliance; and the para at Sr. No.8 was kept pending for regularization. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the matter be inquired to fix responsibility for non-adherence to PPR and regularization of the expenditure be sought from the competent authority.

2.4.8 Irregular payment beyond revised technical sanction estimates-Rs. 71.59 million

As per para 5.19 of Building & Roads Department code, no excess/over revised technical sanction estimate can be paid without concurrence of Finance Department.

During audit of Agriculture University, Faisalabad, it was observed that different civil works were executed and paid over and above the revised estimates amounting to Rs. 71,587,860. The details are as under:

Sr. No.	Name of management	Period of audit	PDP No.	Nature of Work	Amount (Rs.)
1	Agriculture University, Faisalabad	2015-16	18209	Construction of Girls Hostel for 1000 Students	70,135,510
2	Agriculture University, Faisalabad	2015-16	18204	Construction of sub campus of University of Agriculture, Faisalabad at Depalpur, Okara	1,008,000
3	Agriculture University, Faisalabad	2015-16	18206	Construction of Institute of Computer Technology Building at Main Campus	444,350
Total					71,587,860

Audit was of the view that irregularity occurred due to weak supervisory and financial controls.

The matter was pointed out in February, March and April 2017. The managements noted the observations for compliance.

The matter was further reported to the administrative department. In DAC meeting held on 14.11.2017, the department explained that final technical sanction estimate as per requirement of site was still under process. Further progress was not reported till the finalization of this report.

Audit recommends that the excess payment be either regularized or recovered.

2.4.9 Irregular purchases without approval of Austerity Committee- Rs.38.29 million

As per Finance Department letters bearing No. FD.SO (Goods) 44-4/2009, FD. SO (Goods) 44-4/2010 and FD. SO (Goods)44-4/2011(A) dated 09.10.2009, 09.08.2010 and 28.08.2015, and FD. SO (GOODS) 44-4/2016 dated 19.09.2016 there shall be complete ban on purchases of vehicles, furniture & fixture, procurement of items of machinery and equipment including I.T. equipment, software(s), printer, fax machine, photocopier, generators, air conditioners and luxury items etc. except with the prior concurrence of the Austerity Committee.

During audit of Agriculture Department, it was observed that an amount of Rs. 57,940,111 was expended on purchase of plant & machinery, vehicle, IT equipment and lab. equipment. The purchases were held irregular as the approval from the Austerity Committee was not obtained.

The details are as under:

Sr. No.	Name of management	Period of audit	PDP No.	Nature of Procurement	Amount (Rs.)
1.	Agriculture University, Faisalabad	2015-16	17997	Plant & Machinery	28,781,561
2.	Agriculture University, Faisalabad	2015-16	17998	I.T. Equipment	6,096,550
3.	Rice Research Institute KSK	2014-16	18720	Lab Equipment	3,014,000
4.	Rice Research Institute KSK	2014-16	18721	Lab Computers	399,000
Total					38,291,111

Audit was of the view that non-adherence to the government instructions resulted in irregular expenditure on purchase of various items.

The matter was pointed out in February and April 2017. The formations at Sr. Nos. 1 to 2 stated that in these cases approval of Austerity Committee of the Government is not required. The replies were not acceptable as the same were not in accordance with provisions of the instructions. The formations at Sr. Nos. 3 and 4 stated that detailed reply would be submitted after consulting the record.

The matter was further reported to the administrative department. DAC meetings were held on 20.10.2017 and 14.11.2017, the committee kept the paras at Sr. Nos. 1,2 & 4 pending for regularization from Finance Department; and kept the para at Sr. No. 3 pending for a probe. Further progress was not reported till the finalization of this report.

Audit recommends that the matter be inquired to fix responsibility for non-adherence to government instructions and regularization of the expenditure be sought from the Finance Department besides strengthening of financial and internal control system.

2.4.10 Irregular appointments -Rs.51.80 million

As per Finance Department letter No. FD. SO(GOODS)44-4/2011(A) dated 28.08.2015, no contingent paid staff shall be appointed without prior approval of Finance Department. Furthermore, as per Supreme Court of Pakistan ruling dated 19.01.1993, passed in Human Rights case No.104 (I to IV) 1992 read with Government of the Punjab S&GAD notifications No. SOR-III-2-2/91 dated 05.10.1995 and No.DS(O&M)5-3/2004/Contract)(MF) dated 29.12.2004, no recruitment should be made against any post which is not advertised properly.

During audit of Agriculture Department, it was observed that services of contingent paid staff and legal advisor were hired without approval of the Finance Department and without advertisement. The details are as under:

Sr. No.	Name of management	Period of audit	PDP No.	Particulars of appointment	Amount (Rs.)
1	Pir Mehr Ali Shah Arid Agriculture University, Rawalpindi	2016-17	19608	Contingent Paid	28,952,954
2	Agriculture University, Faisalabad	2015-16	18274	Contingent Paid	19,845,419
3	Agriculture University, Faisalabad	2015-16	17999	Adhoc basis	1,176,043
4	Agriculture University, Faisalabad	2015-16	18271	Adhoc basis	1,820,287
Total					51,794,703

Audit was of the view that disregard to government instructions resulted in irregular appointments.

The matter was pointed out in September 2016. The formations at Sr. Nos. 1 to 4 stated that detailed reply would be submitted after scrutiny of record.

The matter was further reported to the administrative department. In DAC meeting held on 12.01.2018, the paras at Sr. Nos. 2, 3 & 4 were kept pending for making SOP with the approval of the Syndicate. Further progress was not reported by the department. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends probe of the matter to fix responsibility and condonation of irregularity of appointment from Finance Department.

2.4.11 Lapse of funds due to non-surrendering of savings- Rs. 37.41 million

According to Para No. 14.3 of Punjab Budget Manual, the Heads of Departments should submit, to the Finance Department, the first statement of excesses and surrenders by 1st January and the 2nd statement of excesses and surrenders by 31st March.

During audit of Agriculture Department, it was observed that amount of Rs.37,414,414 was lapsed due to non-surrendering of savings in time in contravention of above mentioned criteria. The details are as under:

Sr. No.	Name of management	Period of audit	PDP No.	Amount (Rs.)
1	Chief Technical Advisor Agriculture Delivery Unit, Lahore	2016-17	19425	18,432,491
2	Secretary Agriculture Government of Punjab	2016-17	19195	8,120,838
3	Potato Botanist Research Station, Sialkot	2014-16	19061	3,314,082
4	Directorate of Floriculture (T&R) Punjab, Lahore	2015-16	17880	2,322,739
5	Director Cotton Botanist Research Institute, Multan	2014-17	19508	397,803

Sr. No.	Name of management	Period of audit	PDP No.	Amount (Rs.)
6	Director Water Management Training Institute, Lahore	2015-16	17604	1,612,088
7	Assistant Director Agriculture (Ext.) Gujranwala	2016-17	20709	3,214,373
Total				37,414,414

Audit was of the view that poor financial planning and weak internal controls led to lapse of funds.

The matter was pointed out in February, March, August and September 2017. The formations at Sr. Nos. 1, 4 and 5 noted the observations for compliance. The formations at Sr. Nos. 2 & 3 did not offer any reply and the management at Sr. No. 6 stated that reply would be submitted later on.

The matter was further reported to the administrative department. In DAC meetings held on 12.09.2017, 14.11.2017 and 05.01.2018, the paras at Sr. Nos. 2 & 4 were kept pending till settlement of appropriation accounts by PAC. The para at Sr. No.3 was kept pending for regularization from the Finance Department. Further progress was not reported till the finalization of this report. As regards remaining paras, neither any reply was received nor was DAC meeting convened despite reminders issued in October, November and December 2017.

Audit recommends regularization of the matter from Finance Department besides improving financial planning.

2.4.12 Irregular purchase of seed and other items – Rs. 7.38 million

According to Sr. No. 2 terms & conditions of tender notice, the bidder will supply the complete company profile, GST paid challans and returns, bank statements and client list with the offers. Moreover,

according to Rule 66 of Punjab Procurement Rules 2014, as soon as a contract has been awarded, the procuring agency shall make all documents related to the evaluation of the bid and award of contract public. Furthermore, according to sub section 2 (f) of section 22 of University of Arid Agriculture Rawalpindi Act 1995, the Syndicate shall have the powers to enter into, vary, carry out and cancel the contracts on behalf of the university.

During audit of Pir Mehr Ali Shah Arid Agriculture University, Rawalpindi for the period 2016-17, scrutiny of the record relating to ADP Scheme titled “Testing Indigenous Hydroponic Greenhouses for vegetable growing at various locations at Punjab” revealed that the stated amount was incurred on purchase of seed and other items from the suppliers. The expenditure was held irregular on the following grounds:

1. Suppliers were technically qualified without having complete information about the firms as the company profiles, list of clients and other data/information about the firms were not available on record and these facts were confirmed by the Convener/Project Director during the audit and it was admitted that the said documents were not available with the bids.
2. As per registration with the sales tax department, suppliers were registered as wholesalers and they had no concern with the items supplied by them.
3. Results of the technical evaluation and award of contract were not uploaded on the PPRA website.
4. Contract was executed/ signed by the Project Director in violation of the provisions of the University Act.

Audit is of the view that weak supervisory and financial controls resulted in irregular purchase of seed and other items.

In response to preliminary observation issued in September 2017, the formation did not offer any reply.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October and November 2017.

Audit recommends that the matter be inquired at administrative level to fix responsibility besides condonation of irregularity from the competent authority.

(PDP No.19604-Pir Mehr Ali Shah Arid Agriculture University, Rawalpindi-2016-17)

2.4.13 Irregular payment to supplier through cash instead of Cross Cheque /Bank Draft- Rs. 1.68 million

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

During audit of Director Cotton Research Institute, Multan for the period 2014-17, it was observed that an amount of Rs. 1,677,408 was paid to single supplier for supplies of stores (Stationary, Chemicals, Fertilizers etc.) by cash instead of making the payment through cheque/Pay order/Demand Draft etc. Further, on same date cheque was got passed on the name of DDO instead of single vendor of more than Rs. 100,000 and made payment to vendor by splitting up the payment on same date by cash on different acknowledgments which creates doubt about purchase as well as need authenticity of supplier.

Audit was of the view that weak supervisory and financial controls resulted in irregular payment to supplier.

The matter was pointed out in September 2017. The management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the matter may be inquired to fix responsibility and condonation of the irregularity be sought from the Finance Department.

(PDP No.19505- Director Cotton Research Institute, Multan-2014-17)

2.4.14 Excess expenditure than budget allocation-Rs.3.49 million

According to Rule 17.15 of PFR Vol-I, no Government servant may, without previously obtain an extra appropriation, incur expenditure in excess of the amount provided for expenditure under the head concerned and when a government servant exceeds the annual appropriation he may be held responsible for the excess.

During audit of Agriculture Department, it was observed that an amount of Rs.3,489,357 was incurred in excess of budget allocation under various heads of accounts.

The details are as under:

Sr. No.	Name of formation	Period of Audit	PDP No.	Amount Rs.
1	Director Cotton Botanist Research Institute, Multan	2014-17	19509	221,136
2	Director, Water Management Training Institute, Lahore	2015-16	17603	1,672,103

Sr. No.	Name of formation	Period of Audit	PDP No.	Amount Rs.
3	Extra Assistant Director (Economics & Marketing), D.G. Khan	1997-16	17521	1,158,832
4	Assistant Director, Agriculture (Ext.), Gujranwala	2016-17	20707	437,286
Total				3,489,357

Audit was of the view that weak supervisory and financial controls resulted in the excess use of funds than budget allocation.

Audit pointed out the matter in February and September 2017. The formations at Sr. Nos.1, 3 & 4 noted the observations for compliance and that at Sr. No. 2 replied that most of the expenditure pertained to pay and allowances.

The matter was further reported to the administrative department. In DAC meeting held on 12.09.2017, the para at Sr. No. 2 was kept pending till settlement of appropriation accounts by the PAC. The para at Sr. No. 3 was not discussed being PAC matter. As regards paras at Sr. Nos. 1 & 4, neither any reply was received nor was DAC meeting convened despite reminders issued in October, November and December 2017.

Audit recommends that matter be got regularized from Finance Department.

2.4.15 Irregular opening of bank account

As per para 9.1 of STR, a government servant may not, except with the special permission of the government, deposit in a Bank moneys withdrawn from the Consolidated Fund or the Public Account of the Province under the provisions of Section VII of these rules. Further, Finance Department letter No. FD (FR)V-6/2, dated 29.10.1978 required that in no case the government money coming into the hands of a

government servant either on account of receipts of the government or by way of with drawl from the Treasury should be kept in a commercial bank except with the specific sanction of the Finance Department.

During audit of University of Agriculture, Faisalabad for the period 2015-16, it was observed that University has operated thirteen banks accounts for administrative purposes. Whereas, the University also operated 242 bank accounts for the execution of Research Projects funded by HEC Endowment Fund Secretariat, Public Skilled Development Fund US-Pakistan, Center of Advance of Studies etc. without prior permission of Finance Department.

Audit was of the view that weak supervisory and financial controls resulted in irregular opening of bank account.

Audit pointed out the matter in April 2017. The management replied that in pursuance of section 17 of the University of Agriculture, Faisalabad Act 1973, the Treasurer shall manage the property, the finances, and the investments of the University. As per the said section the Treasurer is authorized to open and operate the accounts and no prior permission is required from the Finance Department, Government of Punjab.

The matter was further reported to the administrative department. In DAC meeting held on 14.11.2017 the para was kept pending for want of clarification from FD. Further progress was not reported till the finalization of this report.

Audit recommends that responsibility be fixed for non-observance of rules and government instructions, the matter be got regularized from the Finance Department and record be produced/shown to audit besides strengthening of supervisory and financial controls.

(PDP No. 18004 -University of Agriculture, Faisalabad-2015-16)

Internal control weakness

**2.4.16 Non-return of undisbursed amount of Scholarship-
Rs. 27.63 million**

As per Rule 2.14 of PFR, Vol-I, no cheque should be drawn until, it is intended to be paid away, and cheques drawn in favour of contractors and others should be made over to them. Further, note 2 of Rule 2.14 provides that whenever a cheque is drawn, and entered in the cash book, but not paid out on the day on which it is drawn, a note must be made in the cash book against that entry explaining why it has not been possible to deliver the cheque to the payee.

During audit of Pir Mehr Ali Shah Arid Agriculture University, Rawalpindi for the period 2016-17, scrutiny of the cash book relating to the fund for HEC Need Based Scholarships program revealed following position:

Opening Balance 01.07.16 (Rs.)	Allocation for 2016-17 (Rs.)	Closing Balance 30.06.17 (Rs.)
19,280,373	33,500,000	27,629,535

Moreover, following shortcomings/irregularities were observed:

- Undisbursed balance of Rs. 27,629,535 was not refunded to the funding agency i.e. HEC.
- Un-presented cheques valuing Rs. 821,440 issued during 2013 and 2015 were not taken into cash book as credit.
- Cash book was incomplete and the same was neither closed nor signed by the authorized officer.
- Reconciliation with bank was not carried out.

- Budget allocation of Rs. 33.50 million was received on 02.08.2016 and the same was credited to the account on 17.03.2017.

Audit was of the view that weak supervisory and financial controls resulted in non return of undisbursed amount of scholarship for Rs.27,629,535.

When pointed out in September 2017, the management did not offer any reply.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that responsibility of undue retention of funds may be fixed and action be taken against the persons held responsible and stated amount be refunded to HEC at the earliest.

(PDP No.19592-PirMehr Ali Shah Arid Agriculture University, Rawalpindi-2016-17)

2.4.17 Non-achievement of revenue target-Rs. 7.49 million

Revenue targets were assigned to the Agriculture Engineer, Soil Conservation, Rawalpindi and Director Pulses Research Institute, Faisalabad by their respective controlling offices.

During audit of Director Pulses Research Institute, Faisalabad for the period 2011-16, it was observed that revenue targets were not achieved.

Audit was of the view that weak management controls resulted in non-achievement of targets Rs.7,489,018.

Audit pointed out the matter in March and April 2017, the managements noted the observations for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that matter may be probed to fix the responsibility and irregularity may be got condoned from the competent authority.

(PDP No.17704- Director Pulses Research Institute, Faisalabad -2011-16)

2.4.18 Non-maintenance of income cashbook involving cash receipt- Rs. 7.16 million

As per Rule 3.63 of PFR Vol-I, each item of receipt or payment will be posted from the daily account with its chalans and vouchers, into the cash book either direct or through some subsidiary register, in the same way as is prescribed to be done by the accounts department of treasuries which do not bank with the Bank.

During audit of Rice Research Institute, Kala Shah Kaku for the period 2015-16, it was observed that receipt amounting to Rs. 7,155,352 was received by the department but the entries of the receipt on day to day basis were not recorded in the cash book.

Audit was of the view that weak supervisory and internal controls resulted in non-compliance of government instructions.

Audit pointed the lapse in February 2017. The management replied that the cash book was properly maintained. The reply was not acceptable as the same was not based on facts.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends to maintain and produce the cashbook to audit for verification.

(PDP No.18727-Rice Research Institute, Kala Shah Kaku-2015-16)

2.4.19 Loss due to non utilization of land during Khareef-Rs. 3.56 million

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 Director Wheat Research Institute, Faisalabad for the period 2014-17, it was observed that crop during Khareef in 2014-15, only 15 acres yield was sowed and during 2015-16 the number of acres further fell to 13 acres. The average per acre income during the said years was Rs.25,036 per acre.

Audit was of the view that a total of 142 acres land remained vacant and not cultivated during Khareef resulting in loss of Rs.3,555,112 to the government treasury.

When pointed out the matter in October 2017, the management did not offer any reply.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that matter be probed at Administrative level and fact finding report be produced to audit.

(22335-Wheat Research Institute, Faisalabad-2014-17)

2.4.20 *Late/non deposit of sale proceeds of crops into government treasury-Rs.2.68 million*

As per Rule 7(1) of Punjab Treasury Rules, all the government receipt must be deposited into next following day into government treasury. Further, as per rule 4.7 (1) of PFR Vol-I, it is the primary responsibility of the department authorities to see that all revenues, or other debts due to government which have to be brought to account, are correctly assessed, realized and credited to government account.

During audit of Rice Research Institute, Kala Shah Kaku for the period 2015-16, scrutiny of the stock registers disposal of crop revealed that the management made disposal of crop for Rs. 9,837,487 while as per income deposit register, an amount of Rs. 7,155,352 was shown deposited into government treasury. Resultantly, an amount of Rs. 2,682,135 for the period 2015-16 was recoverable/ non-deposited.

Audit was of the view that weak supervisory and internal controls resulted into non-compliance of government instructions.

Audit pointed out the matter in February 2017. The management replied that there are no outstanding recoveries. All the amount of stocks received and deposited into government treasury accordingly. The reply was not based on facts.

Audit was of the view that due to weak supervisory controls, amount of sale price was not being recovered.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till

the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that outstanding amount be recovered and deposited into government treasury.

(PDP No.18726 -Rice Research Institute, Kala Shah Kaku-2015-16)

2.4.21 Loss due to sale of seed at lower rate-Rs. 1.40 million

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 Rice Research Institute, Kala Shah Kaku for the period 2015-16, it was observed that the department fixed the seed rates lesser than Punjab Seed Corporation for direct cultivation area as well as on the land of tenants. Thus a loss of Rs. 1,398,448 was caused to the public exchequer.

Audit was of the view that weak financial controls resulted in loss to government.

Audited pointed out the matter in February 2017. The management replied that the rates of seeds of this institution were quite comparable/competitive with Punjab Seed Corporation.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that matter may be inquired and loss be made good.

(PDP No.18725- Rice Research Institute, Kala Shah Kaku-2015-16)

Recoveries and overpayments

2.4.22 Non-recovery of cost of motor cycles given to staff on hire purchase basis-Rs. 232.02 million

As per summary approved by the Chief Minister on 22.04.2016, an amount of Rs. 299,750,000 was spent on purchase of 2500 Honda CG-125 motorcycles. The motorcycles were to be provided to the field extension staff on hire purchase basis. The government will provide Honda Atlas motorcycles CC-125 for use in public interest on hire purchase basis free of interest. The amount was recoverable in 50 equal installments. The amount was allocated under development scheme Extension Services 2.0-Farmers Facilitation through Modernized Extension.

During audit of Agriculture Department, it was observed that out of 2500 motorcycles, some 2347 were distributed among the staff members but cost of motorcycles was not recovered so far. Further, Assistant Director Agriculture, Gujranwala allotted 22 motorcycles but the installments were not recovered. The non-allotment / distribution of motorcycles and non receipt of installments Rs. 232,023,622 were serious violation of summary and deteriorating the condition of the motorcycles.

The details are as under:

Sr. No.	Name of formation	PDP No.	Year	Description	Amount (Rs).
1.	Director General of agriculture (Ext. & AR), Lahore	19392	2016-17	<ul style="list-style-type: none">• Non receipt of cost of 2347 motorcycles and• Non allotment of 153 motor cycles	229,750,000
2.	Assistant Director Agriculture (Ext. & AR), Gujranwala	20708	2016-17	Installments of 22 motor cycles were not received from concerned	673,622

Sr. No.	Name of formation	PDP No.	Year	Description	Amount (Rs).
3.	Assistant Director Agriculture (Ext. & AR), Pakpattan	22680	2016-17	Installments of 16 motor cycles were not received from concerned	1,600,000
Total					232,023,622

Audit was of the view that weak supervisory and financial controls resulted in non-recovery of cost of motorcycles.

When pointed out in July and November 2017, the management at Sr. No.1 replied that case was subjudice and those at Sr. Nos. 2 and 3 noted the observations for compliance.

The matter was further reported to the administrative department. In DAC meeting held on 05.01.2018, the para at Sr. No.1 was kept pending till the final decision of court and department is directed to pursue the case vigorously. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department should pursue the case in the court of law vigorously and effect recovery the cost of motorcycles at the earliest.

2.4.23 Unauthorized payment of qualification allowance Rs. 26.36 million

Government of the Punjab, Finance department vide letter No.U.O.FD.SR-1/9-52/2013 dated 28.12.2016 clarified that M. Phil allowance is not admissible to the employees who have been appointed based on M. Phil qualification.

During audit of Agriculture Department, it was observed that unauthorized payment of qualification allowance amounting to Rs.26,363,208 was made to the employees, which was not admissible. The details are as under:

Sr. No.	Period of audit	Name of formation	PDP No.	Nature	Amount (Rs.)
1.	2015-16	Agriculture University, Faisalabad	,	Qualification allowance not admissible	22,320,000
2.	2015-16	University of Agriculture, Faisalabad	18205	Ph.d allowance not admissible	3,750,207
3.	2016-17	Secretary, Government of the Punjab, Agriculture Department, Lahore)	19198	Over payment of pay & allowances.	293,001
Total					26,363,208

Audit was of the view that weak internal and financial controls resulted in unauthorized payment of qualification allowance.

Audit pointed out the matter in April and September 2017. The management at Sr. No.1 noted the observation for compliance. The management at Sr. No. 2 stated that detailed reply would be submitted after scrutiny of record.

The matter was further reported to the administrative department. In DAC meetings held on 14.11.2017, 05.01.2018 and 12.01.2018, the para at Sr. No. 1 was kept pending for certificate from administrative department regarding difference between PhD allowance and Science and Research Allowance for recovery from the concerned; the para at Sr. No. 2 was kept pending for recovery; and the para at Sr. No.3 was reduced to Rs.293,001 after verification of recovery amounting to Rs. 60,000. Further progress was not reported till the finalization of this report.

Audit recommend that the department should strengthen its internal controls on payroll, effect recovery of the stated amount and deposit the same into government treasury.

2.4.24 Non-deduction of income tax-Rs. 2.26 million

As contained in the Government of Pakistan, Ministry of Finance, Economics Affairs (Revenue Division) CBR, Islamabad letter no. C No. 1(10) WHT/ 2001 dated 11.04.2002, income tax on the supplies shall not be deducted if the goods are imported in the supplier' name and supplied in the same state and no value addition is involved and a certificate to this effect was to be obtained. The payer/ withholding agent may require the supplier to supply/ furnishing of imported documents such as original Bill of entry.

During audit of Agriculture Department, it was observed that income tax was not deducted on different items. The details are as under:

Sr. No.	Period of audit	Name of formation	PDP No.	Nature of tax	Amount (Rs.)
1.	2016-17	Director General Agriculture (Field), Lahore	19385	Tax not deducted on different heads & Honorarium	136,530
2.	2015-16	Agriculture University, Faisalabad	18294	Tax not deducted on other for services renders	1,456,859
3.	2016-17	Pir. Mehr Ali Shah - Arid Agriculture University, Rawalpindi	19596	Tax on main café, canteen and shops	662,739
Total					2,256,128

Audit was of the view that weak internal controls on taxation resulted in non-recovery of tax.

Audit pointed out the matter in April and July to September 2017. The formation at Sr. No. 1 noted the observation for compliance and the formation at Sr. No. 2 replied that university visiting faculties are being taxed according to tax slabs. The formation at Sr. No. 3 did not offer any reply.

The matter was further reported to the administrative department. DAC meetings were held on 14.11.2017 and 12.01.2018. The paras at Sr. Nos. 1 & 2 were kept pending for recovery. Further progress was not reported till the finalization of this report. As regards para at Sr. No. 3, neither any reply was received nor was DAC meeting convened despite reminders issued in October, November and December 2017.

Audit recommends that responsibility for non-recovery of tax be fixed, recovery of the stated amount be effected and deposited into government treasury.

2.4.25 Non-recovery of cost of combine harvester-Rs.21.82 million

As per agreements executed between Director General Agriculture Field and buyers, the combine harvesters were sold to farmers for modernization and mechanization of wheat in Punjab. The later parties were to pay Rs.1,140,000 for two machines.

During audit of D.G. Agriculture (Field), Lahore, scrutiny of the record relating to sale of harvesters revealed that an amount of Rs.20,505,100 was outstanding against six buyers of the combine harvesters and amount of Rs.1,312,888 was outstanding against one person who had filed a petition in court of law. The said case was decided on 13.09.2013 and the buyer was bound to deposit the stated amount. Thus a total amount of Rs. 21,817,988 was outstanding against the buyers.

Audit was of the view that weak supervisory and financial controls resulted in non recovery of cost of combine harvester.

When pointed out in July, 2017, the observation was noted for compliance.

The matter was further reported to the administrative department. In DAC meeting held on 12.01.2018, the para was kept pending for recovery. Further progress was not reported till the finalization of this Report.

Audit recommends that the department should strengthen its internal controls, effect recovery of the stated amount and deposit the same into government treasury.

(PDP No.19384 D.G Agriculture (Field), Lahore)

2.4.26 Non recovery of the amount of scholarship due to breach of contract- Rs.4.95 million

As per agreement between University of Agriculture, Faisalabad (UAF) and a Lecturer National Institute of Food Science and Technology dated 03.8.2010 at serial no ix (b) if he/she fails to comply with the instructions/ orders of UAF without any cogent reason acceptable to UAF, he/she will be liable to reimburse the UAF, the amount spent by UAF in connection with his/ her studies.

During audit of UAF for the period 2015-16, it was observed that an ex-lecturer, National Institute of Food Science and Technology proceeded to U.S.A for his Ph.D. studies at Washington State University under Faculty Development Program. The said lecturer came back to Pakistan without any intimation to host university and the parent university. The Syndicate on 30.12.2013 decided to recover the entire amount of Rs. 4,946,324 through collector under section 39-A of UAF Act

1973, but still the amount has not been recovered from the concerned in spite of lapse of three years causing loss to government.

Audit was of the view that weak internal controls on contractual obligations resulted in accumulation of recovery of Rs. 4,946,324 and weak internal controls on recoveries resulted in non-recovery thereof.

Audit pointed out the matter in April 2017. The management replied that the matter is still with collector's office.

The matter was further reported to the administrative department. In DAC meeting held on 14.11.2017, the para was kept pending for want of recovery. Further progress was not reported till the finalization of this report.

Audit recommends that the above stated amount may be recovered from the defaulter and deposited into university account.

(PDP No.18276 University of Agriculture, Faisalabad)

2.4.27 Non-recovery on account of mis-conduct and willful absence-Rs. 2.38 million

As per surety bond submitted by Lecturer of Department of Animal breeding and Genetics dated 26.08.2007 and Lecturer of computer science dated 29.10.2008, in the event of breach of any of the aforesaid terms not arising from illness certified to the satisfaction of the Syndicate, the scholar binds himself/herself to pay on demand a sum of Rs. One lac. (Rs. 1,00,000) in addition to the total amount of salary received by him/her under the leave concession as liquidated damages and not as a penalty to the University.

During audit of University of Agriculture, Faisalabad for the period 2015-16, it was observed that two faculty members were imposed

liquidated damages on account of non-compliance of the directions of competent authority and willful absence from duty. The details are as under:

Sr. No.	Period of audit	PDP No.	Nature of irregularities	Amount (Rs.)
1	2015-16	18268	Absence from duty w.e.f. 10.03.2014	1,407,286
2	2015-16	18277	Not provided the copy of passport	974,396
Total				2,381,682

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

Audit pointed out the matter in April 2017. The management replied that the matter is still pending with concerned quarters.

The matter was further reported to the administrative department. In DAC meeting held on 14.11.2017, the paras were kept pending for recovery. Further progress was not reported till the finalization of this report.

Audit recommends that the above stated amount may be recovered from the defaulter and deposited into university account under intimation to audit.

2.4.28 *Cost of inputs not recovered from tenants-Rs. 2.69 million*

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. 2,694,284 pertaining to as cost of inputs was outstanding

against tenants. Due to non-recovery, the government was deprived of revenue to the stated extent. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Description	Amount (Rs.)
1	Assistant Director Agriculture (Ext.) Sahiwal	2016-17	19324	Cost of input was not recovered which was used during cultivation of various crops	1,713,193
2	Rice Research Institute, Kala Shah Kaku	2015-16	18724	Cost of input was not recovered which was used during cultivation of various crops	981,091
Total					2,694,284

Audit was of the view that weak supervisory and financial controls resulted in less deduction of income tax.

Audit pointed out the matter in May 2017. The managements simply noted the observations.

The matter was further reported to the administrative department. In DAC meeting held on 20.10.2017, the amount of the para at Sr. No. 2 was reduced to the stated extent after recovery of Rs. 479,929. As regards remaining paras, neither any reply was received nor was DAC meeting convened despite reminders issued in October, November and December 2017.

Audit recommends that the stated amount be recovered from the concerned besides strengthening of supervisory and financial controls.

2.4.29 Recovery due to provision of fake Degree- Rs. 1.62 million

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 or sustained by Government through negligence on his part.

During audit of University of Agriculture, Faisalabad for the period 2015-16, it was observed that a Lecturer of UAF Sub Campus, Toba Tek Singh, provided fake M.Sc. degree for appointment as lecturer on temporary basis. As a result of inquiry, his services were removed by the syndicate on 07.09.2013. The syndicate decided to recover the entire amount of Rs.1,622,578 from him through collector under section 39-A of UAF Act 1973, but still the amount has not been recovered from the concerned causing loss to government in spite of lapse of 4 years.

Audit pointed out the matter in April 2017. The management replied that the matter is still with collector's office.

The matter was further reported to the administrative department. In DAC meeting held on 14.11.2017, the para was kept pending for recovery. Further progress was not reported till the finalization of this report.

Audit recommends that the above stated amount may be recovered from the defaulter and deposited into university account.

(PDP No.18269 University of Agriculture, Faisalabad)

2.4.30 Less deposit of receipts-Rs. 698,000

According to Rule 7(1) of Punjab Treasury Rules, on money received by or tendered to Government Servants on accounts of revenue shall without undue delay be paid in full into the treasury or into the bank and shall be included in Public Accounts of the Province.

During audit of Director Rapid Soil Fertility Survey & Soil Testing Institute, Lahore for the period 2012-16, scrutiny of cash book with receipt challans revealed that receipts under head C03122- receipts from research operation were collected from importers and distributors of fertilizers in the shape of demand draft against registration fee and renewal fee of

license. However, as per verification of receipts from Treasury Office Lahore an amount of Rs. 698,000 was less deposited into bank.

Audit was of the view that lapse occurred due to weak financial controls on receipts.

Audit pointed out the matter in February 2017. The management replied that the matter will be inquired and progress will be shown to audit.

The matter was further reported to the administrative department. In DAC meeting held on 12.09.17, the para was kept pending. Further progress was not reported till the finalization of this report.

Audit recommends that matter may be probed and less deposited receipts if any, be deposited into government treasury besides strengthening of financial controls on receipts.

(PDP No. 17756 -Director Rapid Soil Fertility Survey & Soil Testing Institute, Lahore-2012-16)

2.4.31 Non/less deduction of PST on services- Rs.436,371

According to Sr. No.23 & 39 of Second Schedule of Punjab Sales Tax on Services Act 2012, 16% sales tax on services is required to be deducted from the payments made to service providers.

During audit of Agriculture Department, it was observed that deduction of PST was not made for Rs. 436,371. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Nature of type	Amount (Rs.)
1	Chief Technical advisor Agriculture Delivery Unit, Lahore	2016-17	19423	PST not deducted on services	277,984
2	Director Cotton Botanist Research Institute, Multan	2014-17	19510	PST not deducted on services	158,387
Total					436,371

Audit was of the view that weak supervisory and financial controls resulted in non-recovery of PST.

When pointed out in August 2017, the managements noted the observations for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that amount of Punjab Sales Tax may be recovered from the concerned and be deposited into relevant head of account.

2.4.32 Non recovery of Stamp Duty- Rs. 1.02 million

Government of 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 contracts entered into for procurement of stores and materials by a contractor with Govt. agencies or organizations set up or controlled by the provincial government at the rate of 25 paise for every Rs.100 or part there of the amount of contract.

During audit of Agriculture Department, it was observed that on procurement and agreement with *pattadars*, stamp duty was not paid. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	Rape Seed Botanist, Oil Seeds Research Station, Khanpur	2003-16	17515	833,190
2.	Agriculture Engineer Soil Conservation, Rawalpindi	2014-16	18964	187,964
Total				1,021,154

Audit was of the view that weak financial controls resulted into non recovery of stamp duty.

When pointed out in March 2017, the managements noted the observations for compliance.

The matter was further reported to the administrative department. In DAC meeting held on 12.09.2017, the para was kept pending for compliance. In DAC meeting held on 20.10.2017, the para at Sr. No. 2 was kept pending for clarification regarding chargibility of the stamp duty. Further progress was not reported till the finalization of this report.

Audit recommends that responsibility be fixed for non-adherence to government instructions besides recovery of the stamp duty.

2.4.33 Non deduction of liquidated damages-Rs. 863,849

Under agreement/ procurement contract executed between Director General Field and M/S Sohail Engineering vide clause no. 7, the supplier was bound to provide 30% of stores within a period of 90 days and remaining within 150 days otherwise, penalty @ 0.5% per week was to be imposed.

During audit of Director General Agriculture Field, Lahore for the period 2016-17, it was noticed that the firm could not supply the stores within due period. The firm supplied stores late by 31 days. But contractor made partial supply on said different dates. He could not furnish complete set of 39 packets of supply on due dates.

Date of acceptance letter of contract	Due delivery date of supply of stores	No. of days of late supply of stores	Penalty to be imposed
10.02.2017 (supply was to be made within 90 days)	For 30% stores due date was upto 10.05.2017 (i.e 10.02.2017 +90 days)	10.05.2017 to 09.06.2017 (31 days) Or 4.43 weeks (31/07)	38,999,961*0.5 *4.43= 863,849

Audit was of the view that weak supervisory and financial controls resulted in non-deduction of late delivery charges.

When pointed out the matter in July 2017, the management replied that that due to strike by Pakistan Goods Forwarding Association, complete supply of stores was made on 03.06.2017 and penalty was not imposed.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that case for recovery of liquidated damages may be taken up for early recovery of amount involved besides adoption of remedial measures.

(PDP No.19383 –Director General Agriculture Field, Lahore – 2016-17)

Others

2.4.34 Irregular payment to WAPDA on account of GST subsidy to private agricultural tubewell operators- Rs.2,819.44 million

As per Rule 2.20 of PFR Vol-I, every payment, including repayment of money previously lodged with the Government, for whatever purpose, must be supported by a voucher setting forth full and clear particulars of the claim.

During audit of Director General Agriculture (Field) Punjab, Lahore for the period 2016-17, it was observed that Finance Department vide letter dated 04.07.2016 asked State Bank of Pakistan to debit the Punjab Government a sum of Rs. 2,819.440 million for credit to WAPDA on account of GST subsidy for private agricultural tubewell operators. The

payment of GST subsidy was held irregular as the same was made without details of the outstanding amounts.

Audit was of the view that in the absence of the details of the outstanding amounts, the authenticity of the transfer of funds could not be verified.

The matter was pointed out in July 2017. The management replied that Finance Department had paid subsidy on GST for agriculture private tubewells to ease farming community and it was a book adjustment.

The matter was further reported to the administrative department. In DAC meeting held on 12.01.2018, the para was kept pending for fact finding inquiry by the administrative department. Further progress was not reported till the finalization of this Report.

Audit recommends that the department should justify the payment.

(PDP No. 19387 -DG Agriculture Field Lahore-2016-17)

2.4.35 *Doubtful disbursement of cost of implements-Rs.557.60 million*

As per provisions contained in Development scheme “Promotion of Agriculture Mechanization in Punjab”, project was launched for supply of set of agricultural machines & implements to the farmers at subsidized rates. The farmers shall be offered one time maximum subsidy @ 50% of the total price for the procurement of machines and implements. The beneficiary will have to deposit his 50% share cost of the implements with the pre-qualified manufacturing firm for the set of implements i.e. Disc harrow, Rotavator, Seed Drill, Chisel Plough (to be provided in 2486 Union Councils and Sugarcane Ridger in 915 union councils).

During audit of Director General Agriculture Ext-AR, Lahore for the period 2016-17, following observations were raised:

- manufacturers were paid double amount of subsidy of implements given to one beneficiary instead of one time subsidy. An amount of Rs. 11,742,000 was granted as double benefit to different 19 farmers w.e.f. 01.07.2016 to 31.12.2017.
- cash book, contingent register / budget control register of whole scheme since 01.07.2016 to 30.06.2017 was not shown.
- soft data of beneficiaries prepared on excel sheet since 01.07.2015 to 30.06.2017 was not provided to audit to verify the issuance of duplicate implements.
- funds were not transferred to any office / Agriculture University, Faisalabad for impact assessment study.
- signed statement of expenditure under cost centre LZ-4830 for Rs. 381,473,000 was not provided.
- merit list regarding appointment of Project Director and its salary record 01.01.2017 to 30.06.2017 was not shown.
- An enquiry against Project Director was commenced on accounts of various allegations but its outcome was not informed.
- As per complaints of framers, the payment was also made to non-qualified firms which needed proper investigation.
- sales tax invoices were not got verified.
- In some cases, payment was made to persons whose national identity cards numbers were not written on soft dat.

When pointed out the matter in July 2017, the management stated that detailed reply would be submitted after scrutiny of record.

The matter was further reported to the administrative department. In DAC meeting held on 05.01.2018, the para was kept pending with direction to move a case to DG Audit Civil Punjab Lahore for special audit of the scheme. Further progress was not reported till the finalization of this report.

Audit recommends that action be taken on the irregularities pointed out above by the audit & intimate so as to ascertain the genuineness of complaint against Project Director.

(PDP No.19391 –Director General Agriculture Ext-AR, Lahore – 2016-17)

2.4.36 Doubtful payment of Rs.25.74 million on one bill of entry and payment of general sales tax- Rs. 101.37 million

As per definition of bill of entry in Business dictionary, a declaration by an importer or exporter of the exact nature, precise quantity and value of goods that have landed or are being shipped out. Prepared by a qualified customs clerk or broker, it is examined by customs authorities for its accuracy and conformity with the tariff and regulations.

During audit of DG Agriculture Field, Lahore for the period 2016-17, it was noticed that four bills valuing Rs. 122,642,100 were claimed on one bill of entry of 17833 kg, which appeared to be doubtful. On one bill of entry, one bill was to be claimed.

cheque no. & date	contingent bill no.	amount of bill	machine no. of bill of entry	Weight	sales tax paid as invoice	sales tax paid as bill of entry
2969438 dt.21.06.2017	37	25,166.70	LPAF-HC-59145-13-06-2017104.950000	17833	3,656,700	7,697,777.00
2969438 dt.21.06.2017	39	13,541,400	LPAF-HC-59145-13-06-2017104.950000	17833	3,656,700	already paid in one bill
296943 dt. 21.06.2017	34	43,920,000	LPAF-HC-59145-13-06-2017104.950000	17833	3,656,700	already paid in one bill
2969438 dt.21.06.2017	35	40,014,000	LPAF-HC-59145-13-06-2017104.950000	17833	3,656,700	already paid in one bill
2882404 dt. 14.03.2017	19	25,740,000			14,626,800	already paid in one bill

Furthermore, scrutiny of bill of entries regarding purchases of parts of bulldozers revealed that an amount of Rs. 643,410,988 was paid through invoices to various contractors. An amount of Rs. 45,965,049 was paid as Sales Tax at the time of import but, an amount of Rs. 90,340,307 was claimed as sales tax. The firm paid less sales tax as compared with the payment as per bill of entry. An amount of Rs. 44,375,258 was excess paid. Moreover, sales tax invoices of the contractor were not got verified from Sales Tax Collectorate.

When pointed out the matter, the management stated that spare parts were claimed on one airway bill. All payments were made through letter of credit and General Sales tax was paid according to rules.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department should probe the matter and take corrective measures.

(PDP No.19390 - DG Agriculture Field, Lahore-2016-17)

2.4.37 Non recovery of advance income tax and utility charges from the tenants- Rs. 1.26 million

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 University of Agriculture, Faisalabad for the period 2015-16, it was observed that the management had auctioned service outlets to various lessees but advance income tax @10% amounting to Rs. 929,452 and utility charges Rs. 327,909 were not recovered.

The details are as under:

Sr. No.	Name of Department	Rent per year	I/Tax @ 10%
1.	Hall Warden Canteens	424,600	42,460
2.	Hall Warden Shops	99,600	9,960
3.	Student Affairs	8,770,315	877,032
Total			929,452

Audit was of the view that weak supervisory and financial controls resulted in non-recovery of tax and utility charges amounting to Rs.1,257,361.

Audit pointed out the irregularity in April 2017. The management replied that to recover the outstanding utility charges is the duty of ECD (Maintenance) of UAF and not the duty of Directorate of Students Affairs.

The matter was further reported to the administrative department. In DAC meeting held on 14.11.2017, the para was kept pending for want of recovery. Further progress was not reported till the finalization of this report.

Audit recommends that the matter may be probed to fix responsibility against those at fault beside recovery of the above stated amount from the defaulters and its deposit into university as well as Government relevant accounts.

(PDP No. 17996-University of Agriculture, Faisalabad-2015-16)

2.4.38 Non-recovery outstanding dues against the contractors - Rs.1.37 million

As per section 37 of the University of Arid Agriculture University Rawalpindi Act 1995, 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 shall thereupon proceed to recover the sums due, as if these were arrears of land revenue.

During audit of Pir. Mehr Ali Shah - Arid Agriculture University, Rawalpindi for the period 2016-17, it was observed that an amount of Rs. 1,372,550 was due against the contractors of Main Café, canteen and Shops. Audit held that the same be recovered from the concerned under intimation to audit.

Audit was of the opinion that weak supervisory, management and financial controls resulted into non-recovery of outstanding dues against the contractor for Rs. 1,372,550.

When pointed out the matter in September 2017, the management did not offer any reply.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that responsibility be fixed for non-adherence of Government instructions besides recovery of the outstanding amount from the contractors under intimation to Audit and strengthening of supervisory, financial and internal controls to avoid such lapses in future.

(PDP No. 19594-Pir. Mehr Ali Shah - Arid Agriculture University, Rawalpindi-2016-17)

2.4.39 Non-recovery of outstanding dues-Rs. 3,625.15 million

As per 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 they are paid into the treasury.

During audit of Agriculture Department, it was observed that outstanding amount of Rs. 3,625,152,698 was not recovered from illegal occupied Pattadars and recovery on accounts of wheat sold was also not recovered.

The details are as under:

Sr. No.	Period of audit	Management	PDP No.	Nature	Amount (Rs.)
1.	2016-17	AD Agriculture Ext Sahiwal	19322	Non recovery of rent from the 26 Pattadars illegal occupied	3,500,000,000
2.	2016-17	AD Agriculture Ext Sahiwal	19323	350 Acres of land were leased out Punjab, Seed Corporation	120,750,000
3.	2014-17	Director Cotton Botanist Research Institute Multan	19514	Amount pending Ex-Pattadar	4,233,698
4.	2014-17	Director Cotton Botanist Research Institute Multan	19512	Wheat	169,000
5.	2016-17	Assistant Director Agriculture (Ext.) Sahiwal	19325	Illegal occupation of state land by un-authorized residents	0
Total					3,625,152,698

Audit was of the view that weak supervisory and financial controls resulted in non-recovery of outstanding dues.

The matter was pointed out in September 2017. The managements noted the observations for compliance

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that recovered the stated amount from the officers/officials.

2.4.40 Unjustified expenditure incurred on salaries of lab staff- Rs. 3.50 million.

As per Rule 2.10 (a1) 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 the Potato Botanist Research Station, Sialkot for the period 2014-16, it was observed that an amount Rs. 3,497,520 had been incurred on the salaries of staff of pathological department/ Research Lab of the aforesaid research station. The expenditure was held irregular/unjustified on the following grounds:

- No pathological department (Potato Research Laboratory) was found in the research station which was known as headquarter of the potato research in Punjab.
- As evident from the auditable population produced to audit for scrutiny, it was seen that no plant pathology through pathological studies had been carried out to control fungal, viral and other diseases of potato crop for want of Research Lab in the Research Station under audit.
- It was further revealed that no layout plan of experiment relating to research work was submitted by the Assistant Plant Pathologist to the competent authority for further perusal into the research work as evident from a memo No.668/RFS-7 dated 13.12.2016 served upon Asstt. Plant Pathologist by the Potato Botanist.

Audit pointed out the matter in March 2017. In reply of the department, the management admitted that Lab facility, if provided to their research station, could prove more helpful in achieving good results.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department should improve the performance of the Research Station.

(PDP No. 19142-Potato Botanist Research Station Sialkot)

2.4.41 *Illegal occupation of 45.25 acres land*

The Chief Secretary to Government of the Punjab vide letter No. SO(R&E) 10-149/2000 dated 06.02.2004 and Punjab Home Department vide letter No.3-16-H-Spl-II/2004 issued instructions for safeguarding the land of agriculture research forms from encroachment.

During audit of Rape Seed Botanist, Oil Seeds Research Station, Khanpur for the period 2003-16, it was observed that 45.25 acres agriculture research land allocated to Rape Seed Botanist, Oil Seeds Research Station, Khanpur was illegally occupied/ encroached by kachi abadies, Pakistan Rangers and ex-pattadars from 1995 onwards.

When audit pointed out the matter in March 2017, the management replied that the audit observation would be brought to the notice of the higher authorities.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the government property should be recovered from illegal occupants.

(PDP No. 17520 Rape Seed Botanist, Oil Seeds Research Station, Khanpur)

2.4.42 *Irregular expenditure out of receipts- Rs. 3.35 million*

As per Rule 7 (1) of Sub Treasury Rules, all moneys as defined in Article 118 of the constitution, received by or tendered to Government Servants shall, without undue delay, be paid in full into the Treasury or

into the bank and shall be included in the Consolidated Fund or the Public Account of the Province. Moneys received as aforesaid shall not be appropriated to meet departmental expenditure nor otherwise kept apart from the Consolidated Fund or as the case may be, the Public Accounts of the Province. No department of the Government may require that any such money be kept out of the Consolidated Fund or the Public Account of the Province.

During audit of Rape Seed Botanist, Oil Seeds Research Station, Khanpur for the period 2003-16, it was observed that expenditure of Rs.3,348,304 was incurred on transportation charges of sugarcane from Oil Seeds Research Station, Khanpur to the sugar mill Jetha Bhutha out of the income received from sale of sugarcane in violation of the above stated rule. Moreover, 2.5% of income was retained as tenant welfare fund but no orders of the Government of the Punjab, Finance Department for deduction and its further utilization were shown to audit.

Audit was of the view that income was required to be deposited into government treasury and expenditure was to be incurred out of budget allocation provided by government under relevant head of account. Utilization of receipt toward expenditure was irregular

When audit pointed out the irregularity in March 2017, the management replied that compliance will be made in case of budget provided under head of transportation charges.

The matter was further reported to the administrative department. In DAC meeting held on 12.09.2017, the para was kept pending for want of regularization from Finance Department. Further progress was not reported till the finalization of this report.

Audit recommends that the irregular expenditure may be got regularized from the Finance Department besides strengthening of supervisory and financial controls.

(PDP No. 17519 -Rape Seed Botanist, Oil Seeds Research Station, Khanpur-2003-16)

2.4.43 *Non-maintenance of accounts for equal expenditure to be incurred by tenants-Rs. 1.81 million*

As per Sr. No. 4 & 5 of agreement made between Rape Seed Botanist and tenants, the expenditure on harvesting, threshing, picking, artificial fertilizers and pesticides will be made 50:50 (equal expenditure). Moreover, distribution of crops, fertilizers and pesticides will be made as per instructions issued by in-charge of the farm as per requirement of crop and soil.

During audit of Rape Seed Botanist, Oil Seeds Research Station, Khanpur for the period 2003-16, it was observed that record of expenditure Rs. 1,814,582 incurred and quantities of inputs like fertilizer, pesticide, insecticide issued to pattadars and labour employed by lessor i.e. Rape Seed Botanist Khanpur was maintained. But, no record of 50% of expenditure incurred by tenants on purchases of inputs stated above i.e. bills, delivery challans and supplies was maintained.

Audit was of the view that non maintenance of the record of expenditure incurred by the tenants rendered the fulfillment of the contractual agreement doubtful.

When pointed out the matter in March 2017, the management noted the observation for compliance.

The matter was further reported to the administrative department. In the DAC meeting held on 12.09.2017, the committee directed to show

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

Audit recommends that either vouched account showing incurrence of expenditure by tenants may be obtained from them to ensure the equal expenditure by lessor and tenants as per terms and conditions of the agreement or expenditure incurred by the Rape Seed Botanist be recovered from tenants and deposited into government treasury.

(PDP No. 17510 -Rape Seed Botanist, Oil Seeds Research Station, Khanpur-2003-16)

2.4.44 Irregular/non transparent lease of shops and canteens – Rs. 6.63 million

As per Rule 19 (b) of Punjab Delegation of Financial Powers Rules 2016, the category-I & II officers enjoy full powers for auctioning of service outlets/ canteens, leases of fruit trees and sale of grass growing in the compounds of government buildings/ land subject to leases being openly auctioned for a period not exceeding three years

During audit of Pir Mehr Ali Shah Arid Agriculture University, Rawalpindi for the period 2016-17, it was observed that university shops and canteens were leased out to different contractors. Leases were held irregular because these were awarded on the basis of experience and not on the basis of bids in response to the advertisements in the press.

Audit was of the view that disregard to the provisions of the Punjab Delegation of Financial Powers Rules resulted in un-economical lease of shops and canteens.

In response to preliminary observation issued in September 2017, the formation did not offer any reply.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till

the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the matter be probed to fix responsibility besides condonation of irregularity from the competent authority.

(PDP No.19609-Pir Mehr Ali Shah Arid Agriculture University, Rawalpindi-2016-17)

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 along with their ancillary staff. Secretary Auqaf & Religious Affairs also acts as Chief Administrator, Auqaf. The Auqaf Organization is a self fund generating body. Main sources of funding are 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.
- Managing mosques, shrines and other religious institutions under the control of the Chief Administrator of Auqaf, Punjab, except historical monuments.
- Management of Central Auqaf Fund.

- Management of Muslim graveyards taken over by the Chief Administrator of Auqaf, Punjab under section 7 of the West Pakistan Waqf Properties Ordinance, 1979.
- Managing Charitable and Religious Endowments.
- Preparation and implementation of religious education schemes.
- Management 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 2016-17 of Auqaf and Religious Affairs Department indicate expenditure on various specified services vis-à-vis appropriation authorized by Government of the Punjab.

Summary of Appropriation Accounts

The summarized position of actual expenditure during 2016-17 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	42.213	8.609	50.822	47.361	(3.461)
PC21023	200.000	(200.000)	0	0	0
PC21036	100.000	4.213	104.213	76.272	(27.941)
Total	342.213	(187.178)	155.035	123.633	(31.402)

Overview of Expenditure

The final budget of Auqaf Department for the year ended 30 June, 2017 was Rs. 155.035 million. Out of this, actual expenditure was Rs. 123.633 million. 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	242,213,000	47,361,131	(194,851,869.00)	80.45
Development	100,000,000	76,271,812	(23,728,188.00)	23.73
Total	342,213,000	123,632,943	(218,580,057.00)	63.87

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	50,822,000	47,361,131	(3,460,869)	(6.81)
Development	104,213,000	76,271,812	(27,941,188)	(26.81)
Total	155,035,000	123,632,943	(31,402,057)	(20.25)

Anticipated savings not surrendered

According to rule 14.3 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. (31.402) million at the close of the year 2016-17 under grants PC21010 & PC22036 were not surrendered in time by the department in disregard to the aforementioned rule.

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
3	2012-2013	9	1	8	11
Total		131	30	101	21

The compliance status in Auqaf and Religious Affairs Department needs to be improved.

3.4 AUDIT PARAS

Non production of record

3.4.1 Non production of record-Rs.906,047

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 Secretariat of Auqaf & Religious Affairs Department, Government of the Punjab, Lahore, the auditable record was not produced despite repeated requests. The details are as under:

Sr. No.	Name of formation	Period of Audit	PDP No.	Detail of record not produced	Amount (Rs.)
1	Secretary Auqaf & Religious Affairs, Lahore	2016-17	19409	Record of Punjab Auqaf Organization	*
2	Secretary Auqaf & Religious Affairs, Lahore	2016-17	19412	Consumption account of POL	906,047
Total					906,047

Audit was of the view that due to non-production of record, the authenticity of the accounts could not be verified.

The matter was pointed out in July and August 2017. The management noted the observations for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till

* Amount could not be ascertained due to non production of record.

the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department should produce record for scrutiny besides fixing responsibility for non-production of record.

Irregularities & non-compliance

3.4.2 *Irregular drawl of salary due to illegal appointments- Rs. 1.54 million*

As per Para 2 clause 'a' of Schedule of Wages Rates 2015 issued vide notification No.RO (Tech) FD2-2/2014 dated 10.02.2015, the post(s) shall be advertised properly in the leading newspapers.

During audit of Secretariat of Government of the Punjab Auqaf & Religious Affairs Department, Lahore for the period 2016-17, it was observed that management appointed contingent paid staff without advertisement made in the newspaper for the recruitment of contingent paid staff in violation of above government instructions.

Audit was of the view that non observance of government instructions resulted in irregular payment of Rs.1,542,484.

The lapses were pointed out in July 2017. The management noted the observations for compliance.

The matter was again reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department should adhere to the rules and regulations while making appointments and seek condonation of irregularity from the Finance Department.

(PDP No. 19414- Secretary Auqaf & Religious Affairs, Lahore -2016-17)

Performance

3.4.3 Non/less deduction of taxes/stamp duty-Rs.481,022

As per Section 22 (A) (b) Schedule-I of Stamp Act 1899 read with Finance Act 1995(Act-VI of 1995), Government of the Punjab has levied the 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. Moreover, according to Section 153 of Income Tax Ordinance 2001, withholding tax is required to be deducted from the payments made for procurements.

During audit of the Secretariat of Auqaf and Religious Affairs Department, it was observed that the formation entered into contract with various contractors for completion of schemes amounting to Rs. 104,658,788 but the stamp duty at the prescribed rate amounting to Rs. 261,647 was not recovered from the contractors. Moreover, income tax amounting to Rs. 219,375 was also non/less deducted on account of supply of goods and services at the time of making payments to the non-filer contractors/suppliers. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Type of tax	Amount (Rs.)
1.	Secretary Auqaf & Religious Affairs, Lahore	2016-17	19410	Non recovery of stamp duty	261,647
2.	Secretary Auqaf & Religious Affairs, Lahore	2016-17	19411	Non/less deduction of income tax	219,375
Total					481,022

Audit was of the view that weak internal controls on taxation resulted in non/less deduction of taxes.

The lapses were pointed out in July 2017. The management noted the observations for compliance.

The matter was again reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department should effect recovery of the stated amount and deposit the same into government treasury besides strengthening of internal controls to avoid such lapses in future.

CHAPTER 4

BOARD OF REVENUE

4.1 Introduction

Board of Revenue is the successor of the office of the Financial Commissioner. It was originally constituted under the provisions of West Pakistan Board of Revenue Act, 1957, which on dissolution of One Unit in 1970, became the Board of Revenue, Punjab.

The Board is the controlling authority in all matters connected with the administration of land, collection of government dues including land taxes, land revenue, preparation of land records and other matters relating thereto.

The Board is the custodian of the rights of the land holders and is the highest Revenue Court in the Province with Appellate/Provisional jurisdiction against orders of subordinate revenue officers/courts including Commissioners and Collectors. All Revenue Officers and Revenue Courts are subject to the general superintendence and control of the Board of Revenue. The Board itself is subject to the administrative control of the Provincial Government.

The Board consists of the following departments/functional units:

- Revenue Department
- Colonies Department
- Consolidation Department

Other functional units:

- Administration Wing
- Research & Gazetteer Cell
- Directorate of Land Records
- Settlement & Rehabilitation Wing
- Punjab Land Commission (Statutory Agency)

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

Introduction

The Appropriation Accounts for the year 2016-17 of Board of Revenue indicate expenditure on various specified services vis-à-vis appropriation authorized by Government of the Punjab.

Summary of Appropriation Accounts

The summarized position of actual expenditure during 2016-17 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)
PC21010	1,446.277	(1,074.543)	371.734	369.935	(1.799)
Total	1,446.277	(1,074.543)	371.734	369.935	(1.799)

Overview of Expenditure

The final budget of Board of Revenue for the year ended 30 June, 2017 was Rs. 371.734 million. Out of this, actual expenditure was Rs. 369.935 million. 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	1,446,277,000	369,935,204	(1,076,341,796)	74.42
Total	1,446,277,000	369,935,204	(1,076,341,796)	74.42

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	371,734,000	369,935,204	(1,798,796)	0.48
Total	371,734,000	369,935,204	(1,798,796)	0.48

Anticipated savings not surrendered

As per para 14.3 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. (1.799) million at the close of the year 2016-17 under grants PC21010 were not surrendered in time by the Department.

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.	1987-88	7	3	4	43
2.	1988-89	08	02	06	25
3.	1989-90	41	12	29	29
4.	1990-91	10	3	7	30
5.	1991-92	03	0	03	0
6.	1992-93	15	6	9	40
7.	1993-94	23	4	19	17
8.	1994-95	23	3	20	13
9.	1996-97	31	6	25	19
10.	1997-98	43	9	34	21
11.	1998-99	77	26	51	34
12.	1999-00	71	20	51	28
13.	2000-01	198	40	158	20
14.	2011-12	3	0	3	0
Total		553	134	419	24

The compliance with PAC Directives in Board of Revenue Department is not satisfactory and needs improvement.

4.4 AUDIT PARAS

Non production of record

4.4.1 Non production of record/vouched account -Rs.6,644.41 million

As provided in 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. Further, as per Punjab Finance Department letter No. FD (M1) III-2/87(P-III), dated 22.02.1994, DDO himself is responsible for production of record to the audit party at the time of audit and that in case of any lapse on his part, severe disciplinary action will be taken against him by the Administrative Secretary personally apart from submitting a report to the Chief Minister/Chief Secretary.

During audit of following Commissioner Offices for the period upto 2016-17 the auditable record was not provided to audit for scrutiny.

Sr. No.	Name of Formation	PDP No.	Nature of record not produced	Amount (Rs.)
1.	Commissioner Bahawalpur	22144	SDAs vouched accounts along with paid vouchers	6,602,722,329
2.	Commissioner, Gujranwala Division, Gujranwala	21345	Record related to expenditure incurred on repair of building and purchase of furniture & fixture and advances paid through SDA as well as vouched account pertaining to said payment. Further	25,883,387

Sr. No.	Name of Formation	PDP No.	Nature of record not produced	Amount (Rs.)
			receipts of furniture and completion certificate of building was also not shown to audit	
3.	Commissioner D G Khan	21579	Payments made to building department related to expenditure incurred on the repair of building.	14,796,000
4.	Commissioner, Rawalpindi	22188	Contingent record of certain Objects for the period 2016	1,007,358
Total				6,644,409,074

In respect of para at Sr. No. 1, it is pertinent to mention here that the amounts paid through cheques were neither seem to be accounted for in the cash books in violation of Rule 2.2 of the PFR Vol-I nor maintained the actual payee receipts accounts of cheques issued. The reconciliation of pass books was also not made with DAO/TO.

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

Audit pointed out the irregularity in August and November 2017. The formations noted the observations for compliance in all cases except Commissioner, Rawalpindi who did not offer any reply.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommended to take disciplinary action against the responsible persons besides production of required record and issuance of instruction to field offices for non occurrence of such kind of situation.

Irregularities & non-compliance

4.4.2 Non-surrendering of savings-Rs.134.00 million

As per Rule 17.20 of PFR Vol-I, the department incurring the expenditure is responsible to notify the savings and surrenders in time. For this purpose Para 14.3 of Punjab Budget Manual requires that the Heads of Departments should submit to the Finance Department the First Statement of Excesses & Surrenders by 1st January and the Second Statement of Excesses and Surrenders by 31st March.

During scrutiny of expenditure statements of various Commissioner Offices in Punjab for the period upto 2016-17, it was observed that savings were not surrendered by the Drawing and Disbursing Officers through their 2nd Statement of Excess & Surrender. Non-adherence to the rules by the following Offices, resulted in lapse of fund to the tune of Rs. 134,005,044. The details are as under:

Sr. No.	Name of formation	PDP No.	Amount (Rs.)
1.	Commissioner Sargodha	20566	2,296,891
2.	Commissioner Bahawalpur	20628	63,621,853
3.	Commissioner Faisalabad	20705	11,556,689
4.	Commissioner Sahiwal	20805	47,619,448
5.	Commissioner Gujranwala	20756	2,069,775
6.	Commissioner Faisalabad	22044	1,303,000
7.	Commissioner Rawalpindi	22181	5,537,388
Total			134,005,044

Audit pointed out the lapse from February to November 2017. The observations were noted for compliance by all the offices except commissioner office Rawalpindi who did not given any reply.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till

the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommended that the irregularities may be got regularizes from the Finance Department besides strengthening of supervisory and management controls to avoid such kind of violation of rules.

4.4.3 Irregular purchases due to non-observing of PPR 2014- Rs.32.39 million

According to Rule 12 (1) PPR 2014, procuring agencies shall advertise procurement of more than one hundred thousand rupees and upto the limit of two hundred thousand rupees , on the website of the authority in the manner and the format specified by regulation but if deemed in public interest , procuring agency may also advertise the procurement in at least one daily news paper and split up may be avoided.

During examination of the accounts of following Commissioner Offices for the period upto 2016-17, it was observed that an amount of Rs. 32,390,249 was incurred on purchase of furniture, machinery and IT equipment etc. without fulfilling the requirements of procurements i.e. advertising and tendering policy.

Sr. No.	Name of formation	PDP No.	Amount (Rs.)
1.	Commissioner D G Khan	20454	762,740
2.	Commissioner Bahawalpur	20632	3,156,940
3.	Commissioner Sahiwal	20804	7,213,776
4.	Commissioner Sahiwal	20808	7,150,876
5.	Commissioner G Khan	21582	7,495,593
6.	Commissioner DG Khan	20452	1,192,170
7.	Commissioner DG Khan	20453	1,291,033
8.	Commissioner Bahawalpur	20641	1,097,961
9.	Commissioner Bahawalpur	20633	3,029,160
Total			32,390,249

Audit was of the view that weak supervisory and financial controls resulted in non-transparent incurrence of expenditure of Rs.32,886,374.

Audit pointed out the lapse from January to August 2017. The observations were noted for compliance by all the offices except commissioner office DG Khan who replied that the furniture& machinery was purchased by fulfilling all the codal formalities but no record was produced in support of reply.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommended that the irregularities may be got regularizes from the Finance Department besides strengthening of supervisory and management controls to avoid such kind of violation of rules.

4.4.4 Non-maintenance of log books for consumption of POL-Rs-16.72 million

According to Para 20 of West Pakistan Staff Vehicle (Use and Maintenance) Rules 1969 log book containing petrol account, history sheet and all expenditure incurred thereon should be maintained for each Govt. vehicle

During examination of record of following offices for the period upto 2016-17, it was observed that POL to the tune of Rs.16,721,059 was consumed by departments in government vehicles but log books of the vehicles were neither maintained as required under the law nor it produced to audit. In some cases the POL was also drawn for the generators but the same was not properly accounted for in the log books which indicated weak internal/financial controls:

Sr. No.	Name of formation	PDP No.	Amount (Rs.)
1.	Commissioner Lahore	20440	461,516
2.	Commissioner Sargodha	20568	380,450
3.	Commissioner Bahawalpur	20630	4,350,810
4.	Commissioner Bahawalpur	20640	1,120,507
5.	Commissioner Bahawalpur	20644	791,095
6.	Commissioner Bahawalpur	20646	416,075
7.	Commissioner Bahawalpur	20648	140,338
8.	Commissioner Faisalabad	20704	1,076,860
9.	Commissioner Gujranwala	20759	3,069,450
10.	Commissioner Gujranwala	20760	543,592
11.	Commissioner Gujranwala	21343	3,598,232
12.	Commissioner Faisalabad	22047	772,134
Total			16,721,059

The audit pointed out the lapses from January to November 2017. The department noted the observations for compliance in four cases and did not given the reply in two cases while in other cases it was promised to produce the log books later on.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends fixing of responsibility for non maintenance of log books besides ensuring of properly maintenance of log books and produce to Audit for verification.

4.4.5 Unauthorized sanction of expenditure on stationery beyond the prescribed limit-Rs.18.04 million

According to Rule 2(b)(i)(ii) of Delegation of Financial Power Rules 2006, Category-I officers is competent to accord the sanction to incur expenditure of Rs.400,000 on local purchase of stationery including computer stationery during a financial year.

During examination of the accounts of various Commissioners in Punjab for the period upto 2016-17, it was observed that an amount of Rs.18,035,281 was incurred on purchase of stationary articles including computer stationery. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	Commissioner Bahawalpur	2008-16	20629	10,761,026
2.	Commissioner Faisalabad	2015-17	20701	1,832,814
3.	Commissioner Gujranwala	2015-17	20757	686,222
4.	Commissioner Sahiwal	2015-17	20806	2,297,955
5.	Commissioner Faisalabad	2015-17	22043	2,457,264
Total				18,035,281

Audit pointed out the lapse from January to August 2017. The observations were noted for compliance by all the offices except commissioner office Bahawalpur who had replied that purchases was made as per requirement of the office branches time to time. Tender in some cases was advertised. Record would be shown to Audit but no record was produced in support of reply.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommended that the irregularities may be got regularizes from the Finance Department besides strengthening of supervisory and management controls to avoid such kind of violation of rules.

4.4.6 Excess expenditure than budget allocation - Rs.13.29 million

According to Rule 17.15 of PFR Vol-I, no Government servant may, without previously obtain an extra appropriation, incur expenditure in excess of the amount provided for expenditure under the head

concerned and when a Government servant exceeds the annual appropriation he may be held responsible for the excess.

During scrutiny of expenditure statements of the following Commissioner Offices for the period upto 2016-17, it was observed that an amount of Rs.13,288,758 was spent in excess of their budget allocation under various heads of expenditure, which was a serious financial irregularity on the part of the department.

Sr. No.	Name of formation	PDP No.	Amount (Rs.)
1.	Commissioner Lahore	20438	2,794,922
2.	Commissioner DG Khan	20445	417,599
3.	Commissioner DG Khan	20448	559,836
4.	Commissioner Multan	20590	721,778
5.	Commissioner Multan	20597	973,347
6.	Commissioner Bahawalpur	20642	1,669,393
7.	Commissioner Faisalabad	20699	4,704,394
8.	Commissioner Sahiwal	20807	1,447,489
Total			13,288,758

Audit was of the view that weak budgetary controls resulted in excess expenditure than budget allocation.

Audit pointed out the irregularity from January to November, 2017. The formations at Sr. Nos. 2 & 4 replied that different type of stationery items were purchased during the period within the budgeting limit/sanctioned by the competent authority. The formations at Sr. Nos. 3 & 5 replied that excess expenditure was incurred under head pay & allowances which could not be avoided. In other cases, the observations were noted for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that irregularity may be got regularized through administrative department from Finance Department besides fixing responsibility.

4.4.7 Irregular expenditure on account of pay of contingent paid staff-Rs.4.94 million

As per Government of the Punjab Finance Department letter No. RO (Tech) FD 2-2/2001 dated 03.11.2008, the procedure for appointment of work charge/daily wages staff was laid down in the preface to Schedule of Wage Rates 2008, "Appointment to a post included in this Schedule may be made by the competent authority under Delegation of Financial Power Rules 2006 subject to the following conditions:

- a) The post(s) shall be advertised properly in the 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 11 of the Recruitment Policy issued by S&GAD vide No. SOR-IV (S&GAD) 10-1/2003 dated 17.09.2004 (amended to date)
- c) Terms & conditions of employment shall be governed under Rules 7.12 to 7.14 & 7.37 to 7.41 of DFR Vol-III
- d) The monthly wages shall not exceed the minimum monthly emoluments
- e) The appointment at a time may not exceed the following duration:-
 - i. The appointment may be made up to the end of the financial year.

- ii. In all other cases, the appointment may be made up to the end of the financial year.

Scrutiny of files and paid bills of Commissioner Dera Ghazi Khan for the period 2008-16, it was observed that the contingent paid employees were appointed during December 2008 to May 2014 and paid wages/salaries to the tune of Rs.4,944,270 to the contingent paid staff without fulfilling the aforesaid instructions by the departmental authorities i.e. without making proper advertisement, non-fixing of rates of daily wages keeping in view the rates fixed by Government.

Audit was of the view that non observance of government instructions in irregular expenditure on account of pay of contingent paid staff.

Audit pointed out the lapse in January, 2017. The DDO replied that the contingent staff was appointed on daily wages in the early years of re-establishment of Commissioner Office on emergent basis to following the Government instructions, rules and procedure.

The matter was further reported to the administrative department in June, 2017 but neither any reply was received nor DAC meeting convened till finalization of this report.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Matter needs to be probed and responsibility for violation of financial rules be fixed besides regularizing the irregularity from the Finance Department.

(PDP No 20455- Commissioner Dera Ghazi Khan-2008-16)

4.4.8 Unauthorized drawl of house rent allowance-Rs. 3.30 million

Finance Department letter No. FD (M-1)1-15/99, dated 15.1.2000 enunciates that the House Rent Allowance of 45% in case of big city and 30% in other cases cannot be drawn when facility of official accommodation is availed by government servant. In case of designated residence the officer/official for whom residence is meant cannot draw house rent allowance and will have to pay 5% house rent even if he does not avail the facility and residence remains vacant during the period.

During examination of the accounts of following Commissioner Offices for the period upto 2016-17, it was observed that in some cases the staff of these offices had withdrawn their house rent despite the facts that they have occupying the official accommodation. Furthermore, the deduction of 5% of house rent was also not made from those who are availing official accommodation.

Sr. No.	Name of formation	PDP No.	Amount (Rs.)
1.	Commissioner D G Khan	20451	915,366
2.	Commissioner Multan	20593	1,556,269
3.	Commissioner Faisalabad	20703	206,294
4.	Commissioner Bahawalpur	20812	63,730
5.	Commissioner Gujranwala	21340	61,687
6.	Commissioner Gujranwala	21569	496,646
Total			3,299,992

Audit was of the view that weak supervisory and financial controls resulted in unauthorized drawl of house rent allowance.

Audit pointed out the lapse from January to August 2017. The formations noted the observations for compliance.

The matter was further reported to the administrative department. In DAC meeting held on 09.01.2018, the para at Sr. No. 2, an amount of Rs. 295,414 was recovered and the para was kept pending for balance

recovery. The amount of the para at Sr. No. 5 was reduced to stated extent after verification of record. Further progress was not reported till finalization of this report.

Audit recommends that matter need to be enquired, responsibility be fixed and recovery be made from officer/officials concerned.

Recoveries and overpayments

4.4.9 Non-recovery of excess drawls of POL- Rs.3.22 million

As per Notification No.MTO (S&GAD)AT-II dated 22.09.1999, issued by the Services & General Administration Department, Government of the Punjab, Lahore, POL limit for Official use of vehicles of the following officers has been revised to control over the POL expenditure:

Sr. No.	Designation	Revised rates
1.	Secretary to Govt. of the Punjab	from 150 to 200 Liters
2.	Additional Secretary to Govt. of the Punjab	from 125 to 175 Liters
3.	Deputy Secretary to Govt. of the Punjab	from 125 to 150 Liters
4.	Staff Officers to SS/ ACS	from 125 to 200 Liters

Furthermore, as per rule 15.12 of PFR Vol-I, a reliable list of inventory or account of all stores in the custody of Government servants must be maintained, to enable a ready verification of stores and check of accounts at any time. Transactions must be recorded in it as they occur.

During examination of accounts of the following offices of the Punjab Board of Revenue for the period upto 2016-17, it was observed that POL was consumed by the officers in their allotted vehicles in excess than that of their prescribed ceiling limits fixed by the Government.

Sr. No.	Name of formation	PDP No.	Amount (Rs.)
1.	Commissioner Lahore	20442	77,663
2.	Commissioner Lahore	20443	61,834
3.	Commissioner DG Khan	20446	1,069,069
4.	Commissioner Sargodha	20569	180,192
5.	Commissioner Gujranwala	20761	328,350
6.	Commissioner Sahiwal	20811	447,076
7.	Commissioner Gujrawala	21341	118,956
8.	Commissioner Sargodha	21559	141,139
9.	Commissioner DG Khan	21584	113,548
10.	Commissioner Rawalpindi	22183	680,706
Total			3,218,533

Audit was of the view that weak supervisory and financial controls resulted in excess drawal of POL.

The audit pointed out the lapses from January to November 2017. The formations at Sr. No. 4, 6 & 10 did not offer any reply, while in other cases formations noted the observations for compliance.

The matter was further reported to the administrative department. In DAC meeting held on 09.01.2018, the amount of the para at Sr. No. 9 was reduced to the stated extent after verification of record. As regards remaining paras, neither any reply was received nor was DAC meeting convened despite reminders issued in October, November and December 2017.

Audit recommends that either justify the position or recovery be made from the concerned and shown to audit.

4.4.10 Non-deduction of sales tax from the un-registered suppliers- Rs.3.82 million

As per rule 2 (3) of the Sales Tax Special Procedure (withholding) Rules, 2007 notified vide No. S.R.O. 660(I)/2007 dated: 30.06.2007, all withholding agents shall make purchases of taxable goods from a person duly registered under the Sales Tax Act, 1990, provided that under unavoidable circumstances and for reasons to be recorded in writing [if

purchases are made from unregistered persons, the withholding agent shall deduct sales tax at 16% of the value of taxable supplies made to him from the payment due to the supplier.

During examination of the record of the following Commissioner Offices for the period upto 2016-17, it was observed that the department fails to deduct the amount of sales tax to the tune of Rs. 3,821,145 which was deductible at the time of payment of goods/stores purchased from un-registered person/firms.

Sr. No.	Name of formation	PDP No.	Amount (Rs.)
1.	Commissioner Sargodha	20567	807,953
2.	Commissioner Bahawalpur	20636	2,076,258
3.	Commissioner Bahawalpur	20645	443,082
4.	Commissioner Faisalabad	20709	65,513
5.	Commissioner Sargodha	21560	365,850
Total			3,821,145

Audit was of the view that weak financial controls on taxation resulted in non-deduction of GST.

Audit pointed out the lapses in February and August 2017. The formation at Sr. No. 2 stated that concern firm would be asked to furnish S.T. Return, while in respect of Sr. No. 3 stated that spare parts of vehicles are exempted from GST. The formation at Sr. No. 1, 4 & 5 did not offer any reply.

The matter was further reported to the administrative department. In DAC meeting held on 09.01.2018, the amount of the para at Sr. No. 5 was reduced to the stated extent after verification of record. As regards remaining paras, neither any reply was received nor was DAC meeting convened despite reminders issued in October, November and December 2017.

Audit recommended that the department may effect the recovery from the concerned besides strengthening of internal controls on taxation.

CHAPTER 5

COOPERATIVES DEPARTMENT

5.1 *Introduction*

Cooperatives Department is essentially concerned with the cooperative societies and cooperative banks for greater socio-economic progress. With this objective, the department not only protects the rights of societies but also facilitates the people. The department is headed by a Secretary. He is the administrative head of the department and is assisted by Additional Secretaries, Deputy Secretaries, Section Officers and a Computer Programmer in the discharge of his official duties.

Functions of the department

- The department is responsible to facilitate people in formation of cooperative societies.
- Guide the members about the cooperative principles.
- Introduce/promote thrift among members.
- Provide training to the workers.
- Ensure compulsory savings.
- Supervise/monitor the working of the cooperatives.
- Conduct/arrange audit.
- Inquiries/inspections.
- Recovery of loans.
- Arbitration of disputes.
- Liquidation of Societies.

Overall registration of societies under Cooperative Societies Act would enhance department's responsibility and scope.

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

Introduction

The Appropriation Accounts for the year 2016-17 of Cooperatives Department indicate expenditure on various specified services vis-à-vis appropriation authorized by Government of the Punjab.

Summary of Appropriation Accounts

The summarized position of actual expenditure during 2016-17 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	33.074	0.021	33.095	31.462	(1.633)
PC21021	225.061	716.087	941.148	668.626	(272.522)
PC21036	118.257	(24.000)	94.257	86.725	(7.532)
Total	376.392	692.108	1068.5	786.813	(281.687)

Overview of Expenditure

The final budget of Cooperatives Department for the year ended 30 June, 2017 was Rs. 1068.5 million. Out of this, actual expenditure was Rs. 786.813 million. 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	258,135,000	700,088,074	441,953,074.00	171.21
Development	118,257,000	86,725,105	(31,531,895.00)	26.66
Total	376,392,000	786,813,179	410,421,179.00	109.04

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	974,243,000	700,088,074	(274,154,926)	28.14
Development	94,257,000	86,725,105	(7,531,895)	7.99
Total	1,068,500,000	786,813,179	(281,686,821)	26.36

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. (281.687) million at the close of the year 2016-17 under grants PC21010, PC21021 & PC22036 were not surrendered in time by the department.

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.	1986-87	09	07	02	78
2.	1987-88	03	0	03	0
3.	1988-89	05	01	04	20
4.	1989-90	02	0	02	0
5.	1993-94	01	0	01	0
6.	1999-00	23	08	15	35
7.	2011-12	03	0	03	0
Total		46	16	30	35

The compliance with PAC Directives in Cooperatives Department needs to be improved as compliance on 65% of the paras has not yet been made.

5.4 AUDIT PARAS

Irregularities & non-compliance

5.4.1 Irregular mode of payments-Rs.3.42 million

As required in Rule 4.49(a) of Punjab STR read with Government of the Punjab Finance Department letter No. F.D (FRV-6/75(P) dated 20.06.2007, all payments (exceeding Rs.100,000) should be made through bank/pay order instead of cash.

During audit of Regional Cooperative Training Institute Bahawalpur for the period 2001-16, payments amounting to Rs. 3,423,260 were made in cash to widows of deceased employees and retired employees instead of making payments through cheques/bank pay order in violation of the above government instructions.

Audit was of the view that non observance of government instructions resulted in irregular mode of payment.

The matter was pointed out in April 2017. The management replied that cheques were issued by DAO Bahawalpur in favour of the D.D.O. and payment was made accordingly. However, payment in future will be made as per audit instructions. The reply of the department was not in line with provision of rules/ instructions.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department should seek condonation of irregularity from the Finance Department.

(PDP No. 18511- Regional Cooperative Training Institute, Bahawalpur-2001-16)

5.4.2 Irregular purchase of stationery-Rs.1.55 million

As per Rule 9 of Punjab Procurement Rules 2014, a procuring agency shall announce in an appropriate manner all proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements so planned. The procuring agency shall advertise in advance annual requirements for procurement on the website of the Authority as well as on its website. Further, as per Rule 4 *ibid*, a procuring agency, while making any procurement, shall ensure that the procurement is made in a fair and transparent manner, the object of procurement brings value for money to the procuring agency and the procurement process is efficient and economical.

During audit of Secretary Cooperatives Department Lahore, it was observed that different stationary items were purchased and printing work was got done without advertisement. The expenditure of Rs. 1,554,718 was thus held irregular.

Audit was of the view that non observance of Punjab Procurement Rules resulted in irregular purchase of stationery.

The irregularity was pointed out in May, 2017. The department noted the observation for compliance.

The matter was again reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department should seek condonation of irregularity from the Finance Department.

(PDP No. 18513 & 18514- Cooperatives Department-2115-16)

5.4.3 *Non surrendering of savings-Rs.6.62 million*

As per Para 14.3 of the Punjab Budget Manual, all the anticipated savings should be surrendered in the 1st Statement of Excesses and Surrenders by 1st January and 2nd Statement of Excesses and Surrenders by 31st March, so that it can be utilized where it is actually needed.

During audit of Cooperatives Department, it was observed that allocated budget to the extent of Rs.6,616,196 remained un-utilized. The savings in various objects were not surrendered well in time by preparing Statements of Excesses and Surrenders in violation of rules 14.3 of Punjab Budget Manual. The detail is as under:

Sr. No.	Name of formation	Period of Audit	PDP No.	Amount (Rs.)
1.	Secretary Cooperatives Department, Lahore.	2015-16	18515	3,522,813
2.	Industrial Assistant Registrar Cooperative Societies, Multan	2003-16	17942	3,093,383
Total				6,616,196

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

The irregularity was pointed out in March and May, 2017. The department noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October and November 2017.

Audit recommends that the department should seek condonation of irregularity from the Finance Department.

Others

5.4.4 Non-installation of office equipment and non-replacement of defective UPS-Rs.2.74 million

As per terms and conditions of the supply orders, issued vide Government of the Punjab Cooperative Department Lahore letters No. SO(P) 3-12/2015 (P-1) dated 25.01.16, and 10.03.16, the firms are responsible for the supply and installation of equipment at Regional Cooperative Training Institute, Bahawalpur.

During audit of the Principal Regional Cooperative Training Institute Bahawalpur for the period 2001-16, it was observed that office equipment i.e. ACs, LED, Multimedia, UPS 6 KVA and Fax Machine valuing Rs.2,740,035 were purchased by Government of the Punjab, Cooperative Department Lahore and supplied to Principal Regional Cooperative Training Institute Bahawalpur by the various firms under the development scheme titled “Up-gradation of Regional Cooperative Training Institute Bahawalpur” during 2015-16. The stated equipment had not so far been installed by the concerned firms despite issuance of letters and reminders. Further, one UPS valuing Rs.196,847 was found defective but had not been replaced by the firm till the date of audit.

The irregularity was pointed out in April 2017. The management replied that letters had already been written for installation and replacement of UPS and reminders thereon would also be issued.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department should seek replacement of UPS and installation of IT equipment and air conditioners from concerned firms besides taking necessary action against the responsible firms in accordance with the terms and conditions of the tenders/contracts.

(PDP No. 18510- Regional Cooperative Training Institute, Bahawalpur-2001-16)

CHAPTER 6

ENVIRONMENT PROTECTION DEPARTMENT

6.1 *Introduction*

Environment Protection Department, Government of the Punjab being an administrative body, works in accordance with its functions as defined under the Punjab Government's Rules of Business, 1974.

The functions of Environmental Protection Department are as under:

- administer laws, rules and regulations relating to the environment within the province;
- evaluate Initial Environmental Examination (IEE) and Environmental Impact Assessment (EIA) of new projects and issue No Objection Certificates (NOCs);
- provide information and create awareness in public for environmental issues;
- enforce National Environmental Quality Standards (NEQS) to control pollution;
- coordinate environmental policies and programs with the Federal Government as well as with other provincial governments;
- establish systems for surveys, surveillance and monitoring of the pollutants and maintain laboratory for testing and monitoring;
- take measures to promote sustainable development and provide information on environment friendly technology; and provide Ambient Air Quality Testing & Monitoring facilities.

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

Introduction

The Appropriation Accounts for the year 2016-17 of Environment Protection indicate expenditure on various specified services vis-à-vis appropriation authorized by Government of the Punjab.

Summary of Appropriation Accounts

The summarized position of actual expenditure during 2016-17 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	52.796	4.708	57.504	50.975	(6.529)
PC21017	193.035	81.258	274.293	243.359	(30.934)
PC22036	185.000	(24.193)	160.807	88.044	(72.763)
Total	430.831	61.773	492.604	382.378	(110.226)

Overview of Expenditure

The final budget of Environment Protection for the year ended 30 June, 2017 was Rs. 492.604 million. Out of this, actual expenditure was Rs. 382.378 million. 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	245,831,000	294,333,367	48,502,367	19.73
Development	185,000,000	88,044,393	(96,955,607)	52.41
Total	430,831,000	382,377,760	(48,453,240)	11.25

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	331,797,000	294,333,367	(37,463,633)	(11.29)
Development	160,807,000	88,044,393	(72,762,607)	(45.25)
Total	492,604,000	382,377,760	(110,226,240)	(22.38)

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. (110.226) million at the close of the year 2016-17 under grant PC21010, PC21017 & PC22036 were not surrendered in time by the department.

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	No. of Paras in which Compliance received	No. of Paras in which Compliance not Received	Percentage
1	1999-00	13	10	3	77
2	2001-02	18	2	16	11
3	2005-06	4	2	2	50
4	2010-11	12	0	12	0
5	2012-13	9	1	8	12
Total		56	15	41	27

Compliance with PAC directives in Environment Protection Department for the audit years 2001-02 and 2010-11 is not adequate in contrast to the compliance percentage in other years. The department needs to address the situation.

6.4 AUDIT PARAS

Non production of record

6.4.1 *Doubtful consumption of POL due to non-production of log books- Rs. 7.12 million*

As provided in 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. Further, Punjab Finance Department letter No. FD (M1) III-2/87(P-III), dated 22nd February, 1994 provides that DDO himself will be responsible for production of record to the audit party at the time of audit and that in case of any lapse on his part, severe disciplinary action will be taken against him by the Administrative Secretary personally apart from submitting a report to the Chief Minister/ Chief Secretary.

During audit of Environment Protection Department for the period 2015-16, it was observed that department purchased POL amounting to Rs.7,119,995 for use in different vehicles. The mandatory record like log books, POL register, ceiling limit of POL entitled to the officers category wise and average consumption certificate of each vehicle was not produced to audit for verification of POL consumption account. The details are as under:

Sr. No.	Name of formation	Period of Audit	PDP No.	Amount (Rs.)
1	Director General Environmental Protection Agency, Lahore	2015-16	17685	5,425,690
2	Secretary Environment Protection Department, Lahore	2015-16	17748	1,694,305
Total				7,119,995

Audit was of the view that due to non-production of record, the authenticity of the expenditure could not be verified.

The irregularity was pointed out to concerned formations in January and February 2017. The formation at Sr. No. 1 stated that log books were available which may be seen. The reply of the management was not tenable as no documentary evidence was produced in support of reply. The formation at Sr. No. 2 did not offer any reply.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October and November 2017.

Audit recommends that relevant record be produced and responsibility be fixed for non production of record during audit.

Irregularities & non-compliance

6.4.2 Un-authorized/irregular drawl of POL charges - Rs.810,450

As per Government of the Punjab S&GAD (Transport Pool) letter No. MTO(S&GAD) AT-11/2-9/2006 dated 22.04.2008, there was no provision in rules for designated vehicle for Minister. Moreover, as per Government of the Punjab S&GAD letter dated 22.09.1999, the per month limit of POL for official use of vehicles is as under:

Secretaries	200 Liters
Additional Secretaries	175 Liters
Deputy Secretaries	150 Liters
Staff Officers to CS/ACS	200 Liters

During audit of Director General Environment Protection Agency Lahore for the period 2015-16, examination of POL vouchers and list of

vehicles revealed that an amount of Rs.667,986 was drawn and shown incurred on purchase of POL for vehicles allotted to P.S to Secretary EPD, Law Officer, Assistant Directors and Minister for Environment (PDP No.17689). Similarly, an amount of Rs. 142,464 was drawn against POL expenditure and shown as paid to the Minister for Environment (PDP No.17698). The expenditure was held unauthorized as there was no provision in rules to provide government vehicles to such officials/ personnel.

Audit was of the view that disregard to the government instructions and weak internal controls resulted in unauthorized use of government vehicles and payment of POL charges.

The irregularity was pointed out in February 2017. The management replied that as per Chief Secretary Punjab letter dated 03.07.1991 other officers were also entitled for the use of transport as per staff vehicles rules 1969. The reply of the management was not tenable as the letters dated 22.09.1999 and 22.04.2008 superseded the letter dated 03.07.1991.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October and November 2017.

Audit recommends retrieval of the vehicles from the concerned personnel and recovery of POL charges.

(PDP Nos. 17689 & 17698-Director General Environment Protection Agency, Lahore- 2015-16)

6.4.3 Irregular procurement without tendering process- Rs.2.53 million

As per Rule 8 of Punjab Procurement Rules 2014, procuring agency shall, within one month from the commencement of a financial

year, devise annual planning for all proposed procurements. Moreover, as per Rule 9 (ibid), a procuring agency shall announce in an appropriate manner all proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements so planned. Furthermore, as per Rule 12(1) (ibid), a procuring agency shall advertise procurement of more than one hundred thousand rupees and up to the limit of two million rupees on the website of the Authority in the manner and format specified by regulations but if deemed in the public interest, the procuring agency may also advertise the procurement in at least one national daily newspaper.

During audit of Director General Environment Protection Agency Lahore for the period 2015-16, it was observed that expenditure to the stated extent was incurred on procurement of stationery and chemicals by splitting the indents to avoid tendering process and sanction of the higher authority. The details are as under:

Sr. No.	Name of formation	PDP No.	Brief description of observation	Amount (Rs.)
1	Director General Environmental Protection Agency, Lahore	17687	Irregular expenditure on purchase of stationery and computer stationery items without tender	872,437
2	Director General Environmental Protection Agency, Lahore	17690	Irregular Expenditure on Printing Charges	537,322
3	Secretary Environment Protection Department, Lahore	17751	Irregular expenditure on purchase of stationery/computer stationery beyond the sanction limit and by splitting up the indents	523,326
4	Deputy Director Implementation Environment Protection Agency, Lahore	18265	Irregular expenditure on purchase of specific utility chemical and cost of other stores without tender	398,221

Sr. No.	Name of formation	PDP No.	Brief description of observation	Amount (Rs.)
5	Director General Environmental Protection Agency, Lahore	17701	Irregular expenditure on purchase of stationery items without tender	199,037
Total				2,530,343

Audit was of the view that weak internal controls on procurements and disregard to the rules and regulations resulted in irregular expenditure.

The lapses were pointed out to concerned formations during January and February 2017. The management at Sr. No. 1 replied that purchase of stationery was made as and when needed. The limit of advertisement was not crossed. The reply of the management itself was admittance of the irregularity. The management at Sr. No. 2 replied that the work was entrusted to Govt. printing press. The printing press further allocated the job to Faisal Traders Lahore. Audit did not agree with the reply as the expenditure was incurred without advertisement in violation of PPRA Rules. The management at Sr. Nos. 3 to 5 did not offer any reply.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October and November 2017.

Audit recommends that the matter be inquired, responsibility be fixed and the expenditure be got regularized from the competent authority besides strengthening supervisory and financial controls.

CHAPTER 7

EXCISE AND TAXATION DEPARTMENT

7.1 *Introduction*

The Excise & Taxation Department was established as an independent entity in 1974 after its separation from Board of Revenue. This department provides services for collection of various taxes and duties and suggests ways and means for additional resource mobilization in the province. Building up of taxpayer's confidence, creation of taxpaying culture and providing facilities to the general public in payment of taxes are the top most priorities. The department consists of 61 auditable locations/ formations.

Excise & Taxation Department is primarily responsible for the collection of following provincial levies/taxes in the province of the Punjab.

1. Cotton Fee
2. Motor Vehicle Check Tax
3. Entertainment Duty
4. Professional Tax
5. Hotel Tax
6. Property Tax
7. Excise Duty (Duty on manufacturing, import, export of liquor, vend fee on retail sale of liquor and fees on grant and renewal of licenses/permits for liquor).
8. Farm House Tax
9. Education Cess on Club

Excise & Taxation Department is also responsible for the collection of following Federal levies/taxes.

1. Income Tax (at the time of collecting motor vehicle tax)
2. Capital Value Tax (at the time of registration of imported motor vehicles if not paid at the time of import).

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

Introduction

The Appropriation Accounts for the year 2016-17 of Excise & Taxation Department indicate expenditure on various specified services vis-à-vis appropriation authorized by Government of the Punjab.

Summary of Appropriation Accounts

The summarized position of actual expenditure during 2016-17 against the total of five grants/appropriations is 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)
PC21001	8.151	0.001	8.152	5.044	(3.108)
PC21003	89.224	340.925	430.149	313.036	(117.114)
PC21007	83.685	105.704	189.389	158.947	(30.442)
PC21008	621.634	(136.386)	485.248	367.799	(117.449)
PC21010	246.229	(186.484)	59.745	57.588	(2.157)
Total	1,048.923	123.76	1,172.683	902.414	(270.27)

Overview of Expenditure

The final budget of Excise & Taxation Department for the year ended 30 June, 2017 was Rs. 1,172.683 million. Out of this, actual expenditure was Rs. 902.414 million. The corresponding saving is of Rs. 270.27 million which is 23.05% of the final grant, with reference to original budget the saving of Rs. 146.51 million which is 13.97% there was no allocation in budget for development expenditure.

Anticipated savings not surrendered

According to para 14.3 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. (270.27) million at the close of the year 2016-17 under grants PC21001, PC21003, PC21007, PC21008 & PC21010 were not surrendered in time by the department.

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

Audit report on the accounts of Government of the Punjab, Excise and Taxation Department Audit Year 2014-15 has not yet been discussed in PAC. Moreover, there is no other Report yet printed in any of the previous years. However, the department is requested to reconcile the matter with Audit Department regarding any discrepancy.

7.4 AUDIT PARAS

Non production of record

7.4.1 Non production of record- Rs. 59.20 million

As provided in 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. Further, Punjab Finance Department letter No. FD (M1) III-2/87(P-III), dated 22nd February, 1994 provides that DDO himself will be responsible for production of record to the audit party at the time of audit and that in case of any lapse on his part, severe disciplinary action will be taken against him by the Administrative Secretary personally apart from submitting a report to the Chief Minister/ Chief Secretary.

During audit of Excise & Taxation Department, following auditable record was not produced despite repeated requests.

Sr. No.	Name of Formation	Period of audit	PDP No.	Nature of Record	Amount (Rs.)
1.	Directorate General, Excise, Taxation & Narcotics Control, Punjab Lahore	2016-17	21451	Accounts of receipts and expenditure of revolving funds	*
2.	Secretary, Excise, Taxation & Narcotics Control, Punjab Lahore	2016-17	21259	Vouched account and supporting record relating to Head AO5270- Others	59,202,000
Total					59,202,000

* Amount could not be ascertained due to non production of record.

Audit was of the view that due to non-production of record, the authenticity of the accounts could not be verified.

Audit pointed out the matter in July and August 2017. The management at Sr. No. 1 replied that entire record was available. The management at Sr. No. 2 replied that the letter had already been written to the quarters concerned for providing the same. Compliance would be shown as and when received. The replies being evasive and transitory in nature , were not acceptable.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department should fix the responsibility for non production of record at the time of audit and ensure the production of record.

Irregularities & non-compliance

7.4.2 Irregular expenditure without advertisement-Rs.2.12 million

According to Rule 12 (1) Punjab Procurement Rules 2014, procuring agencies shall advertise procurement of more than one hundred thousand rupees and upto the limit of two hundred thousand rupees , on the website of the authority in the manner and the format specified by regulation but if deemed in public interest , procuring agency may also advertise the procurement in at least one daily newspaper and split up may be avoided.

During audit of various formations of Excise, Taxation & Narcotics Control, Punjab Lahore for the period 2016-17, it was observed

that expenditure Rs.2,119,233 was incurred on purchases/services i.e. printing material, stationery and services provided by the Master Communications for data connectivity etc. through splitting up the indent to avoid open tender and advertisement. The details are as under:

Sr. No.	Name of formation	PDP No.	Description	Amount (Rs.)
1.	Director Excise & Taxation	21447	Expenditure on account of printing without advertisement	1,175,303
2.	ETO Admn. Region C	21439	Irregular award of service contract	943,930
Total				2,119,233

Audit was of the view that non-observance of Punjab Procurement Rules resulted in irregular expenditure without advertisement.

Audit pointed out the irregularity in August 2017. The management at Sr. No. 1 noted the observation for compliance. The management Sr. No. 2 replied that contract was awarded to the firm at 10% above the last year contract.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department should adhere to the provisions of Punjab Procurement Rules and seek regularization of the expenditure from the Finance Department.

CHAPTER 8

FINANCE DEPARTMENT

8.1 *Introduction*

According to Rules of Business, 1974 (amended 2011), Finance Department is responsible for:

- A. Legislative and Financial Management.
- B. Policy formulation, planning, approval and management of public funds.
- C. Oversight / support-business pertaining to audit and accounts including public accounts committees and departmental accounts committees matter.
- D. Role/authority beyond the domain of administrative departments/special institutions.
- E. Administrative and other ancillary matters.

8.2 Comments on Budget & Accounts (Variance Analysis)

Introduction

The Appropriation Accounts for the year 2016-17 of Finance Department indicate expenditure on various specified services vis-à-vis appropriation authorized by Government of the Punjab.

Summary of Appropriation Accounts

The summarized position of actual expenditure during 2016-17 against the total of nine 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	3,173.048	2,475.507	5,648.555	5,189.257	(459.298)
PC21028	128,000.000	12,000.000	140,000.000	141,022.081	1,022.081
PC21031	272,407.900	27,641.586	300,049.486	284,701.456	(15,348.030)
PC13035	0.001	0	0.001	0	(0.001)
PC22036	15,000.000	29,752.848	44,752.848	43,891.061	(861.787)
PC24044	14,458.986	1,168.489	15,627.475	15,627.821	0.346
PC16048	26,554.009	1,219.930	27,773.939	27,748.908	(25.031)
PC12043	4,000.000	(1,000.000)	3,000.000	3,000.000	0
PC13050	10,000.000	0.001	10,000.001	6,507.647	(3,492.354)
Total	473,593.94	73,258.36	546,852.31	527,688.23	(19,164.07)

Overview of Expenditure

The final budget of Finance Department for the year ended 30 June, 2017 was Rs. 546,852.31 million. Out of this, actual expenditure was Rs. 527,688.23 million. 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	454,593,940,000	480,797,170,625	26,203,230,625	5.76
Development	19,000,000,000	46,891,061,029	27,891,061,029	146.80
Total	473,593,940,000	527,688,231,654	54,094,291,654	11.42

During the year, due to supplementary grants and surrenders amounting to Rs. 73,258.36 million, 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	499,099,457,000	480,797,170,625	(18,302,286,375)	(3.67)
Development	47,752,847,925	46,891,061,029	(861,786,896)	(1.80)
Total	546,852,304,925	527,688,231,654	(19,164,073,271)	(3.50)

Anticipated savings not surrendered

As per para 14.3 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.(19,164.07) million at the close of the year 2016-17 under grant PC21010, PC21031, PC13035, PC22036, PC24044, , PC16048 & PC13050 were not surrendered in time by the Department.

Excess expenditure 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.1022.427 million for the year 2016-17 under grant PC21028 & PC24044 had not been got regularized so far. This was breach of legislative control over appropriations.

8.3 *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	25	1	24	4
17	2012-13	12	4	8	33
Total		309	136	173	44

The compliance status in Finance Department remained unsatisfactory particularly for the year 1986-87 through 1995-96 and for the year 2009-10. The department needs to improve its compliance with PAC directives.

8.4 AUDIT PARAS

Non production of record

8.4.1 Non production of record -Rs. 27.62 million

As provided in 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. Further, Punjab Finance Department letter No. FD (M1) III-2/87(P-III), dated 22nd February, 1994 provides that DDO himself will be responsible for production of record to the audit party at the time of audit and that in case of any lapse on his part, severe disciplinary action will be taken against him by the Administrative Secretary personally apart from submitting a report to the Chief Minister/ Chief Secretary.

During audit of Finance Department for the period 2016-17, following auditable record was not produced to audit despite repeated requests. The details are as under:

Sr. No.	Name of formations	Nature of Record	PDP No.	Amount (Rs.)
1.	Secretary Finance	Record regarding creation of companies	21884	*
2.	Secretary Finance	Television Video Cassette's (TVC)	21882	27,616,145
3	Divisional Director Local Fund Audit Bahawalpur	Budget, Expenditure and Income statements	21816	*
Total				27,616,145

* Amount could not be ascertained due to non production of record.

Audit was of the view that due to non-production of record, the authenticity of the accounts could not be verified.

The matter was pointed out during audit conducted in September and November 2017. The managements noted the observations for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October and November and December 2017.

Audit recommends the department to take action against the delinquents and produce record for examination.

Irregularities & non-compliance

8.4.2 *Non reconciliation of variation with banks - Rs.445.91 million*

As per Government of the Punjab LG&CD Department notification No SOR (LG) 36-2/2005 dated 01.01.2017, the erstwhile Local Governments established under the Punjab Local Government Ordinance 2001 ceased to exist from 31.12.2016. With the promulgation of Punjab Local Government Act 2013, District Government was ceased to exist and fiscal operations being managed through Account-IV also stood ceased.

During audit of Finance Department it was observed that as per AG, Punjab, Lahore letter dated 24.08.2017, there was a huge difference of amounts as reported by the Local National Bank Branches of Districts and State Bank figures as on 23.06.2017.

The detail is as under:

Balance of Local Bank Branches (National Bank)	Balance of State Bank of Karachi	Difference Rs.
16,639,968,408	16,194,062,681	445,905,727

Audit was of view that weak supervisory and financial controls resulted in non-reconciliation of figure.

The matter was pointed out to the formation during audit in November, 2017. The management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends the department to reconcile the differences.

(PDP No. 21859 Secretary Finance Department, Lahore- 2016-17)

8.4.3 Un-justified payments out of Account-IV -Rs.28.43 billion

According to para3 of the Government of the Punjab, Finance Department Letter No. FD(DG)1-instructions-Act-13/2016, all PLAs/SDAs and bank accounts shall stand frozen as on 31.12.2016, therefore, accrued liabilities should be discharged in prescribed manner and balance should be reconciled.

During audit of Finance Department it was observed that an expenditure of Rs.28.43 billion was made from Account-IV for payment to District Health and Education Authorities during the months of January & February, 2017 despite the fact that all the PLAs/SDAs stood frozen as on 31.12.2016.

Audit was of view that weak supervisory and financial controls resulted in un-justified payment.

The matter was pointed out in November, 2017. The management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the expenditure be got regularized from the competent forum.

(PDP No. 21860- Secretary Finance Department, Lahore- 2016-17)

8.4.4 Loss due to conversion of loan granted through agreement into equity of the company- Rs 20.00 million

As per Rules of Business 2011, the Finance Department is responsible for management, supervision and control of Provincial Treasuries, ways & means and public debt including borrowing, lending, guarantees, investments and subsidies.

During audit of Finance Department Lahore for the period 2016-17, it was observed that funds amounting to Rs. 20 million were released as loan to Punjab Energy Holding Company (Pvt.) Limited. The agreement of the cost was signed between Finance Department and PEHCL on 18.02.2016 and amortization schedule for its return with a soft interest @ 0.25% per year was set. However, the loan was converted into equity on 04.07.2017. Following observations were also made in this regard:

- The rules/ regulations under which loan was converted into equity of the company were not found on record.

- As required under article-III of the loan agreement, financial position of the Company/ progress made in the projects were not found on record.
- Annual Audit Report/ copies of the Balance Sheet and Profit & Loss Account certified by the borrower's auditors were not found on record
- Funds were released from "A08-Loans and Advances". In financial statement, the figure of 20 million was reflected in receivable of the Provincial Government. The new disclosure of accounts required due to above change duly reconciled with Accountant General Punjab was also not available on record.
- No information about number of shares obtained in the name of Government of Punjab as a result of conversion of loan into equity was found available in the file.

Audit was of view that weak supervisory and financial controls resulted in conversion of loan.

The matter was pointed out in November 2017. The management replied that competent authority approved the conversion of loan into equity under rule 10.10 of PFR Vol-I, which states that a competent authority may remit loans and advances or waive recoveries of loans and advances on account of their recoverability or otherwise. Financial statement/ position, balance sheet and share of the equity of the company will be submitted as and when received. The reply was not tenable as the loan was issued during February 2016 and loan was irregularly converted into equity on simple request of the company.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department may:

- i. justify the position with detailed and cogent reasons for converting the loan into equity along with the support of relevant rule as rule 10.10 of PFR Vol-I is applicable in cases of irrecoverable loans.
- ii. recover mark-up Rs. 20,274 under intimation to audit.
- iii. intimate status or number of shares obtained in the name of Government of the Punjab as a result of conversion of loan into equity.
- iv. provide the financial statement of the company depicting the position of equity received (Rs 20 million) from Government of the Punjab.

(PDP No. 21862- Secretary Finance Department, Lahore- 2016-17)

8.4.5 Irregular grant of loan to Energy Department for relending to Pakistan Railways - Rs.5,124.35 million

As per distribution of business among departments given in second schedule of the Government of the Punjab Rules of Business 2011, the Finance Department is responsible for management, supervision and control of Provincial Treasuries, ways & means and public debt including borrowing, lending, guarantees, investments and subsidies.

During audit of Finance Department, it was observed that the department provided loan to the Energy Department aggregating to Rs. 5,124.35 million for further re-lending to the Pakistan Railways through Pakistan Railway Freight Transportation Company for construction of spur line and peripheral infrastructure from Yousafwala Railway Station to the site of the Qadirabad Power Project. The agreement of the cost was signed between Finance Department and Energy Department on 11.02.2016 which set an amortization schedule for its

return with a soft interest @ 0.5% per year under repayment equal to forty equal installments. Following shortcomings were also noticed:

- The loan agreement of Finance Department and Energy Department was forwarded to Law & Parliamentary Affairs Department for vetting. The draft agreement was returned un-vetted by the Law Department vide letter dated 13.02.2016 with the remarks that the agreement between Energy Department and Finance Department was not legally in order, inter alia, both the departments represent Government of the Punjab and are not two independent and separate legal persons to execute a valid agreement.
- Pay back capacity, source of income of Energy Department and its financial position were not considered before execution of loan agreement.

Further, Pakistan Railways did not provide the guarantee securing the payment obligations of PRFTC as per Board meeting on 29.02.2016 on the pretext that guarantee to Government of the Punjab could not be furnished by Pakistan Railways since this required approval of Finance Division and that of the Economic Coordination Committee (ECC) of the Cabinet.

Moreover, it was also noticed that cost of spur-line was not approved by the NEPRA. Finance Department released the loan inspite of non issuance of guarantee by the Pakistan Railways and non-execution of loan agreement between Energy Department and PRFTCs and non inclusion of spur-line cost in project tariff by NEPRA.

Audit was of the view that weak supervisory and financial controls resulted in irregular grant of loan to energy department.

The matter was pointed out during November, 2017. The management noted the observation for compliance

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in November and December 2017.

Audit recommends that the department may:

- i. justify the grant of loan without execution of loan agreement with the final borrowing authority and without guarantee of the Federal Government.
- ii. justify the grant of loan without considering payback capacity, guarantee of the company and on un-vetted agreement of the loan by the Law Department.
- iii. justify the grant of loan at nominal/soft interest rate to a commercial concern whereas Government of Punjab itself got domestic and foreign loans at higher markup/interest rate.
- iv. intimate status of the amount recovered from the Company so far, if any.
- v. justify the releases/tranches made by the Finance Department without fulfilling the codal formalities.

(PDP No.21861- Secretary Finance Department, Lahore- 2016-17)

8.4.6 Un-justified issuance of supplementary grants Rs.8,811.52 million

Rule 15.6 of Punjab Budget Manual, 2008 states that proposals for the supplementary grant are objectionable in principle and free resort to

them indicates, on the one hand, bad estimating or improvident administration and, on the other hand, impairs the proper management of the provincial finances. The justification for applying for supplementary grant should rest only upon circumstances, which are exceptional. In addition to that Rule 15.7 further elaborates that if any inconvenience, loss or damage is apprehended to a reasonable degree, the additional expenditure should be met by re-appropriation of savings found by legitimate postponement of expenditure provided for in the schedule of authorized expenditure. If re-appropriation is not possible, in supplementary proposals it should be shown:

- Why the need could not be foreseen.
- In absence of additional provision, serious inconvenience or serious loss or damage will be caused to public service.

During audit of Secretary Finance, Government of the Punjab for the year 2016-17, it was observed that supplementary grants were issued to Police (PC21013), Communication (PC21025) and Relief (PC21027) whereas funds amounting to Rs.8,811,521,735 (original budget grant Rs.98,036,691,000+ supplementary grants Rs.3,210,309,000- expenditure incurred Rs.92,435,478,265) were found un-utilized i.e. about 274% of the total amount of the supplementary grants. It is pertinent to mention here that the expenditure incurred Rs.92,435,478,265 was less than even the original budget grant. The foregoing reflects that issuance of supplementary grants was unwarranted and is a sign of improper financial management.

Audit was of the view that supplementary budget was issued without keeping in view the mandatory conditions/ pre-requisites as warranted under above laws which resulted in weak financial management.

The matter was brought to the notice of formation representative during November 2017. The formation noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the matter should be investigated in detail and corrective measures be taken for improving financial management.

(PDP No. 21869- Secretary Finance Department, Lahore- 2016-17)

8.4.7 Irregular direct transfer of funds without pre-audit / post audit to State Bank of Pakistan-Rs.22.44 billion

Under Section-5 (b) of Controller General of Accounts (Appointment, Functions & Powers) Ordinance, 2001, the Controller General of Accounts derives his statutory mandate to authorize payments and withdrawals from the Consolidated Fund and Public Accounts of the Federal and Provincial Governments against approved budgetary provisions after such pre-audited checks as the Auditor-General may, from time to time, prescribe.

During audit of Finance Department, Lahore for the Financial Year 2016-17, it was observed that funds valuing Rs. 22,440,321,149 (detail enclosed) were directly released to the State Bank of Pakistan for further credit to different agencies, etc. without routing them through Accountant General Punjab, to avoid the mandatory pre-audit checks required under the provision of law. Vouched account was also not submitted to AG Punjab for post audit.

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

The matter was pointed out during November 2017. The management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in November and December 2017.

Audit recommends that the matter should be investigated at appropriate level to take necessary corrective actions.

(PDP No.21870- Secretary Finance Department, Lahore- 2016-17)

8.4.8 Un-justified nil closing balance of Account-IV despite huge difference-Rs. 445.91 million

According to the Government of the Punjab, Finance Department Letter No .SO (TT)3-1/98 dated 19.11.2001, reconciliation of receipt and expenditure is to be done promptly as prescribed under the rule. Further, according to Rule 5(i) of District Government Rules of Business, reconciliation of receipt and expenditure of District Government is the business of Finance and Planning Department.

During audit of Finance Department, it was observed that on 31.03.2017, cash balance in Account-IV was Rs.16.639 billion and 16.194 billion in local bank branches of NBP in respective districts and State Bank of Pakistan, HO, Karachi respectively. However, without reconciling the balance between NBP and SBP the Account-IV was closed with nil balance on 31.06.2017 on the basis of balance shown in the SBP account. Details are given below:

<i>Detail of Closing Balance of A/C-IV on 31.03.2017 as per AG, Punjab Letter dated 24.08.2017</i>		<i>Balance of A/C -IV as per Finance Deptt. on 30.06.2017</i>
Local bank branches of NBP	State Bank of Pakistan, Head Office, Karachi	
16,639,968,408	16,194,062,681	NIL

Audit was of view that weak supervisory and financial controls resulted in non-reconciliation of figure.

The matter was brought to the notice of formation representative during November, 2017. The formation noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in November & December, 2017.

Audit recommends that the matter be investigated, reconciliation be ensured between SBP & NBP and corrective action be taken under intimation to audit.

(PDP No. 21873- Secretary Finance Department, Lahore- 2016-17)

8.4.9 Irregular opening of special drawing account/ payment thereof -Rs.243.53 billion

According to para 17.2.2.1 of the APPM, all assignment accounts, personal ledger accounts and special drawing accounts shall be established with the approval of Ministry of Finance or Finance Department, as the case may be, in consultation with AGPR/AG.

During audit of Finance Department, it was observed that during the financial year 2016-17, two hundred and ninety one (291 Nos.) Special Drawing Accounts (SDAs) were opened/ directly sanctioned by the Finance Department without prior consultation with the Accountant General Punjab and expenditure of Rs. 243,535,280,918 was incurred during F.Y 2016-17 as evident from Provincial Civil Accounts, June Supplementary (Revised) 2017.

Audit was of view that disregard to the provisions of APPM resulted in irregular opening of special drawing account.

The matter was pointed out in November 2017. The management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in November and December 2017.

Audit recommends that the matter be investigated at appropriate level and corrective measures be devised to avoid recurrence of such lapses in future.

(PDP No. 21874- Secretary Finance Department, Lahore- 2016-17)

8.4.10 Excess expenditure than budget allocation-Rs. 3.51 billion

According to Rule 17.15 of PFR Vol-I, no government servant may, without previously obtaining an extra appropriation, incur expenditure in excess of the amount provided for expenditure under the heads concerned, and when a government servant exceeds the annual appropriation he may be held responsible for the excess.

During scrutiny of the record of Budget Book, Revised Budget Book and SAP R3 data, it was observed that excess expenditure amounting to Rs.3,511,293,798 was incurred by different departments against different grants over and above the budget allocations. It was observed that budget allocations were released by the Finance Department under the relevant functions and object codes in SAP R3 System without having its impact reflected in the revised budget book.

Audit was of view that due to weak supervisory and financial controls, expenditure already incurred was not kept in view while

preparing revised budget estimates and this resulted in excess expenditure against the budget allocations as shown in the revised budget allocations.

The matter was pointed out in November, 2017. The management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in November and December 2017.

Audit recommends that the matter be investigated at appropriate level and corrective measures be devised to avoid recurrence of such lapses in future.

(PDP No.21875 -Secretary Finance Department, Lahore- 2016-17)

8.4.11 Expenditure without any provision-Rs.2.14 billion

According to Rule 17.15 of PFR Vol-I, no government servant may, without previously obtain an extra appropriation, incur expenditure in excess of the amount provided for expenditure under the heads concerned, and when a Government servant exceeds the annual appropriation he may be held responsible for the excess.

During audit of Secretary, Finance Department, scrutiny of Budget Book, Revised Budget Book and SAP R3 data revealed that expenditure of Rs. 2,139,129,588 was incurred by various departments without budgetary provisions.

Audit was of view that weak supervisory and financial controls resulted in expenditure without any provision

In response to the preliminary audit observation, the formation noted the observation.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in November and December 2017.

Audit recommends that the matter be investigated at appropriate level and corrective measures be devised to avoid recurrence of such lapses in future.

(PDP No. 21876-Secretary, Finance Department, Lahore- 2016-17)

8.4.12 Unjustified payment of domestic debt-Rs.1.35 billion

As per Punjab Government Rules of Business 2011, the Finance Department shall be responsible for management, supervision and control of ways & means, provincial treasuries and public debt.

During audit of Secretary, Finance Department, scrutiny of the record pertaining to Cash Development Loans, it was observed that as per note 23.1 of the Financial Statement, the payment of the loans in the category of domestic loans was already excess to the tune of Rs.22.949 billion. Despite this heavy excess in domestic loan, a further repayment of principal amounting to Rs. 1.345 billion was made during the Financial Year 2016-17.

Audit is of the view that weak internal controls on repayment of domestic loans resulted into loss due to excess payment to the stated extent.

The matter was pointed out during November, 2017. The management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till

the finalization of this Report despite issuance of reminders in November and December 2017.

Audit recommends that the matter should be investigated at appropriate level, excess paid amount if any be recovered or adjusted against remaining loans. Besides financial and supervisory controls be strengthened to avoid recurrence of such lapse in future.

(PDP No. 21877- Secretary, Finance Department, Lahore- 2016-17)

8.4.13 Negative debt balance-Rs.84.97 billion

As per Para 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 scrutiny of record of Loan Wing & Finance Accounts of the Finance Department, it was observed that heading of foreign loans comprise negative closing balance of Rs. 84,973,169,366. The negative closing balance needed rectification as it depicts that the foreign loans had been overpaid.

Audit was of view that weak supervisory and financial controls and non-reconciliation of figures, resulted in excess repayments of the loan.

The matter was brought to the notice of departmental representative during November 2017. The management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in November and December 2017.

Audit recommends that matter may be investigated, reconciliation of the negative balance of Rs. 84.97 billion be carried out with the

Economic Affairs Division and the excess payments if any be got adjusted.

(PDP No. 21878- Finance Department, Lahore- 2016-17)

8.4.14 Irregular appointment of contingent paid staff - Rs. 1.62 million

As per Government of the Punjab Finance Department letter No. RO (Tech) FD 2-2/2001 dated 03.11.2012, appointment to a post included in this Schedule may be made by the competent authority under Delegation of Financial Power Rules 2006 subject to the condition that the post(s) shall be advertised properly in the leading newspapers.

During audit of Secretary, Finance Department for the financial year 2016-17, it was observed that an amount of Rs. 1,621,320 was paid to daily wages employees during the financial year. The expenditure was considered irregular on the ground that the daily wages employees were appointed without advertisement in the leading newspapers.

This lapse was due to failure of supervisory and financial internal controls resultantly irregular appointment.

The matter was brought to the notice of formation representative during November 2017. The management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends the department seek condonation of irregularity from the competent authority besides fixing responsibility.

(PDP No.21880- Secretary, Finance Department, Lahore- 2016-17)

8.4.15 Non surrendering of savings-Rs.39.90 million

According to Para 14.3 to 14.6 of Punjab Budget Manual, all savings or unspent funds shall be surrendered/reported to government through Statements of Excesses and Surrenders, so that balances may be transferred/distributed to other needy departments.

During audit of Finance Department, it was observed that an amount of Rs. 39,902,141 had neither been utilized nor unspent balances were surrendered till the close of financial years. The unspent amounts thus lapsed. The details are as under:

Sr. No.	Name of formation	Financial year	AIR Para No	PDP No.	Amount (Rs.)
1.	Divisional Director Local Fund Audit Bahawalpur	2001-17	4	21818	13,698,992
2.	Divisional Director Local Fund Audit Multan	2006-17	5	21201	10,826,460
3.	Provincial Director, Local Fund Audit, Lahore	2009-17	2	21852	12,878,175
4.	Provincial Director, Local Fund Audit, Gujranwala	1999-2017	4	22588	2,498,514
Total					39,902,141

Audit was of the view that weak supervisory controls, poor fund management and non-adherence to financial rules resulted in lapse of funds.

The lapses were pointed out during August to October 2017. The formations at Sr. Nos. 1 to 3 noted the observations for compliance and the formation at Sr. No. 4 did not offer reply.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the irregularity be got condoned from the Finance Department.

8.4.16 *Blockage of government revenue due to excess purchase of equipment- Rs.6.79 million*

According to Rule 15.21(5) of PFR Vol-I purchase and retention of stores in excess of the probable requirement of the department in the near future may result in loss to government through deterioration. Moreover, as per Rule 15.18 ibid, stores must not be held in excess of the requirement of a reasonable period or in excess of any prescribed maximum limit.

During audit of the accounts of Punjab Revenue Authority Lahore for the financial year 2016-17, it was observed that mobile phones and computers purchased during 2015-16 were remained unutilized for a considerable period ranging between 15 to 18 months. These items were purchased without immediate requirement, as the same could not be made functional since their purchase.

Audit was of the view that purchase without immediate requirement resulted in wasteful expenditure and caused blockage of government money to the tune of Rs. 6,793,660.

Audit pointed out the irregularity in September 2017. The department stated that the items were procured for e-courts which are under process of establishment. The reply of the department in its self was the admittance of the irregularity as the items purchase could become obsolete.

The matter was further reported to the administrative department. In DAC meeting held on 03.01.2018, the para was kept pending for

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

Audit recommends that the department should investigate the matter to fix responsibility on the persons responsible for the purchase without establishment of e-courts and seek condonation of irregularity.

(PDP No. 21868-Punjab Revenue Authority for the period 2016-17)

8.4.17 Expenditure excess than budget allocation for Rs.2.26 million

According to Rule 17.15 of Punjab Financial Rules Vol-I, no government servant may, without previously obtain an extra appropriation, incur expenditure in excess of the amount provided for expenditure under the head concerned and when a government servant exceeds the annual appropriation he may be held responsible for the excess.

During audit of following formations of Finance Department, it was observed that an amount of Rs. 2,260,618 was incurred in excess of budget allocation under various heads of accounts.

The details are as under:

Sr. No.	Name of formation	Financial year	AIR Para No	PDP No.	Amount (Rs.)
1.	Divisional Director Local Fund Audit Multan	2006-17	6	21202	652,680
2.	Provincial Director, Local Fund Audit, Lahore	2009-17	3	21853	1,225,994
3.	Divisional Director Local Fund Audit Bahawalpur	2001-17	3	21817	381,944
Total					2,260,618

Audit was of the opinion that negligence of the management resulted in the excess uses of funds than budget allocation.

The matter was pointed out in September and October 2017. The formations noted the observations for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that matter be got regularized from Finance Department.

8.4.18 *Irregular mode of disbursement of pay and allowances in cash-Rs.3.44 million*

As per Finance Department's 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 the accounts of Divisional Director Local Fund Audit for the financial year 2006-07 to 2016-17 it was observed that an amount to the extent stated above was disbursed as pay & allowances to the officials through cash instead of through bank accounts of the employees in contravene to above mentioned instructions of the government.

Audit was of the view that lapse was occurred due to weak supervisory and financial control.

The matter was brought to the notice of departmental representative during September 2017. The management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the matter may be got regularized from the competent authority besides strengthening the internal controls.

(PDP No.21848 -Director Local Fund Audit Lahore- 2006-17)

Performance

8.4.19 Non-investment of GPF-Rs. 4.00 billion

According to distribution of business among departments given in Second Schedule of the Punjab Government Rules of Business 2011, the Finance Department is responsible for management, supervision and control of the Provincial Consolidated Fund and Public Accounts of the Province and matters connected therewith or ancillary thereto including matters relating to Funds including Pension Fund, Provident Fund, local funds and such other funds as may be specified.

During audit of Secretary, Finance Department Lahore for the year 2016-17, it was observed that the Finance Department withdrew an amount of Rs. 4,000 million under head “G11128-Punjab General Provident Investment Fund”. But the amount was not invested till the close of financial year 2016-17.

Audit was of the view that weak financial controls resulted in non-investment of General Provident Fund.

The matter was pointed out to the formation during audit conducted in November 2017. The management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the amount should immediately be invested on the purpose for which it was drawn besides strengthening financial and supervisory controls to avoid recurrence of such lapse in future.

(PDP No.21872-Secretary, Finance Department, Lahore- 2016-17)

Recoveries and overpayments

8.4.20 Loss to government due non auction of properties of defunct PRTC and irregular loan financing-Rs.18.08 billion

As per Rules of Business 2011, the Finance Department is responsible for management, supervision and control of provincial treasuries, ways & means and public debt including borrowing, lending, guarantees, investments and subsidies.

During audit of Secretary, Finance Department Lahore, it was observed that Punjab Road Transport Corporation was made defunct by the Government of Punjab during 1997. However, the Finance Department kept on granting loans to PRTC without considering its payback capacity. Total amount of loans till 2017 came to Rs.18.079 billion. Furthermore, as per information provided by the Finance Department, PRTC had been granted loan against its 21 properties held by the Government of the Punjab and loan would be settled by selling them. However, the matter regarding selling of properties was lying pending with Punjab Privatization Board. Rs.703.753 million were realized from selling of

properties of PRTC upto 2014 but it had not been settled against the said loan.

The matter was pointed out in November, 2017. The management replied that all immovable properties of PRTC were transferred to Government of the Punjab and the Board of Revenue put these 62 properties at the disposal of Punjab Privatization Board for auction. Out of 62 properties, 32 were sold by Punjab Privatization Board, 16 were retained by the Transport Department, 05 leased properties returned to the lesser and 09 properties still pending with PPB for disposal. PPB/Board of revenue will assess the value of these properties and further Finance Department will adjust the loan amount against the value of PRTC's properties and further releases will be made as grant in aid. The reply was not tenable as Punjab Privatization Board has explained vide letter dated 07.11.2017 that no property of PRTC was seized by PPB for privatization as all properties were handled by the Board of Revenue at their own level.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in November and December 2017.

Audit recommends that the department should forthwith stop extending loans to PRTC and seek adjustment of the outstanding loan from the concerned quarters.

(PDP No.21868-Secretary, Finance Department, Lahore- 2016-17)

8.4.21 *Non/less receipt of arrears of Net Hydel Profit (NHP) from Hydro Power Stations-Rs. 44.59 billion*

According to Article 161(2) of the Constitution of Islamic Republic of Pakistan 1973, the net profits earned by the Federal Government, or any undertaking established or administered by the

Federal Government from the bulk generation of power at a hydro-electric station shall be paid to the Province in which the hydro-electric station is situated. Further, as per functions of the Finance Department enumerated at Sr. No. 4 under the heading Finance Department in Rules of Business 2011, Finance Department is responsible for placement of the case of the province before National Finance Commission relating to the matter having financial implication for the province.

During audit of Secretary, Finance Department Lahore, scrutiny of the statements of resource position/ Federal Transfers & Estimates of receipts 2016-17 & 2017-18, it was observed that electricity profit of the Government of the Punjab amounting to Rs. 82.710 billion was acknowledged by WAPDA in its meeting during June, 2016. Out of arrears of Net Hydel Profit of Rs. 82.710 billion, an amount of Rs.36,465 billion was provided by the ABL Government of the Punjab A/C No.1(N.F) on 31.03.2017. Further, perusal of the record revealed that for balance payment and payment of Net Hydel Profit (NHP) to Government of the Punjab, WAPDA had filed tariff petition which was pending for decision of NEPRA and payment of NHP was pending at WAPDA level besides the decision of Council of Common Interests (CCI).

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

The matter was brought to the notice of formation representative during November 2017. The management just noted the observation and did not offer reply.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in November and December 2017.

Audit recommends that formula to calculate NHP be chalked out, up-to date recovery be collected from Federal Government and deposited into Government Account under intimation to audit.

(PDP No. 21863-Secretary, Finance Department, Lahore- 2016-17)

8.4.22 Non-transparent grant of loan-Rs.2,335.03 million

As per Rules of Business 2011, the Finance Department is responsible for management, supervision and control of Provincial Treasuries, ways & means and public debt including borrowing, lending, guarantees, investments and subsidies.

During audit of the Secretary, Finance Department Lahore, it was observed that department granted loans to various companies at the interest rate of 0.25% per annum and repayment within 5 years including 2 years grace period. The details are as under:

(Rupees in millions)

Sr. No.	Name of Company	Period of grant of loan	Amount of loan
1	Punjab Agriculture and Meat Company, Lahore	2008-09 to 2013-14	1,490.88
2	Punjab Livestock and Dairy Development Board, Lahore	2010-11 to 2014-15	844.15
Total			2,335.03

The grant of the loans was considered non-transparent as the same were granted without executing any agreement with the Companies. Neither any plan of receiving the public money back had been worked out nor financial statements duly audited by the chartered accountant firm/ third party audit depicting the financial position of the company was found on record.

Audit was of the view that issuing loans without executing agreements may create financial/ legal complications at the time of pay back of the loans with interest.

The matter was brought to the notice of departmental representative during November 2017. The management replied that efforts were being made for execution of agreement at the earliest. The reply is not relevant as loans were extended without agreements.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in November and December 2017.

Audit recommends that the matter be investigated at an appropriate level and corrective measures be developed to prevent such occurrences in future besides ensuring early execution of agreements with the said companies.

(PDP Nos.21864 & 21867-Secretary, Finance Department, Lahore- 2016-17)

8.4.23 Less recovery of loan/interest from different agencies- Rs.182.52 million

Rule 4.1 of the P.F.R VOL-1 requires that 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 Secretary, Finance Department, Lahore for the year 2016-17, a comparison of the recovery of interest on loans planned against different agencies as set in "Estimates of Receipts" and actual recovery/ loan made showed that Rs.182.523 million was less realized than revised target recovery of loans.

Audit was of the view that weak internal controls on interest management resulted into non/ less recovery of interest on loans from different agencies to the stated extent.

The matter was brought to the notice of formation representative during November 2017. The management replied that Finance Department had recovered loans amounting to Rs. 1,028.14 million as principal and Rs. 340.84 million as interest from various financial institutions/ non-financial institutions and TMA during the F.Y 2016-17. As far as less recovery is concerned, efforts were being made to recover the outstanding loans.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in November and December 2017.

Audit recommends that efforts be made for early recovery of loans.

(PDP No.21865-Secretary, Finance Department, Lahore- 2016-17)

8.4.24 Less collection of planned receipts-Rs. 45,804.67 million

As per Rule 5.8 of Chapter 5 of "The Punjab Budget Manual 2008 (seventh edition) .The estimates of receipts should be forecasted accurately at the time of their preparation, as the financing of the programme of expenditure in the various departments is vitally dependent upon it. While the under-estimating of receipts will cause an alarming position of ways and means, while over gross estimating may raise false hopes, which may be falsified in the end. Therefore, the estimates submitted by the estimating officers should neither be inflated nor under-pitched. Moreover, as per Rule 4.1 of the PFR Vol-1, 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 Secretary, Finance Department Lahore for the year 2016-17, a comparison of the planned and revised receipt targets revealed that the planned estimates of receipts valuing Rs. 132,105.206 million

pertaining to Current Capital Receipts A/c-I were reduced to Rs. 86,300.535 million. Reduction of Rs. 45,804.671 million showed loopholes in tax and receipt governance.

Audit was of the view that receipts were less collected due to weak financial and supervisory controls.

In response to the preliminary audit observation, the management replied that estimates were prepared on the basis of information provided by the respective Project Directors and figures were presented on the receipt of final figures from Economic Affairs Division.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that mechanism for estimating capital receipts be revamped in order to ensure realistic estimates for better planning.

(PDP No. 21866-Secretary, Finance Department, Lahore- 2016-17)

8.4.25 Non/ less recovery audit fee- Rs.161.42 million

As per Rule 5.8 of Chapter 5 of "The Punjab Budget Manual 2008 (seventh edition), the estimates of receipts should be forecasted accurately at the time of their preparation, as the financing of the programme of expenditure in the various Departments is vitally dependent upon it. While the under-estimating of receipts will cause an alarming position of ways and means, while over gross estimating may raise false hopes, which may be falsified in the end. Therefore, the estimates submitted by the estimating officers should neither be inflated nor under-pitched. Moreover, as per Rule 4.1 of the PFR Vol-1, 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 record of following formations, it was revealed that receipts valuing Rs. 161.42 million were not realized which also showed poor receipt governance by the department.

(Rupees in million)

Sr. No.	Name of formations	Nature of Recovery	Financial year	PDP No.	Amount (Rs.)
1	Divisional Director local Fund Audit Multan	Non Recovery of Audit Fee	2006-17	21197	18.98
2	Divisional Director local Fund Audit Lahore	Recovery of Outstanding Audit Fees	2006-17	21847	67.77
3	Provincial Director local Fund Audit Lahore	Non Recovery of Audit Fee	2009-17	21851	55.72
4	Divisional Director Local Fund Audit Gujranwala	Non Recovery of Audit Fee	1999-17	22585	18.34
5	Divisional Director Local Fund Audit Bahawalpur	Non Recovery of Audit Fee	2001-17	21815	.608.00
Total					161.42

Audit is of the view that weak financial and supervisory controls resulted in non-Realization of audit fee.

The matter was brought to the notice of departmental representative during August to November 2017. The managements noted the observations for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that early steps may be taken for recovery of amount involved and its deposit into government treasury besides adoption of remedial measures.

8.4.26 Non return on investments-Rs 24.71 billion

As per Rules of Business 2011, the Finance Department is responsible for management, supervision and control of Provincial

Treasuries, ways & means and public debt including borrowing, lending, guarantees, investments and subsidies.

During audit of Secretary, Finance Department Lahore for the year 2016-17, it was observed that investment of Rs. 24,705,189,340 was made in the financial institutions and companies etc. but no return/profit on dividend was received during the Financial Year 2016-17. The financial statements to see the financial position of the entities were also not available in the respective files.

Audit was of the view that weak internal controls on investment resulted in non-receipt of profit on investment.

The matter was brought to the notice of formation representative during November 2017. The management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in November and December 2017.

Audit recommends that:

- matter should be investigated at appropriate level;
- immediate steps be initiated for recovery of profit/dividend from respective entities; and
- strengthen financial and supervisory controls to avoid recurrence of such lapses in future.

(PDP No. 21871 – Secretary, Finance Department, Lahore- 2016-17)

8.4.27 Non recovery of loan/ interest from companies- Rs. 8.12 billion

Rule 4.1 of the P.F.R VOL-1 requires that 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 the audit of Secretary, Finance Department Lahore for the year 2016-17, it was observed that loan amount was paid to the Rawalpindi/ Lahore Waste Management Company and Punjab Livestock & Dairy Development. The agreement of the cost was signed between Finance Department & Rawalpindi /Lahore Waste Management Company but as per amortization schedule a sum of Rs. 8.12 billion in the shape of Principal and Interest amount against companies was due during F.Y 2016-17 but the companies did not repay till the date of audit (November 2017) as detailed below.

Sr. No.	Name of Company	Period	Due Loan Amount (in million)	
			Interest Amount	Principal Amount
1.	Rawalpindi Waste Management Company	2016-17	10.79	---
2.	Lahore Waste Management Company	2016-17	3.89	317.00
3.	Punjab Livestock & Dairy Development	2016-17	127.89	7,658.99
Total			142.57	7,975.99

Following discrepancies were also noticed:

- As required under Article-III of the loan agreement, Financial Position of the Company/Progress made in the projects was not found on record.
- Annual Audit reports/Copies of the Balance Sheet and Profit & Loss Account duly certified by the borrower's auditors were not found on record.
- Copies of loan agreement vetted by the Law Department were not found on record.

- Loan was granted at nominal/ soft interest rate to commercial companies; on the other hand the Government of Punjab itself got domestic/Foreign Loans at higher markup/interest.
- Rules/authority under which grace time period has granted repeatedly were not available

Audit was of the view that the lapse was due to failure of supervisory and financial internal controls.

The matter was brought to the notice of departmental representative during November, 2017. The management stated that calculation of audit was not comprehended and required documents of audit will be provided in due course of time. The reply was not tenable as the figures were pointed out from the company files.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in November and December 2017.

Audit recommends that the department should:

- justify the position/rule under which grace time period was awarded repeatedly.
- intimate the amount of principal and interest amount recovered so far from the companies.
- justify the grant of loan at nominal interest rate to commercial concern, where the Government itself got domestic and foreign loans at higher markup/interest rate.
- obtain all documents referred to above and provide to audit for scrutiny.

(PDP No. 21879-Secretary, Finance Department, Lahore- 2016-17)

8.4.28 Less deduction of Punjab Sales Tax and withholding Tax- Rs. 539,437

As per Sr.No.12 and 46 of the Second Schedule of the Punjab Sales Tax on Services Act 2012, Punjab Sales Tax @ 16% is deductible on all kinds of advertisement services like services provided by TV or Radio Program producers or production houses.

During the audit of Finance Department Lahore for the year 2016-17, it was observed that an amount of Rs. 539,437 on account of Punjab Sales Tax and withholding Tax was found less deducted. The details are as under:

Sr. No.	Name of formation	Nature of Recovery	Financial year	PDP No.	Amount (Rs.)
1.	Secretary Finance, Government of the Punjab Lahore	Non Recovery of Punjab sales Tax	2016-17	21881	489,332
2.	Punjab Revenue Authority, Lahore	Less deduction of Income Tax	2016-17	21866	50,105
Total					539,437

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

The matter was brought to the notice of the entities in October and November 2017. The formations noted the observations for compliance.

The matter was further reported to the administrative department. In DAC meeting held on 03.01.2018, the amount of the para at Sr. No.3 was reduced to the extent shown in above table after verification of recovery of Rs. 168,156. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that early steps may be taken for recovery of amount involved & its deposit into govt. treasury besides.

8.4.29 Irregular grant of loan to companies/ institutions- Rs.45,306.78 million

As per Punjab Government Rules of Business, 2011, the Finance Department is responsible for financial control and management of provincial accounts and matters pertaining to it which also includes grant of loans and their repayment.

During audit of Secretary, Finance Department, scrutiny of record relating to loans and advances to autonomous bodies and companies revealed that the Punjab Government had granted loans to financial & non-financial institutions at very nominal or no mark-up rate to facilitate in performing their functions or for execution of different development projects, from its own or foreign donors, without considering their pay back capacity. The details are as under:

Sr. No	Name of Institutions	Total Outstanding Amount Rs. In Million
1.	Lahore Waste Management Company	29,937.03
2.	Rawalpindi Waste Management Company	5,930.99
3.	Punjab Industrial Estate Development & Management Company (PIEDMC)	6,466.85
4.	Sialkot Waste Management Company	502.00
5.	Punjab Land Development Company (PLDC)	839.92
6.	Punjab Mineral Company	1630.00
	Total	45,306.79

Audit was of the view that in the presence of provincial and district government set ups, the incorporation of various companies by extending loans was a wastage of public exchequer.

In response to the preliminary observation the management replied that Finance Department was competent to sanction such loans on the

recommendations of the Administrative Department as per the definition at Rule 1.12 of PFR VOL-I. As far as grant of loan on low interest rate, it was responsibility/decision of the Finance Department to determine propriety of the terms and conditions of the agreement.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department:

- The matter may be probed to arrive at factual position and take necessary action and recovery of the loss from the persons at fault.
- Appropriate measures may be taken to avoid recurrence of such occasion

(PDP No.21883- Secretary, Finance Department, Lahore- 2016-17)

CHAPTER 9

FOOD DEPARTMENT

9.1 *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, the main functions of the 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.

9.2 Comments on Budget & Accounts (Variance Analysis)

Introduction

The Appropriation Accounts for the year 2016-17 of Food Department indicate expenditure on various specified services vis-à-vis appropriation authorized by Government of the Punjab.

Summary of Appropriation Accounts

The summarized position of actual expenditure during financial year 2016-17 against the total of seven grants/appropriations was as follows:

(Rupees in million)

Grant No.	Original Grant	Supplementary Grant/Re-Appropriation	Final Grant	Actual Expenditures	Excess/ (Savings)
(1)	(2)	(3)	(4)	(5)	6(5-4)
PC21010	116.572	(40.119)	76.453	76.716	0.263
PC21030	65,453.000	0.001	65,453.001	35,360.312	(30,092.689)
PC21031	227.739	451.63	679.369	359.100	(320.269)
PC13033 (Charged)	22,614.000	0	22,614.000	18,536.751	(4,077.249)
PC16033 (Voted)	124,491.160	17,321.028	141,812.188	135,703.586	(6,108.602)
PC22036	251.582	(239.689)	11.893	0	(11.893)
PC16047 (D)	82,240.115	20,698.889	102,939.004	100,740.000	(2,199.004)
Total	295,394.168	38,191.74	333,585.908	290,776.465	(42,809.443)

Overview of Expenditure

The final budget of Food Department for the year ended 30 June, 2017 was Rs.333,585.908 million. Out of this, actual expenditure was Rs.290,776.465 million. 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	295,142,586,000	290,776,464,173	(4,366,121,827)	1.48
Development	251,582,000	0	(251,582,000)	100.00
Total	295,394,168,000	290,776,464,173	(4,617,703,827)	1.56

During the year, due to supplementary grants and surrenders amounting to Rs. 38,191.74 million, 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	333,574,015,000	290,776,464,173	(42,797,550,827)	12.83
Development	11,893,000	0	(11,893,000)	100.00
Total	333,585,908,000	290,776,464,173	(42,809,443,827)	12.83

Anticipated savings not surrendered

As per para 14.3 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.(42,809.443) million at the close of the year 2016-17 under grants PC21030, PC13031, PC13033, PC16033/ PC16047 (D) & PC22036 were not surrendered in time by the Department.

Excess expenditure 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. 0.263 million for the year 2016-17 under grant PC21010 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	1984-85	110	80	30	73
2	1985-86	180	114	66	63
3	1986-87	59	37	22	63
4	1987-88	87	17	70	20
5	1988-89	68	27	41	40
6	1989-90	23	3	20	13
7	1990-91	26	3	23	12
8	1991-92	56	6	50	11
9	1992-93	31	4	27	13
10	1993-94	30	11	19	37
11	1994-95	73	0	73	0
12	1995-96	13	0	13	0
13	1996-97	96	38	58	40
14	1997-98	84	31	53	37
15	1998-99	174	104	70	60
16	1999-00	164	101	63	62
17	2000-01	214	167	47	78
18	2001-02	251	212	39	84
19	2003-04	109	0	109	0
20	2005-06	29	8	21	28
21	2006-07	37	24	13	65
22	2009-10	77	22	55	0
23	2010-11	35	10	25	29
24	2011-12	20	8	12	40
Total		2046	1027	1019	50

The compliance status of Food Department remained unsatisfactory during the years 2003-04, 2009-10 and 2010-11. Moreover, the attention of the department is also especially drawn towards the compliance status for the years 1989-90 to 1995-96.

9.4 AUDIT PARAS

Non production of record

9.4.1 Non production of record -Rs.3,158.12 million

As provided in 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. Further, Punjab Finance Department letter No. FD (M1) III-2/87(P-III), dated 22nd February, 1994 provides that DDO himself will be responsible for production of record to the audit party at the time of audit and that in case of any lapse on his part, severe disciplinary action will be taken against him by the Administrative Secretary personally apart from submitting a report to the Chief Minister/ Chief Secretary.

During audit of Food Department, it was observed that following formations did not produce auditable record 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.	DFC RY Khan	2016-17	22591	Export record	1,605,450,000
2.	DFC Khanewal	2016-17	21820	Original Challan	680,900,000
3.	DFC MuzafarGarh	2016-17	21593	Original Challan	458,320,000
4.	DFC MuzafarGarh	2016-17	21594	GP-6 & 7	172,955,475
5.	DFC RY Khan	2016-17	22593	GP-6 & 7	82,584,963
6.	DFC Chakwal	2016-17	21194	Electricity bills	56,036,653
7.	DFC M.B Din	2014-16	18570	Tender process	22,132,691
8.	DFC Khanewal	2016-17	21825	GP-6 & 7	20,972,613

Sr. No.	Name of formation	Period of audit	PDP No.	Nature of record	Amount (Rs.)
9.	DFC Sahiwal	2016-17	21586	GP-6 & 7	19,097,800
10.	DFC Vehari	2016-17	21561	Original Challan	12,278,617
11.	DFC Bhakkar	2016-17	21792	Vouched account	848,064
12.	DFC Bhakkar	2016-17	21787	Vouched account	9,439,574
13.	DFC RY Khan	2016-17	22597	Original invoices	7,245,000
14.	Director Food, Lahore	2015-16	19761	Repair bills	6,605,625
15.	DFC Khanewal	2016-17	21830	GP-6 & 7	2,560,000
16.	DFC Sahiwal	2016-17	21590	GP-6 & 7	690,000
17.	DFC Bahawalpur	2016-17	21813	Adjustment bills	*
Total					3,158,117,075

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 from July to November 2017. The managements noted the observations for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that complete record be produced besides fix responsibility for not producing record at the time of audit.

Irregularities & non-compliance

9.4.2 Non-Surrendering of Savings-Rs. 5,887.74 million

Para 14.3 of the Punjab Budget Manual Requires that all the anticipated saving should be surrendered in the 1st statement of excess and

* Amount could not be ascertained due to non production of record.

surrenders by 1st January and 2nd statement by 31st March, so that it could be utilized where it actually needed.

During audit of Food Department it was observed that savings of budget grant amounting Rs. 5,887,744,671 were not surrendered and thus lapsed at the close of financial year. Had the amount surrendered well in time the same could be utilized somewhere else for other useful purposes. The details are as under:

Sr. No.	Name of formation	PDP No.	Period of audit	Amount (Rs.)
1.	Director Food, Lahore	19762	2015-16	5,685,641,043
2.	DFC Khanewal	21823	2016-17	29,429,611
3.	DFC RY Khan	22595	2016-17	67,001,463
4.	DFC Vehari	21569	2016-17	8,938,981
5.	DFC Multan	21837	2016-17	69,306,946
6.	DFC Muzafar Garh	21596	2016-17	6,700,463
7.	Punjab Food Authority	21631	2016-17	20,357,339
8.	DFC Vehari	17624	2015-16	368,825
Total				5,887,744,671

Audit was of the view that above lapse was occurred due to weak financial controls of the management.

The matter was pointed out from July 2015 to November 2017. The managements noted the observations for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that irregularity be got regularized with the sanction of Finance Department.

9.4.3 Goods purchased without testing specification- Rs.2,262.04 million

As per rule 15.12 of PFR Vol-I, a reliable list, inventory or account of all stores in the custody of Government servants must be maintained, to enable a ready verification of stores and check of accounts at any time. Transactions must be recorded in it as they occur. Moreover, Rule 15.4 (a) of PFR Vol-I requires that all materials received should be examined, counted measured and weighed, as the case may be, when delivery is taken and then entered in the appropriate stock register.

During audit of Food Department, it was noticed that the management had procured goods for preservation of wheat stock such as PP bags, Jute bags, AP tablets and polyethylene laminated caps without testing specification of goods in accordance with the specifications set by the committee.

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	Secretary Food Department, Lahore	2016-17	19651	2,067,851,800
2.	Secretary Food Department, Lahore	2016-17	19653	80,109,000
3.	Secretary Food Department, Lahore	2016-17	19655	1,380,000
4.	Secretary Food Department, Lahore	2016-17	19660	112,700,000
Total				2,262,040,800

Audit was of the view that weak supervisory and financial controls resulted in goods purchased without testing specification.

The matter was pointed out from July to November 2017. The management replied that the samples were got tested from the Govt. institutions. The reply of the management was not tenable as the samples were not got tested in accordance with the specification set by the standardization committee.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that irregularity be got regularized with the sanction of Finance Department besides strengthening of internal controls.

9.4.4 Irregular hiring of godowns for storage of wheat- Rs.56.79 million

As per Rule 12 of Punjab Procurement Rules 2014, procurement over one hundred thousand rupees and up to the limit of two million rupees shall be advertised on PPRA web site in the manner and format specified by regulation by the PPRA from time to time.

During audit of Food Department, it was observed that the district managements hired private godowns for storage of wheat without obtaining competitive rates through PPRA web-site. Moreover, rent assessment certificates were also not obtained from Excise & Taxation Department. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	DFC Gujranwala	2015-16	18563	25,906,628
2.	DFC Jhang	2016-17	22572	15,772,453
3.	DFC Jhang	2016-17	22573	245,290
4.	DFC Sheikhpura	2016-17	21840	9,241,813
5.	DFC M B Din	2014-16	18577	1,267,552
6.	DFC Kasur	2015-16	18581	5,358,283
Total				57,792,019

Audit was of the view that non observance of Punjab Procurement Rules resulted in irregular hiring of godowns for storage of wheat

The matter was pointed out from July to November 2017. The managements noted the observations for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that irregularity be got regularized with the sanction of Finance Department besides strengthening of internal controls.

9.4.5 Irregular expenditure without preparation of budget-Rs. 97.59 million

As per Rule 48 (3) of Punjab Food Authority Act 2011, the Food Authority shall approve its annual budget for a financial year in the prescribed manner.

During audit of Punjab Food Authority, Lahore for the period 2016-17, it was observed that an amount of Rs. 97,591,595 was spend without preparation of budget and its subsequent approval from the Board of Directors.

The lapse occurred due to non adherence to the provision of the Act, resultantly above stated amount was spend irregularly

The matter was pointed out in October 2017. The management only signed the observation.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommended that matter being serious in nature be looked into at administrative level for fixing responsibility and taking remedial measures.

(PDP No.21187- Punjab Food Authority-2016-17)

9.4.6 Irregular issuance of bardana-Rs. 25.47 million

As per para 24 “jeem” of wheat policy book 2016-17, gardawari list must show area under cultivation of wheat during current (year of sowing).

During audit of the District Food Controller, Kasur for the period 2015-16, it was observed that bardana amounting to Rs.25,465,357 was distributed among the growers for purchase of wheat for the scheme year 2016-17 but a perusal of the gardawari lists on the basis of which bardana was issued related to the year 2016 instead of 2015. Moreover, center coordinator did not sign with stamp on the bardana issue slips.

Due to issue of bardana on irrelevant gardawari lists and un-authenticated slips by the center coordinator, audit could not verify the issuance of bardana to the actual growers.

Audit pointed out the matter in April 2017. The management just received the observation and no reply was offered.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommended that matter may be inquired into for fixing responsibility.

(PDP No.18584- D.F.C. Kasur-2015-16)

9.4.7 Irregular procurements without obtaining rates through PPRA web-site-Rs.52.27 million

As per Rule 9 of Punjab Procurement Rules 2014, a procuring agency shall announce in an appropriate manner all proposed procurement

for each financial year and shall proceed accordingly without any splitting or regrouping of the procurement so planned. 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 PPRA website.

During audit of Food Department, it was observed that an amount to the above extent was spend on procurement of goods and services without obtaining competitive rates through PPRA web-site. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Nature of procurement	Amount (Rs.)
1	Punjab Food Authority	2016-17	21185	Vehicles	39,307,500
2	DFC Pakpattan	2015-16	17625	Works services	4,001,893
3	DFC Vehari	2016-17	21560	Bhoosa	1,721,387
4	DFC Gujranwala	2015-16	18567	Works services	1,683,985
5	DFC Gujranwala	2015-16	18558	Dunnage material	976,000
6	DFC DG Khan	2016-17	21579	Printing work	971,100
7	DFC DG Khan	2016-17	21571	Dunnage material	925,540
8	DFC DG Khan	2016-17	21573	Fumigation services	629,800
9	Cane Commissioner, Lahore	2016-17	22030	Stationery	540,667
10	DFC Pakpattan	2015-16	17626	Dunnage material	550,250
11	Director Food, Lahore	2015-16	19776	Stationery	441,110
12	Punjab Food Authority	2016-17	21190	Various items	372,567
13	Director Food, Lahore	2015-16	19778	Furniture	145,372
Total					52,267,171

Audit was of the view that non observance of Punjab Procurement Rules resulted in irregular procurements without obtaining rates through PPRA web-site.

The matter was pointed out from July to November 2017. The managements noted the observations for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that irregularity be got regularized with the sanction of Finance Department besides strengthening of internal controls.

9.4.8 Irregular appointment of contingent paid staff-Rs.36.54 million

As per Supreme Court of Pakistan’s ruling dated 19.01.1993, passed in Human Rights case No.104 (I to IV) 1992 read with S&GAD’s Notifications No. SOR-III-2-2/91 dated 05.01.1995 and No DS(O&M)5-2004/Contract)(MF) dated 29.12.2004, no recruitment should be made against any post which is not advertised properly.

During audit of Food Department, it was noticed that chowkidars were appointed for watch and ward of wheat stock stored in open. Entire appointments were made without advertising the posts in newspapers.

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	DFC Bhakkar	2016-17	21783	6,714,733
2.	DFC DG Khan	2016-17	21572	8,649,000
3.	DFC Bahawalpur	2016-17	21807	12,459,450
4.	DFC M B Din	2014-16	18575	2,993,090
5.	DFC Kasur	2015-16	18586	3,545,192
6.	DFC Pakpattan	2015-16	17630	2,178,970
Total				36,540,435

Audit was of the view that weak supervisory and financial controls resulted in irregular appointments of chowkidars.

The matter was pointed out from July to November 2017. The managements noted the observations for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that responsibility be fixed for irregular appointments and fresh appointments be made after advertising the posts. The expenditure be got regularized from the Finance Department.

9.4.9 Irregular hiring of rented building-Rs. 30.90 million

As per note below Rule 5 of Punjab Delegation of Financial Rules, 2009, (i) the accommodation is according to the scale approved by the Government, (ii) the rent does not exceed the tax assessed by the Excise & Taxation Department for the purpose of urban immovable property tax. In case the rent exceeds from the rent assessed by the Excise & Taxation Department, the Administrative Department shall give rent reasonability certificate (iii) the rent is made on the basis of property tax, and (iv) non-availability certified.

During audit of Punjab Food Authority, Lahore for the period 2016-17, audit observed that management had hired buildings for offices in Lahore/Gujranwala/Multan. Hiring of office buildings on rent was held irregular on the grounds that rent assessment certificate obtained from Excise & Taxation Department revealed that the same was not a valid one as the tax amount of the property was not shown in the certificate and period of validity of certificate was also not mentioned in the certificate.

Furthermore, NOC from Communication & Works department regarding non availability of building for office was not obtained. Also rent reasonability certificate of the Administrative Department was not obtained. Lastly, approval for advance payment of Rs. 6,687,000 was not obtained from Finance Department.

The above lapses were a violation of the above cited Rules and occurred due to weak financial and supervisory controls.

The matter was pointed out in October 2017. The management only signed the observation.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends to fix the responsibility on the person at fault besides regularization of irregularity from Finance Department.

(PDP No.21184- Punjab Food Authority-2016-17)

9.4.10 Irregular expenditure on repair/construction of plinths- Rs.22.11 million

As per Rule 9 of Punjab Procurement Rules 2014, a procuring agency shall announce in an appropriate manner all proposed procurement for each financial year and shall proceed accordingly without any splitting or regrouping of the procurement so planned. 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 PPRA website.

During audit of Food Department, it was observed that an amount to the above extent was spent on repair/construction of plinths without

obtaining competitive rates through PPRA web-site. Moreover, administrative approvals, technical sanctions, rough cost estimates, analysis of market rates, measurement books and actual payee receipts were also not produced to audit to verify the authenticity of expenditure. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	DFC M.B Din	2016-17	18579	223,200
2.	DFC Gujranwala	2015-16	18566	1,822,500
3.	DFC Bahawalpur	2016-17	22589	6,779,600
4.	DFC Khanewal	2016-17	21826	12,869,568
5.	DFC Sahiwal	2016-17	21587	415,000
Total				22,109,868

Audit was of the view that non observance of Punjab Procurement Rules resulted in irregular expenditure on repair/construction of plinths.

The matter was pointed out from July to November 2017. The managements noted the observations for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that irregularity be got regularized with the sanction of Finance Department besides production of record as mentioned above.

9.4.11 Irregular expenditure due to shifting of headquarters- Rs.13.52 million

As per para2 of Government of the Punjab, Finance Department letter No. FD/SRIV-8-1/76(Prov) dated 20.03.1988, shifting of headquarter for a period of not exceeding three months, without prior

approval of Finance Department is a financial irregularity and involve unnecessary expenditure.

During audit of Food Department, it was noticed that the officials were on the sanctioned strength of one DFC office and drawing their salaries from the budget of the same office but working in other offices for the period more than three months. The details are as under:

Sr. No.	Name of formation	AIR Para No.	Period of audit	Amount (Rs.)
1	DFC Sheikhpura	21843	2016-17	1,493,990
2	DFC Bahawalpur	21789	2016-17	516,528
3	DFC Khanewal	21829	2016-17	3,135,132
4	DFC Sheikhpura	17648	2015-16	8,377,128
5	DFC Chakwal	21195	2016-17	0
Total				13,522,778

Audit was of the view that above lapse was occurred due to weak financial controls of the management.

The matter was pointed out from July 2015 to November 2017. The managements noted the observations for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that irregularity be got regularized with the sanction of Finance Department.

9.4.12 Unauthorized D-classification of tarpaulins/kits - Rs.13.00 million

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 tarpaulins and fumigation kits valuing to Rs.13,000,000 were declared by the DFC's as D-class at their own without approval of the competent authority.

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	DFC Bahawalpur	2016-17	21809	9,050,000
2	DFC Vehari	2016-17	21564	1,160,000
3	DFC Rajanpur	2015-16	17637	2,790,000
Total				13,000,000

Audit was of the view that weak supervisory and financial controls resulted in unauthorized D-classification of tarpaulins.

The matter was pointed out from July to November 2017. The managements noted the observations for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that irregularity be got regularized with the sanction of Finance Department.

9.4.13 Irregular excess expenditure than budget allocation-Rs. 8.61 million

According to Rule 17.15 of PFRVol-I, no government servant may, without previously obtain an extra appropriation, incur expenditure in excess of the amount provided for expenditure under the head concerned and when a Government servant exceeds the annual appropriation he may be held responsible for the excess.

During audit of Food Department, it was observed that an amount of Rs. 8,614,691 was incurred in excess than the budget allocation under

various heads of accounts which was a serious financial irregularity on the part of the DDOs. The details are as under:

Sr. No.	Name of formation	PDP No.	Period of audit	Amount (Rs.)
1	DFC Bahawalpur	21805	2016-17	4,646,105
2	Director Food, Lahore	19763	2015-16	3,968,586
Total				8,614,691

Audit was of the view that above lapse was occurred due to weak financial controls of the management.

The matter was pointed out from July 2015 to November 2017. The managements noted the observations for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that irregularity be got regularized with the sanction of Finance Department.

9.4.14 Irregular payment of Market Committee Fee-Rs.8.33 million

As per Sr. No.2(b)(xiii) of Punjab Delegation of Financial Powers Rules, 2006 updated up to 26th March 2010, only administrative departments, officers of category-I & II are competent to accord sanction for “Fees in other cases in lieu of services rendered” up to Rs.5000, & Rs.1,000 in each case respectively.

During audit of Food Department, it was observed that an amount of Rs.8,332,084 was sanctioned for payment of Market Committee Fee by the following DFCs. DFC was not competent to sanction expenditure on account of payment of Market Committee Fee.

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	DFC M B Din	2014-16	18578	1,611,163
2.	DFC Gujranwala	2015-16	18564	1,623,633
3.	DFC Kasur	2015-16	18582	873,838
4.	DFC Rajanpur	2015-16	17638	1,282,264
5.	DFC Vehari	2015-16	17650	1,263,435
6.	DFC Pakpattan	2015-16	17629	821,587
7.	DFC Sheikhpura	2015-16	17649	856,164
Total				8,332,084

Audit was of the view that weak supervisory and financial controls resulted in irregular sanctions of expenditure for payment of market committee fee.

The matter was pointed out from July to November 2017. The managements noted the observations for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that irregularity be got regularized from the Finance Department.

9.4.15 Unjustified appointment of consultants without provision of PC-I- Rs.1.92 million

As per annexure-D of the Project “Construction for the accommodation, improvement and up gradation of Food testing Labs”, there was no provision of hiring of consultants in the approved PC-I.

During scrutiny of paid vouchers of the accounts of Secretary, Government of the Punjab, Food Department for the period 2016-17, audit observed that Food Department appointed two consultants without

provision in the PC-I and paid them Rs.1,920,000 as consultancy fee. Moreover, the fee was required to be paid out of the project budget but the same was paid out of regular budget of the secretary office.

Sr. No.	Name of consultant	Appointment order no.	Date	Amount (Rs.)	No. of month/days	Amount (Rs.)
1	Dr. Muhammad Nasir	Nil	30.03.16	30,000 per day	42 days	1,260,000
2	Ms. Hina Ejaz	Nil	30.03.16	110,000 per month	6 months	660,000
Total						1,920,000

Audit was of the view that weak supervisory and financial controls resulted in unjustified appointment of consultants without provision.

Audit pointed out the matter in August 2017. The management replied that the matter relates to development project which has been handed over to Health Department. The reply of the management was not tenable as the appointments were made by the Food Department and payment of salary/remuneration was also paid by the Food Department out of its regular budget.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that matter being serious in nature be looked into at an appropriate level for fixing responsibility and effecting recovery.

(PDP No. 19661-Secretary, Food Department, Lahore- 2016-17)

Recoveries and overpayments

9.4.16 Non recovery of penalties-Rs.2,100.99 million

As per contract agreement the contractor shall transport the fixed quantity of wheat as indicated in the work order within the given period, if the transporter transported less quantity against receipt quantity than the cost of wheat of less quantity will be recovered from the transporter bill.

During audit of Food Department, it was noticed that penalties amounting to Rs.2,100,997 for non transportation of wheat within stipulated period and penalty imposed on flour mill for provision of sub standard atta, were not recovered from the concerned contractors/flour mill. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	DFC Jhang	2016-17	22571	295,912
2.	DFC Rawalpindi	2016-17	21557	428,074
3.	DFC Multan	2016-17	21836	324,311
4.	DFC Chakwal	2016-17	21196	100,000
5.	DFC Vehari	2015-16	17619	952,700
Total				2,100,997

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

The matter was pointed out from July to November 2017. The managements noted the observations for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that recovery be effected besides strengthening of internal controls.

9.4.17 Non deduction of taxes-Rs.1,045.17 million

Section 153(1)(a) of Income Tax Ordinance, 2001 read with Finance Act 2013 requires that Every prescribed person making a payment in full or part including a payment by way of advance to a resident person or permanent establishment in Pakistan of a non-resident person for the sale of goods shall, at the time of making the payment, deduct tax from the

gross amount in case of services @7% in case of a company and 10% other than a company.

During audit of Food Department, it was observed that applicable taxes of Rs.1,045,168,976 (Annexure-3) were not withheld while making payment to the concerned.

Audit was of the view that weak supervisory and financial controls resulted in non deduction of permissible taxes.

The matter was pointed out from July to November 2017. The managements noted the observations for compliance.

The matter was further reported to the administrative department. In DAC meeting held on 21.11.2017, the para at Sr. No. 32 was kept pending for recovery. Further progress was not reported by the department. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that recovery of applicable taxes be made from the concerned.

9.4.18 Non recovery of sale proceeds of wheat from KPK government-Rs. 929.91 million

As per para 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. oreover, 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.

During audit of District Food Controller, Vehari for the period 2016-17, it was observed that wheat valuing Rs. 929,904,842 (Scheme 2015-16) was transferred to KPK province but the amount was not received upto the date of audit (in November, 2017). Further, GP Form 07 was not available in the DFC Vehari.

Audit was of the view that above lapse was occurred due to weak financial controls of the management.

The matter was pointed out in November 2017. The DDO only noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommended that the said amount be collected from KPK Government as early as possible to avoid interest to be paid to banks.

(PDP No. 21559-DFC Vehari - 2016-17)

9.4.19 Less collection of licensing/fine fee-Rs. 14.62 million

As per Rule 46 (2) (e) of Punjab Food Authority Act 2011, there shall be established a fund to be known as the Food Authority Fund to be administered and controlled by the Food Authority. (2) The Food Authority Fund shall consist of (e) fee, charges, rentals and fines collected by the Food Authority. Moreover, as per Rules (45) (1) The Food Authority shall recover the fine, fee or any other amount, imposed or levied, under this Act, the rules or the regulations, as an arrears of land revenue and, for the purpose, authorize an officer to exercise the powers of Collector under the Punjab Land Revenue Act 1967 (XVII of 1967)

During audit of Punjab Food Authority, Lahore for the period 2016-17, audit scrutinized the year-wise statements up till June, 2017 of registered food operators. It was observed that License Fee/Fine Fee collection of the registered food operators comes to Rs. 83,166,300, whereas, collection of the authority being maintained showed that only Rs.78,218,600 were collected including license fee and fines. In this way Rs. 14,623,700 were less collected by the authority during the year.

Due to the above lapse, the authority had to sustain loss to the stated extent.

The matter was pointed out in October 2017. The management only signed the observation.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommended that recovery be effected besides action against the responsible for delay in recovery.

(PDP No. 21181-Punjab Food Authority - 2016-17)

9.4.20 *Non recovery of cost of enroute misappropriation of wheat 344.453 M.Ton valuing -Rs.11.23 million*

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 District Food Controller, Vehari for the period 2016-17, it was observed that a quantity of 3643.916 MT wheat was dispatched to Islamabad-II and Islamabad-III under the control of DFC Rawalpindi. Out of total dispatched wheat the recipient centers acknowledged 3299.463 MT wheat. 344.453 MT wheat amounting to Rs.11,225,723 was less acknowledged.

Sr. No.	Name of Center (Sender)	Name of Center (Recipient)	Total Qty of Wheat dispatched (MT)	Total Qty of Wheat received (MT)	Wheat Less Received MT	Rate Per M.TonRs. 32500+90	Amount of Wheat recoverable Rs
1	65/WB	Islamabad II	1542.516	1540.956	1.56	32590	50840.4
2	Mustafa abad	Islamabad III	2101.4	1758.507	342.893	32590	11174882.9
Total			3643.916	3299.463	344.453		11,225,723

Audit was of the view that due to non-adherence of above rules by management, the Government sustained a loss of Rs.11,225,723

The matter was pointed out in November 2017. The management only noted the observation from compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommended to make good the loss.

(PDP No. 21567-DFC Vehari - 2016-17)

9.4.21 Non recovery of stamp duty-Rs.8.33 million

As per Section 22(A)(b) of Schedule-I of Stamp Act 1899 read with Finance Act 1995 (Act-VI of 1995) 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 paise for every Rs.100 or part thereof of the amount of contract be collected.

During audit of Food Department, it was observed that stamp duty amounting to the stated extent was not levied in shape of stamp papers while entering into contract with suppliers and exporters of wheat in violation of above rule.

Audit was of the view that weak financial controls resulted in non recovery of stamp duty.

The matter was pointed out in July 2017. The management stated that detailed reply would be given shortly.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that either justify non levy of stamp duty with the support of record or get it recovered from the concerned contractors.

(AIR Para No.19656- Secretary, Food Department, Lahore-2016-17)

9.4.22 *Unjustified payment of inadmissible allowances-Rs.5.09 million*

As per Rule 2.31(a) of PFR Vol-1, a drawer of bill for pay, allowances, contingent and other expenses will be held responsible for any over charges, fraud and misappropriation.

During audit of Food Department, it was observed that an amount to the above extent was paid to various employees of following formations on account of allowances not admissible to them.

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	Secretary, Govt. of the Punjab, Food Department, Lahore	2016-17	19657	173,135
2.	Punjab Food Authority, Lahore	2016-17	21186	4,917,635
Total				5,090,770

Audit was of the view that weak supervisory and financial controls resulted in overpayment of allowances.

The matter was pointed out from July to November 2017. The management at Sr. No. 1 stated that detail of inadmissible allowances was not provided. The management at Sr. No. 1 stated that recovery would be effected and management at Sr. No. 2 did not offer any reply.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that recovery of inadmissible allowance be effected besides strengthening of supervisory and financial controls.

9.4.23 Non recovery of enroute shortage of wheat-Rs.760,628

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 DFC Vehari for the period 2015-16, it was observed that an amount of Rs.760,628 was required to be recovered from a transporter of wheat from PR bini shell to PR Islamabad. The management neither forfeited security deposit of the contractor not any recovery was effected.

Non recovery of enroute shortage of wheat was occurred due to weak supervisory and financial control of the management.

Audit pointed out the matter in April 2017. The management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that recovery be effected besides appropriate action against the defaulters.

(PDP No.17623- DFC Vehari-2015-16)

Other

9.4.24 *Improper Debt Management-Rs. 222,475 million-Recovery thereof*

Government of the Punjab constituted a committee under the convener ship of Minister for Agriculture in order to bring the system of Commodity Financing of the Punjab Food Department in line with Punjab Procurement Rules.

During audit, it was noticed that the Food Department borrowed loan from the NBP and BOP consortium through an arranger i.e. representative of BOP. While obtaining Loans, the department did not obtain rate of interest through open advertisement in accordance with Punjab Procurement Rules. Audit observed that without adopting Punjab Procurement Rules, markup rates could not be decreased in accordance with the market rate of interest just due to presence of representative of BOP as loan arranger for the Food Department.

Moreover, a loan amounting to Rs. 128,064.80 million was obtained from consortium of NBP and BOP @ 0.75 bps + prevailing KIBOR rate of interest. Islamic banks had offered rate for providing loans @ 0.10 bps + KIBOR rates. The Food Department had borrowed loan amounting to the stated extant at higher rate. Due to borrowing of loan at higher rate, the Govt. had to pay excess interest amounting to Rs. 83,242 million.

Scheme year	NBP+BOP Consortium Loan (Million)	NBP+BOP consortium interest rate bps	Bank of Islami interest rate bps	Diff. bps	Excess Paid (Million)
2016-17	128,064.80	6.85	6.20	0.65	83,242

Further, it was observed that the NBP and BOP consortium had charged 6.42% interest rate on the loan of Food Department whereas, similar entity PASSCO was being charged mark up @ 6.12% per annum by the same banks. In this way a total amount of Rs. 139,233,408 was excess charged during the quarter January to March 2017.

S. No	Bank	Markup rates		Jan-Mar 2017
		For Passco	For Food	Excess charged from Food
1	NBP	6.12	6.42	14,590,063
2	MCB	6.12	6.42	14,575,398
3	HBL	6.12	6.42	14,575,465
4	UBL	6.12	6.42	14,214,592
5	AB	6.12	6.42	14,590,309
6	Askari con	6.12	6.42	7,470,319
7	Al-Habib	6.04	6.42	23,065,962
8	Faysal	6.12	6.42	6,601,882
9	Al-Falah	6.12	6.42	10,848,442
10	Meezan	6.02	6.42	14,794,521
11	Askari	6.12	6.42	2,070,838
12	Khyber	6.07	6.17	1,835,616
Total				139,233,408

Due to the above lapse, Food Department had been borrowing loan at higher rate due to which Rs. 222,475 million (Rs. 83,242 million

+139,233 million) of financial losses had to borne by the Food Department.

Audit pointed out the matter in March 2017. The management stated that the detailed reply would be submitted later on.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommended that matter of higher rate of markup may be investigated at appropriate level and responsibility of loss may be fixed; and further borrowing may be made as recommended above.

(PDP No. 19770-Director Food, Lahore - 2015-16)

9.4.25 Variation in receipt figure of sale proceeds of wheat and bardana-Rs. 1,028.58 million

As per Rule 55 of PFR Vol-I, as it is absolutely necessary that the figures given in the different receipts, accounts and returns exchanged with other departments should agree exactly with those shown in the treasury accounts.

During audit of Food Department, it was noticed that an amount of Rs.1,081,010,000 was found less credited in the receipt figure reconciled with the Accounts Office concerned as compared with the amount shown in SF-21 register (wheat sale register). The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	DFC M.B Din	2016-17	18569	1,028,578,000
2.	DFC Gujranwala	2015-16	18560	52,432,000
Total				1,081,010,000

Audit was of the view that weak supervisory and financial controls resulted in variation in receipt figure of sale proceeds of wheat and bardana.

The irregularity was pointed out in March 2017. The managements noted the observations for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the matter be inquired to reconcile the receipt figures besides strengthening of supervisory and financial controls.

9.4.26 *Loss to public ex-chequer due to defective wheat issue policy-Rs.316.40 million*

According to wheat release policy issued by Government of the Punjab vide Notification No. SO(F-IV) 3-8/2016 dated 27.09.2016, issue price of wheat in PP bag Rs.3250 per 100 kg (inclusive of bag gross weight) and Jute bag Rs.3315 per 100 kg (inclusive of bag gross weight).

During audit of Food Department, it was observed that according to the new wheat policy, wheat was issued to flour mills inclusive weight of bags in order to retrieve the cost of bags. It is pertinent to mention here that the wheat policies of the previous years were different in the sense that the cost of bags was recovered in full separate of the cost of wheat. Consequent of the application of the new policy, Jute bags which were purchased @ Rs.143 each and PP bags @ Rs.35 each were issued to flour mills @ Rs.35.75 with an additional amount of Rs.65 per jute bag (Rs.3315-Rs.3250) and PP bags @ Rs.3.74 per bag without any additional amount.

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	DFC Jhang	2016-17	22569	55,463,435
2.	DFC Sheikhpura	2016-17	21842	95,992,356
3.	DFC Sheikhpura	2016-17	21845	89,707,105
4.	DFC Multan	2016-17	21835	75,240,000
Total				316,402,896

Audit was of the view due to defective wheat policy, public exchequer had to sustain a loss to the above extent.

The matter was pointed out from July to November 2017. The managements noted the observations for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department should take corrective measures and take steps to make good the loss.

9.4.27 Purchase of PP bags at higher rates-Rs.301.83 million

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 Govt. through Fraud or Negligence on his part.

During audit of the accounts of Secretary to Government of the Punjab, Food Department for the period 2016-17, scrutiny of contract files for purchase of PP bales for scheme year 2017-18 revealed that an MPA from Pakpattan has lodged complaint before the cabinet committee that the Food Department had purchased PP bags at higher rates @ Rs.32.20 per bag whereas the same being provided by Farooq Poly Bags Mills, Quetta @ Rs.27.50 per bag. The matter was investigated by the CMIT. The CM inspection team got tested both the samples provided by the

complainant and the Food Department. As per CMIT ash contents of the complainant's PP bags was higher than the bags purchased by the Food Department but a perusal of the specifications set by the DSC showed that no such specification existed in the advertised tender enquiry. The details of the loss thus caused is as under:

No. of Bags Purchased	Purchase Rate	Rate offered by the complainant	Difference in Rate	Amount excess paid (Rs.)
64219000	32.20	27.50	4.70	301,829,300

Audit was of the view that weak supervisory and financial controls resulted in purchase of PP bags at higher rates.

Audit pointed out the matter in August 2017. The management stated that detailed reply would be submitted later.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that either justify purchases at higher rates or effect recovery.

(PDP No. 19652-Secretary Food Department, Lahore - 2016-17)

9.4.28 Loss due to issuance of wheat after Ramzan Package-Rs.275.09 million

As per notification of the Government of the Punjab, Food Department vide No.SOF-IV-6-I/2015(Ramzan 2015) dated 04.06.2015, first supply of wheat shall be made on 13.06.2015 and last date for release of wheat during Ramzan at the subsidized rates of Rs 1040 per 40 kg for Ramzan Bazar and Rs.1120 per 40kg for open market, last day of Ramzan.

During audit of Food Department, it was noticed that the district management of the department issued wheat amounting to Rs.275,093,513 to flour mills on the subsidized rates even after the month of Ramzan irregularly. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	DFC M.B Din	2016-17	18574	502,245
2.	DFC Gujranwala	2015-16	18559	1,812,150
3.	DFC Sheikhpura	2016-17	21844	5,699,375
4.	DFC Attock	2016-17	19664	4,408,190
5.	DFC Attock	2016-17	19666	1,941,835
6.	DFC Multan	2016-17	21834	215,054,000
7.	DFC MuzafarGarh	2016-17	21598	38,580,523
8.	DFC M B Din	2014-16	18574	502,245
9.	DFC Vehari	2015-16	17618	6,592,950
Total				275,093,513

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

The matter was pointed out from July to November 2017. The managements either noted the observations for compliance or replied that wheat was issued in accordance with the policy and on the direction of district administration.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that either justify issuance of subsidized wheat or above stated amount be recovered besides strengthening of internal controls.

**9.4.29 Non auction of declaration of unserviceable stores-
Rs.75.86 million**

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 Food Department, it was noticed that various items of the following formations were shown as unserviceable but the same were neither declared by the competent authority as unserviceable nor the same were auctioned.

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	DFC Rawalpindi	2016-17	21555	43,210,160
2	DFC Multan	2016-17	21839	7,329,532
3	DFC Bahawalpur	2016-17	21806	5,180,170
4	DFC Jhang	2016-17	22568	4,690,395
5	DFC Muzafar Garh	2016-17	21603	4,346,799
6	DFC RY Khan	2016-17	22599	2,095,762
7	DFC Sahiwal	2016-17	21588	1,713,079
8	DFC Vehari	2016-17	21563	1,566,748
9	DFC Khanewal	2016-17	21833	1,099,965
10	DFC DG Khan	2016-17	21574	938,457
11	DFC Rajanpur	2015-16	17636	1,864,250
12	DFC Pakpattan	2015-16	17631	1,826,697
Total				75,862,014

Audit was of the view that weak supervisory and financial controls resulted in non declaration of store as unserviceable and non auction of store.

The matter was pointed out from July to November 2017. The managements noted the observations for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till

the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that stores be declared as unserviceable and sale proceeds of auction be deposited in the Govt. account.

9.4.30 Non-payment to growers-Rs.25.59 million

According to Rule 2.4 of PFR Vol-I, in the case of payments into the Treasury the Disbursing Officer should compare the Treasury Officer's receipt on the challans with the entry in the cash book before initialing it, and when such payments are appreciable, he should obtain from the Treasury a monthly list of payments which should be compared with the posting in the cash book.

During audit of Food Department, it was observed that an amount of Rs.25,591,919 was less paid to the Growers despite the fact that last date for payment has since been elapsed. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	DFC DG Khan	2016-17	21575	2,519,307
2	DFC Bahawalpur	2016-17	21811	23,072,612
Total				25,591,919

Audit was of the view that weak financial controls resulted in non payment to growers.

The matter was pointed out from July to November 2017. The managements noted the observations for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends to justify nonpayment to growers within stipulated time and make payments if due.

9.4.31 Loss to Government due to excess lifting of wheat at subsidized rates- Rs.13.23 million

As per Para No. 3 of letter No.SOF-IV-6-1/2016 dated 23.5.2017,it was authorized to issue 100 kg wheat against production and delivery of 8 bags of 10 kg or 4 bags of 20 kg atta.

During audit of District Food Controller, Muzaffargarh for the period 2016-17,it was observed that 10584 nos. of 100 kg wheat bags were issued to flour mills in excess than sale of atta in Ramzan Bazars and Open Market. The government, thus had to bear huge loss of Rs.13,229,534 on account of difference between regular sale rate and subsidized rate.

The loss was sustained by Government due to weak administrative and financial controls.

The irregularity was pointed out in October 2017.The management just signed the observation and offered no comments.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommended that recovery be effected besides fixing responsibility against those at fault.

(PDP No. 21601 -DFC Muzaffargarh - 2016-17)

9.4.32 Excess issuance of wheat to exporters over and above quantity allowed by the authority-Rs.9.45 million

As per Rule 2(a)(1) of PFR Vol-I, same vigilance should be exercised in respect of expenditure incurred from revenues, as a person of

ordinary prudence would exercise in respect of the expenditure of his own money.

The scrutiny of the record of District Food Controller, Khanewal for the period 2016-17 revealed that a quantity of 326 MT wheat valuing Rs.9,454,000 (326 MT wheat x Rs.29,000) was issued over and above the quantity allowed by the Director Food Punjab Lahore for Export.

Sr. No.	Name of Center	Quantity Allowed	Quantity Issued	Difference
1	Thatha Sadiquabad	1400	1681	281
2	Saleem Chowak	1705	1750	45
Total				326

Due to the above lapse excess subsidized wheat was issued to exporters.

The irregularity was pointed out in October 2017. The management only discussed the observation but neither acknowledge nor offered any comments.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends to probe the matter and to justify the excess issuance of stock.

(PDP No.21827-DFC Khanewal- 2016-17)

9.4.33 Loss to government due to burnt of jute & PP bags - Rs.6.31 million

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

During audit of District Food controller, Bahawalpur, it was noticed that 120 bales Jute and 30 bales PP bags are not entered in the stock register of Chanigoth PR Center during the year 2017-18. In this connection the representative of the Chanigoth PR Center admitted that the above stock of Jute and PP Bags has been burnt (as evident from a Note mentioned on the stock register).

It is pertinent to mentioned here that the competent authority has not taken any action against the responsible officials for this huge loss and also no FIR was registered. Audit states that Govt. sustained a loss of Rs. 6,312,000 (detailed below) due to burning of Jute and PP bags, the responsibility should be fixed against the officials involved and loss should be recovered from the concerned.

Sr. No.	Description	Quantity	Rate	Loss (Rs.)
1.	Jute	120 bales 120x300= 36000	148.50	5,346,000
2.	PP bags	30x1000= 30000	32.20	966,000
Total				6,312,000

Audit was of the view that weak internal controls on storage and procurement could resulted into expiry of the wheat and loss to the government exchequer.

When pointed out the matter, the management only acknowledged the observation but offered no comments.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that matter needs to be looked into at administrative level and recovery should be made from the responsible officials.

(PDP No. 21797 -DFC Bahawalpur - 2016-17)

9.4.34 Loss due payment of transportation charges at higher rates-Rs. 958,411

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

During audit of DFC M.B. Din for the period 2014-16, it was observed that transportation charges were paid at higher rates for the same destination, resulting loss to government to the stated extent.

The lapse was occurred due to weak supervisory and financial controls.

Audit pointed out the matter in April 2017. The management stated that reply would be submitted after scrutiny of record.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommended that the matter be inquired to fix responsibility besides recovery of stated amount from the concerned.

(PDP No. 18572-DFC MB Din - 2014-16)

CHAPTER 10

FORESTRY, WILDLIFE & FISHERIES DEPARTMENT

10.1 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.

10.2 Comments on Budget & Accounts (Variance Analysis)

Introduction

The Appropriation Accounts for the year 2016-17 of Forest Department indicate expenditure on various specified services vis-à-vis appropriation authorized by Government of the Punjab.

Summary of Appropriation Accounts

The summarized position of actual expenditure during 2016-17 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)
PC21005	2,742.200	278.110	3,020.310	2,981.221	(39.089)
PC22036	2,200.000	(534.336)	1,665.664	1,614.186	(51.478)
PC24044	97.146	0	97.146	97.146	0
Total	5,039.346	(256.226)	4,783.120	4,692.553	(90.567)

Overview of Expenditure

The final budget of Forest Department for the year ended 30 June, 2017 was Rs. 4,783.120 million. Out of this, actual expenditure was Rs. 4,692.553 million. 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	2,839,346,000	3,078,366,885	239,020,885	8.418
Development	2,200,000,000	1,614,186,174	(585,813,826)	26.628
Total	5,039,346,000	4,692,553,059	(346,792,941)	6.882

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	3,117,456,000	3,078,366,885	(39,089,115)	1.254
Development	1,665,664,000	1,614,186,174	(51,477,826)	3.091
Total	4,783,120,000	4,692,553,059	(90,566,941)	1.893

Anticipated savings not surrendered

As per para 14.3 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.(90.567) million at the close of the year 2016-17 under grants PC21005, PC22036 were not surrendered in time by the Department.

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.	1984-85	24	18	6	75
2.	1985-86	33	26	7	79
3.	1986-87	39	39	0	100
4.	1987-88	26	19	7	73
5.	1988-89	71	53	18	75
6.	1989-90	25	14	11	56
7.	1990-91	28	17	11	61
8.	1991-92	31	15	16	48
9.	1992-93	10	6	4	60
10.	1993-94	17	7	10	41
11.	1994-95	28	1	27	4
12.	1995-96	13	3	10	23
13.	1996-97	4	3	1	74
14.	1997-98	154	77	77	50
15.	1998-99	151	95	56	63
16.	1999-00	141	90	51	64
17.	2000-01	258	169	89	66
18.	2001-02	258	164	94	64
19.	2003-04	90	30	60	33
20.	2005-06	76	34	42	45
21.	2006-07	138	52	86	38
22.	2009-10	122	25	97	20
23.	2010-11	15	04	11	27
24.	2011-12	9	0	9	0
25.	2012-13	127	52	75	41
26.	2013-14	107	22	85	21
Total		1995	1035	960	54

The compliance with PAC Directives in Forest Department remained unsatisfactory during the years 2009-10 to 2011-12. The attention of the department is also drawn towards compliance status during the years 1994-95 to 1995-96.

10.4 AUDIT PARAS

Fraud/Misappropriation

10.4.1 Likely mis-appropriation of plants-Rs. 921,630

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.

During audit of Divisional Forest Officer, R.Y Khan for the period 2015-16, scrutiny of Timber Form-7 of various range offices revealed some of the shortcomings which tantamount to mis-appropriation of plants. The details are as under:

Sr. No.	Particulars/ details of shortages/ issuance of plants	No. of plants	Rate per plant	Amount (Value of plants in Rs.)
1	Plants neither carried forward in next month nor disposed off	227290	3	681,870
2	Receipt in connection with sale of plants not deposited into government treasury	14220	3	42,660
3	Receipt acknowledgement of plants issued free of cost not available	65700	3	197,100
Total				921,630

Audit was of the view that weak supervisory and financial controls resulted in likely misappropriation of plants.

The matter was pointed out in February 2017. The management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department should probe the matter to dig out the facts and fix responsibility besides adoption of corrective measures to make good the loss.

(PDP No. 18257- DFO R.Y Khan- 2015-16)

Non production of record

10.4.2 Non-production of record -Rs. 44.44 million

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 Forestry, Wildlife and Fisheries Department, following auditable record was not produced for scrutiny, by different formations, despite repeated requests.

Audit was of the view that due to non production of record relating to transactions amounting to Rs. 44,437,233 (Annexure-4), the authenticity of accounts could not be verified.

The matter was pointed out from August to October 2017. The managements did not provide any cogent reply.

The matter was further reported to the administrative department. In DAC meeting held on 16.11.2017, the paras at Sr. Nos. 1 and 8 were kept pending for compliance. Further progress was not reported by the department. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department should produce record for scrutiny besides fixing responsibility for non-production of record.

Irregularities & non-compliance

10.4.3 Non-Clearance of amounts lying under the Head P-Deposits- Rs. 30.79 million

According to Rule 7(1) section 5 of Punjab Treasury Rules, money received by or tendered to government servant shall not be appropriated to meet departmental expenditure nor otherwise kept apart from consolidated fund. Moneys so received shall without undue delay be paid into the treasury. Moreover, as per Para 15.60 of Forest Manual Vol-II, all revenue received by the officers of the department should be paid into treasury immediately.

During audit of Forestry, Wildlife and Fisheries Department, scrutiny of P-Deposit registers of various Divisional Forest Officers revealed that an amount of Rs. 30,792,117 was lying under the head P-Deposits on account of sale of timber, Income Tax, Sales Tax, Zakat, House Rent, Security, Earnest Money and Replenishment Cost and was not transferred to relevant heads of accounts or refunded, as the case may be. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	P-Deposit Amount (Rs.)
1.	Divisional Forest Officer, Sialkot	2016-17	21104	12,464,396
2.	DFO Bahawalnagar	2016-17	19177	5,445,876
3.	DFO Multan	2016-17	21504	1,247,556
4.	DFO Multan	2016-17	21503	762,060
5.	DFO Changa Manga, Kasur	2016-17	22367	4,775,165
6.	DFO Lal Sohanra, Bahawalpur	2016-17	20702	6,097,064
Total				30,792,117

Audit was of the view that weak internal controls resulted in non-clearance of P-Deposits and unauthorized expenditure directly from receipts.

The matter was pointed out in March, May 2017 and from August to September and November 2017. The formations at Sr. Nos. 1, 2 to 4&6 did not come up with any cogent reply. The formations at Sr. No. 5 noted the observation for compliance. The reply was not tenable as the same was not supported with documentary evidence & rules.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends immediate transfer of the amounts to the relevant heads of accounts besides fixing of responsibility for incurring unauthorized expenditure from replenishment cost.

10.4.4 Irregular expenditure on purchases-Rs. 124.18 million

As per Rule 9 of Punjab Procurement Rules 2014, a procuring agency shall announce in an appropriate manner all proposed procurements for each financial year. The procuring agency shall advertise in advance annual requirements for procurement on the website of the Authority as well as on its website. Moreover, as per Rule 12 *ibid*, a procuring agency shall advertise procurement of more than one hundred thousand rupees and up to the limit of two million rupees on the website of the Authority in the manner and format specified by regulations.

During audit of Forestry, Wildlife and Fisheries Department, it was observed that expenditure to the stated extent was incurred by splitting the indents to avoid quotations, advertisement on PPRA website and advertisement in print media. Non observance of laid down procedure resulted in irregular purchase of Rs. 124,180,020 (Annexure-5).

Audit was of the view that the lapse occurred due to non-adherence to Punjab Procurement Rules 2014.

Audit pointed out the lapse in February to May, 2017 and from August to November 2017. The formations at Sr. Nos. 2 to 3, 5, 6, 23, 27 to 30 noted the observations for compliance. The managements either did not offer replies or offered vague and evasive replies without any documentary evidences.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October and November 2017.

Audit recommends that responsibility be fixed for non-adherence to Punjab Procurement Rules besides regularization of the matter from the Finance Department and strengthening of financial and internal control system.

10.4.5 *Irregular/doubtful engagement of daily waged labour for various forestry operations-Rs. 77.80 million*

(A) As per Preface of Government of the Punjab, Finance Department Schedule of Wage Rates, appointment to a post included in the schedule may be made by the competent authority under Delegation of Financial Powers Rules 2017 subject to the following conditions:

- a) The post(s) shall be advertised in the 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 11 of the Recruitment Policy issued by S&GAD vide No. SOR-IV (S&GAD) 10-I/2003 dated 17.09.2004 (amended to date).

- c) Terms and conditions of employment shall be governed under Rules 7.12 to 7.14 & 7.37 to 7.41 of DFR Vol-III.

During audit of Forestry, Fisheries and Wildlife Department for the period 2016-17, it was observed that an expenditure of Rs. 65,593,507 was incurred on employment of daily waged employees. The scrutiny of the muster rolls revealed that the above procedure was not adopted while employing the daily waged labor. The details are as under:

Sr. No.	Name of formation	PDP No.	Amount (Rs.)
1.	DFO Jhelum	19611	5,417,500
2.	DFO Cholistan (RM) Bahawalpur	20040	23,297,422
3.	DFO Multan	21500	19,752,537
4.	Lahore Zoo, Lahore	22410	17,126,048
Total			65,593,507

(B) Similarly, during audit of Divisional Forest Officer (RM) Chakwal for the period 2013-16, it was observed that payments were made to daily labours on account of different forest operations but neither the files containing the bio-data of the labour nor their National Identity Cards (NICs) were attached with muster rolls for authentication of payments made to them. This resulted into doubtful expenditure of Rs. 12,204,341.

(PDP No. 17614 – DFO (RM) Chakwal- 2013-16)

Audit was of the view that non observance of government instructions resulted in irregular engagement and payment of daily waged labour amounting to Rs. (65,593,507 + 12,204,341 = 77,797,848).

Audit pointed out the matter in February, August, September & November 2017. As regards para (A), the management at Sr. No. 1 replied that the matter pertained to the Forest Manual and the above said rules were not applicable; the formations at Sr. Nos. 2 & 3 did not offer any

cogent reply and the formation at Sr. No. 4 noted the observations for compliance. As regards para (B), the management stated that detailed reply would be submitted later on.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the matter be inquired to fix responsibility besides strengthen its internal controls and seek condonation of irregularity from the competent authority.

10.4.6 Un-authorized payment of salary through manual bills - Rs. 300.01 million

As per Finance Department's 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.

Examination of manual salary bills and acquaintance rolls of following formations of the of Forestry, Fisheries and Wildlife Department revealed that salaries were paid on manual bills instead of paying the same through their bank accounts on computerized payroll system.

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	Deputy Director Sericulture, Lahore	2016-17	19166	4,611,831
2.	DFO R.Y Khan	2015-16	18263	28,588,650
3.	Assistant Director Wildlife Park, Loi Bher, Rawalpindi	2010-16	17601	3,071,060
4.	DFO (RM), Chakwal	2013-16	17616	47,784,315
5.	DFO Cholistan (RM), Bahawalpur	2016-17	20039	24,489,618

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
6.	DFO Khushab	2016-17	19648	37,956,181
7.	DFO Pest Control Forest Division, Lahore	2016-17	20051	7,419,504
8.	DFO Multan	2016-17	21506	52,043,334
9.	DFO Lal Sohanra, Bahawalpur	2016-17	20706	31,300,636
10.	DFO Changa Manga, Kasur	2016-17	22369	62,746,086
Total				300,011,215

Audit was of the view that weak supervisory and financial controls resulted in unauthorized mode of payment of salaries valuing Rs. 300,011,215.

The irregularities were pointed out during audit conducted in February to April and from August to September, November 2017. The formations at Sr. No. 6 replied that salaries are disbursed as per rules in vogue in forest department. The formations at Sr. Nos. 2, 5, 7 & 10 noted the observations for compliance. The remaining formations at Sr. Nos. 1, 3, 4 & 9 did not submit any cogent reply. The management at Sr. No. 8 replied that payment of salaries through bank would be made when the direction received from higher authorities.

The matter was further reported to the administrative department. DAC meetings were held on 16.11.2017. The para at Sr. No. 1 was kept pending for regularization from Finance Department. Further progress was not reported by the department. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that matter be inquired and irregularity be got condoned from competent authority.

10.4.7 Unjustified payment of utility bills-Rs. 376,306

As per Rule 2.10 (a) (i) of PFR Vol-I, the expenditure from the government exchequer should be made as a person of ordinary prudence would exercise in respect of the expenditure of his own money.

During audit of Divisional Forest Officer Multan for the period 2016-17, it was observed that some payments of utility charges were made despite the fact that the amounts due were either nil or were on credit side. Instead of having the credit amounts adjusted in the subsequent bill, the management made heavy payments of Rs. 327,745. It is pertinent to mention here that the payments at Sr. Nos. 2, 3, 4 & 6 were made through manual bills without any meter reading. The details are as under:

Sr. No	Type of utility	Cr. Vr. No.	Reference No.	Billing month	Bill due (Rs)	Bill paid (Rs)	Excess payment (Rs)
1	Gas	13/hc/09/2016	25282100004	Aug-16	(18,040)	18,040	36,080
2	Electricity	06/kwp/05/2017	29-15913-0396908	May-17	(11,317)	150,000	161,317
3	Electricity	06/kwp/05/2017	06-15913-0394900	May-17	(1,069)	15,000	16,069
4	Electricity	06/kwp/05/2017	06-15913-0394800	May-17	(18,997)	50,000	68,997
5	Electricity	44/hc/06/2017	27-15111-1153692	Jun-17	(4,020)	32,711	36,731
6	Water	43/hc/06/2017	64/1436 UC # 41	Jun-17	0	8,551	8,551
Total							327,745

Moreover, an amount of Rs. 32,928 including arrear payment of Rs. 14,806 was paid as sui gas charges for the month of May 2017. The payment of arrears is held unjustified as the same pertained to the billing month April 2017. Furthermore, it was observed that an amount of Rs. 33,755 was drawn and paid vide Cr. Vr. No. 06/kwl/02/2017 as detection bill. The circumstances under which detection bill was paid were not known.

Audit was of the view that disregard to canons of financial propriety resulted in unjustified payment of electricity charges amounting to Rs. 376,306 (327,745 + 14,806 + 33,755).

Audit pointed out the matter in September 2017. The management stated that reply would be given after consulting the record.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department should strengthen its internal controls and seek the condonation of irregularity from the Finance Department regarding advance payment and make adjustment of the payments made in excess of the due amounts from concerned companies/agencies.

(PDP No. 21501 - DFO, Multan -2016-17)

10.4.8 Irregular mode of payments-Rs.9.35 million

As per 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 cheques instead of cash. This limit was Rs.10,000 prior to 20.06.2007.

During audit of Forestry, Wildlife and Fisheries Department, it was observed that payments of Rs. 9,346,317 were made by the Drawing and Disbursing Officers in cash instead of cheque in violation of the above rule. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs)
1.	Director General Wildlife and Parks Punjab, Lahore	2015-16	18233	420,520
2.	Divisional Forest Office, Chichawatni	2015-16	17772	1,168,568

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs)
3.	Assistant Director Wildlife Park, Loi Bher, Rawalpindi	2010-16	17597	3,208,090
4.	DFO Changa Manga, Kasur	2016-17	22361	4,549,139
Total				9,346,317

Audit was of the view that disregard to government instructions resulted in irregular payments in cash.

The matter was pointed out from March to May 2017 and from August to September 2017. The managements noted the observations for compliance.

The matter was further reported to the administrative department. DAC meetings were held on 16.11.2017 and 21.12.2017. The paras at Sr. Nos. 1 & 2 were kept pending for regularization from Finance Department. Further progress was not reported by the department. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that responsibility be fixed for non-adherence to government instructions and matter be regularized from the Finance Department besides strengthening of supervisory and financial controls.

10.4.9 Irregular payment of salary due to shifting of headquarter- Rs. 6.76 million

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.

During audit of Forestry, Wildlife and Fisheries Department, it was observed that officials were transferred to other stations on temporary basis for the period of three months with the condition that they will draw salaries from the parent office. The drawal of salaries by performance of duties in other offices was held irregular. The details are as under:

Sr. No.	Name of formation	Period of Audit	PDP No.	Amount (Rs)
1.	Divisional Forest Office, R. Y Khan	2015-16	18255	567,976
2.	Divisional Forest Office, R. Y Khan	2015-16	18254	5,520,660
3.	Director Fisheries (Aquaculture) Punjab, Lahore	2014-16	17989	295,965
4.	Director General Wildlife and Parks Punjab, Lahore	2015-16	18228	377,286
5.	Director General Fisheries Punjab, Lahore	2015-16	17677	1,136,611
Total				6,761,887

The matter was pointed out from January to May 2017. The formations at Sr. Nos. 1, 2 & 4 noted the observations for compliance. The formations at Sr. No. 3 & 5 replied that the officials were deputed with the orders of competent authority.

The matter was further reported to the administrative department. In DAC meeting held on 16.11.2017, the paras at Sr. Nos. 4 & 5 were kept pending for regularization from Finance Department. Further progress was not reported by the department. As regards, remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that irregular expenditure incurred on the payment of pay and allowances may be got regularized and posts be created in the offices where there is requirement and the same be abolished from the offices where there are not required.

Performance

10.4.10 Non-utilization of funds released for establishment of zoo at Multan-Rs. 6.70 million

As per para-2.32(a) of PFR Vol-I, it is not sufficient that a government servant accounts should be correct to his own satisfaction. DDO has to satisfy not only himself but also the Audit department that a claim which has been accepted is valid, that a voucher is a complete proof of the payment which it supports, and that an account is correct in all respects.

During audit of the accounts of Director General Wild Life and Parks for the financial year 2015-16 it was observed that an amount to the stated extent was released for Establishment of Zoo at Multan during the period under audit. But according to reconciled expenditure statement of development schemes it was noticed that no money was expended by the department for establishment of zoo in Multan.

The matter was pointed out to the formation during audit conducted in May 2017. The management noted the observation for compliance.

The matter was further reported to the administrative department. In DAC meeting held on 16.11.2017, the para was kept pending for a probe. Further progress was not reported by the department till the finalization of this Report.

Audit recommends that matter be investigated and responsibility be fixed besides regularization of the matter under intimation to audit.

(PDP No. 18234- D. G Wildlife & Parks Punjab, Lahore -2015-16)

Recoveries and overpayments

10.4.11 Non-recovery of government dues-Rs. 884.14 million

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, Wildlife and Fisheries Department, it was observed that an amount of Rs. 884,136,772 was outstanding against various contractors on account of sale of timber and from officers/officials on account of theft, damages of trees/wood. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	DFO Bahawalnagar	2016-17	19170	1,701,520
2.	DFO Khushab	2016-17	19639	9,532,674
3.	DFO South, Rawalpindi	2016-17	19531	4,091,507
4.	DFO Murree	2016-17	19317	100,000
5.	DFO Cholistan (RM), Bahawalpur	2016-17	20045	5,641,358
6.	DFO Chichawatni	2015-16	17779	215,371
7.	DFO Layyah	2015-16	18865	13,964,013
8.	DFO (RM) Chakwal	2013-16	17613	1,742,543
9.	DFO Chichawatni	2015-16	17768	29,388,385
10.	DFO R.Y Khan	2015-16	18216	490,889,869
11.	DFO Rajanpur	2014-16	18874	693,525
12.	Asstt: Dir. Wildlife Park, Loi Bher, RWP	2010-16	17602	75,624
13.	DFO Bahawalnagar	2016-17	19169	1,549,467
14.	DFO Multan	2016-17	21505	41,401,949
15.	DFO LalSohanra, Bahawalpur	2016-17	20689	5,640,274
16.	DFO LalSohanra, Bahawalpur	2016-17	20688	6,526,701
17.	DFO Attock	2016-17	22543	1,211,456
18.	DFO Bhakkar	2016-17	21137	817,426
19.	DFO Bhakkar	2016-17	21136	264,979,018
20.	DFO Changa Manga, Kasur	2016-17	22366	3,974,092
Total				884,136,772

Audit was of the view that weak internal controls on management of assets resulted in accumulation of such a huge recoverable balance.

The matter was pointed out from February to May 2017 and from August to November 2017. The formations at Sr. Nos. 1, 4, 8, 13, 15, 16 did not come up with a cogent reply. The formations at Sr. Nos. 2, 3, 5 to 7, 9 to 12, 14, 17, 18 & 19 noted the observations for compliance. The management at Sr. No. 20 replied that audit had taken upto date recoverable amount whereas, recoverable amount for the year was less. The reply of the management was not tenable as DDO was required to recover entire amount.

The matter was further reported to the administrative department. In DAC meetings held on 21.12.2017 and 04.01.2018, the amount of the paras at Sr. Nos.3, 4 & 9 were reduced to the stated extent after verification of recovery. The amounts of the paras at Sr. Nos.6, 7 & 11 were reduced to the stated extent. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department should effect prompt recovery besides strengthening internal controls to avoid such lapses in future.

10.4.12 Non-deduction of Punjab Sales Tax, Sales Tax, income tax-Rs.22.41 million

According to Income Tax Ordinance 2001, Punjab Sales Tax on Services Act 2012 and Sales Tax Act 1990, the departments are required to deduct taxes at prescribed rates at the time of payment.

During audit of Forestry, Wildlife and Fisheries Department, it was observed that department did not deduct Income Tax, Sales Tax and Punjab Sales Tax from the salaries/ payments to employees, suppliers,

services rendered, auction money of timber and contracts, on prescribed rates.

Audit was of the view that weak internal controls on “Taxation” resulted in non-deduction of income tax, sales tax and Punjab sales tax amounting to Rs. 22,413,955 (Annexure-6).

The matter was pointed out from January to May 2017 and from August to November 2017. The formations at Sr. Nos. 1, 4, 7, 11, 11, 14, 19 & 21 did not provide any cogent reply. The formations at Sr. Nos. 2, 3, 5, 6, 8 to 10, 15 to 17, 18 & 20 noted the observation for compliance.

The matter was further reported to the administrative department. DAC meetings were held on 16.11.2017 and 21.12.2017. The amount of the para at Sr. No. 3 was reduced to Rs. 99,840 after verification of recovery of Rs. 93,600; The para at Sr. No. 9 was kept pending for verification of record during regular audit and the para at Sr. No. 10 was kept pending for seeking advice from the Punjab Revenue Authority. Further progress was not reported by the department. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department should effect prompt recovery besides strengthening internal controls on taxation.

10.4.13 Non-deposit of amounts of compensations-Rs. 312,400

As per Rule 7(1) of Punjab Treasury Rules, all money received by or rendered to government servants shall without undue delay be paid in full into treasury and no departmental officer of the government may keep such money out of the Consolidated Fund or Public Account of the province.

During audit of Divisional Forest Office, Multan for the period 2016-17, it was observed that various Block Officers of various Sub-divisions and Ranges received amounts of compensations of Rs. 312,400 from forest offenders. However, these amounts were not deposited into the government treasury despite the lapse of a considerable time period.

Audit was of the view that weak internal controls on “Receipts” resulted in non-deposit of receipt into government treasury.

Audit pointed out the matter in September 2017. The management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department should strengthen its internal controls and deposit the recovered amount into government treasury.

(PDP No. 21496 - DFO, Multan -2016-17)

10.4.14 Non Recovery on account of stamp duty- Rs. 164,861

As per Section 22(A) (b) of Schedule-I of Stamp Act 1899 read with Finance Act 1995 (Act-VI of 1995) 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 paise for every Rs.100 or part thereof of the amount of contract be collected.

During audit of DFO Lal Sohanra, Bahawalpur for the period 2016-17, it was observed that stamp duty amounting to Rs. 164,861 was not levied while entering into contract in violation of above rule.

Non levy of required amount of stamp duty was due to weak financial control of the management.

The matter was pointed out in August and November 2017. The management only signed the observation.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends to recover the stamp duty as early as possible.

(PDP No.20695-DFO Lal Sohanra, Bahawalpur-2016-17)

Others

10.4.15 Non-disposal of timber, wood, stumps, seeds & plants - Rs. 546.91 million

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 Forestry, Wildlife and Fisheries Department, it was observed that timber, firewood, confiscated wood, stumps, seeds and plants worth Rs. 547,689,011 were lying un-disposed off. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	DFO Khushab	2016-17	19641	14,916,676
2.	DFO Murree	2016-17	19316	890,110
3.	DFO (RM) Chakwal	2013-16	17611	363,000
4.	DFO Chichawatni	2015-16	17769	819,316
5.	DFO Layyah	2015-16	18870	1,104,000
6.	DFO Bahwalnagar	2016-17	19173	9,829,500
7.	DFO Changa Manga, Kasur	2016-17	22370	323,638

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
8.	DFO Changa Manga, Kasur	2016-17	22368	13,850,840
9.	DFO LalSohanra, Bahawalpur	2016-17	20691	400,962
10.	DFO LalSohanra, Bahawalpur	2016-17	20690	2,209,821
11.	DFO Bhakkar	2016-17	21135	9,983,488
12.	DFO Bhakkar	2016-17	21131	485,505,600
13.	DFO Bhakkar	2016-17	21129	6,681,880
14.	DFO Attock	2016-17	22542	8,29,680
Total				546,908,519

Audit was of the view that weak internal controls on management of assets deprived the government of timely realization of revenue to the tune of Rs. 546,908,519.

The matter was pointed out in February, March & May 2017 and from August to November 2017. The management at Sr. No. 1 replied that no healthy bids were received till date. The formations at Sr. Nos. 2, 4, 5, 7, 8, 12 & 13 noted the observation for compliance. The formations at Sr. Nos. 3, 6, 9, 10, 11 & 14 did not come up with a cogent reply.

The matter was further reported to the administrative department. In DAC meeting held on 21.12.2017, the department as against para at Sr. No. 4 reported that some of the trees was disposed off. The para was kept pending for disposal of balance trees. The para at Sr. No. 5 was kept pending for auction and verification of relevant record. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that department should expedite the disposal of above items to avoid further deterioration and loss besides strengthening its internal controls.

**10.4.16 Loss due to non-finalization of forest offence cases-
Rs. 18.18 million**

According to sub paras 7 to 12 & 27 of Rule 3.8 (Chapter-III Misc.) of Forest Manual Vol-III, 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 Forestry, Wildlife and Fisheries Department, it was observed that, in the following cases, neither the offenders paid the compensation nor were prosecuted in the court of law resulting in a loss of Rs. 18,176,184. The details are as under:

Sr. No.	Name of formation	PDP No.	Period under Audit	Amount (Rs.)
1.	DFO Layyah	18868	2015-16	1,505,550
2.	DFO R.Y Khan	18259	2015-16	2,114,400
3.	DFO Chichawatni	17771	2015-16	479,419
4.	DFO Layyah	18869	2015-16	1,148,020
5.	DFO Bhakkar	21134	2016-17	12,469,875
6.	DFO Changa Manga, Kasur	22651	2016-17	458,920
Total				18,176,184

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

The matter was pointed out in February, March & May 2017 and from August to September 2017. The formations at Sr. Nos. 1 to 4 & 6 noted the observations for compliance. The management at Sr. No. 3 replied that audit had incorporated FC cases in excess. Actual FC Cases for 2016-17 may be incorporated. Reply of the formation was not tenable as audit pointed upto date pending FC Cases.

The matter was further reported to the administrative department. In DAC meeting held on 21.12.2017, the department in respect of para at Sr. No. 3 reported that some of the cases had been finalized. The para was kept pending for finalization of the remaining 28 cases. The para at Sr. No. 4 was kept pending for compliance. The para at Sr. No. 1 was kept pending till the final outcome. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

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

10.4.17 Non-finalization of pending inquiry cases - Rs. 11.19 million

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

During audit of Forestry, Fisheries and Wildlife Department for the year 2016-17, it was observed that Show Cause Notices were issued to various Forest Guards on account of shortage/damage of trees. Neither the inquiry cases had been finalized nor any recovery was made against the potential loss of Rs. 11,194,641. The details are as under:

Sr. No.	Name of formation	PDP No.	Amount (Rs.)
1.	DFO Khushab	19645	7,899,955
2.	DFO Bahawalnagar	19175	0
3.	DFO Khushab	19640	1,538,545
4.	DFO Lal Sohanra, Bahawalpur	20704	1,756,141
Total			11,194,641

Audit was of the view that weak supervisory and financial controls resulted in the lapses and non-recovery of the stated amounts.

The matter was pointed out from August to September & in November 2017. The managements did not offer any cogent reply.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends to finalize the inquiry cases and to effect recovery from the persons at fault besides strengthening of internal controls.

10.4.18 Non-pursuance of forest offence cases registered with Police/Courts- Rs. 11.83 million

According to Rule 2.4 (i) of Forest Manual Vol-II, forest officers will be responsible for the proper management of the forest business and the finance of the division.

During audit of Forestry, Wildlife and Fisheries Department, it was observed that the following cases of theft of timber and firewood etc. were registered with the Police authorities but due to non-pursuance by the department, the challans of these cases could not be produced in the courts by the police till the time of audit. In other cases, the department did not pursue the cases in the Courts of Law vigorously entailing non-finalization of the cases.

Sr. No.	Name of formation	Period ofaudit	PDP No.	Amount (Rs.)
1.	DFO Chichawatni	2015-16	17770	2,195,500
2.	DFO Bahawalnagar	2016-17	19171	2,403,500
3.	DFO Multan	2016-17	21499	1,382,255
4.	DFO Multan	2016-17	21498	2,268,480
5.	DFO Bhakkar	2016-17	21130	1,000,000
6.	DFO Lal Sohanra, Bahawalpur	2016-17	20705	332,755
7.	DFO Changa Manga, Kasur	2016-17	22652	1,343,680
8.	DFO Bhakkar	2016-17	21132	903,418
Total				11,829,588

Audit was of the view that weak internal controls on management of assets resulted into loss and weak supervisory controls resulted into non pursuance of cases.

The matter was pointed out in March, May 2017 and from August to November 2017. The formations at Sr. Nos. 2, 4 & 6 did not come up with a cogent reply. The formation at Sr. No. 1, 3, 5, 7 & 8 noted the observation for compliance.

The matter was further reported to the administrative department. In DAC meeting held on 21.12.2017, the amount of the para at Sr. No. 1 was reduced to Rs. 2,195,500. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends pursuance of the cases with Police and Courts for early finalization besides strengthening of internal controls on management of assets.

10.4.19 Encroachment of 7,949 acres of forest land

According to Para 2.4 (I) of Forest Manual Vol-II, the Divisional Forest Officer is the custodian of forests/forest produce and will be responsible for proper management of the forest business and the finance of his division.

During audit of Forestry, Wildlife and Fisheries Department, monthly progress report revealed that 7,949 Acres land was encroached by the Land Mafia, Cholistan Rangers and Pakistan Army and used for cultivation of crops. No efforts were made to get the state land vacated. The government was thus deprived of the area and its income due to negligence and mismanagement.

The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Area of Land (Acres)
1.	DFO R.Y Khan	2015-16	18881	5,869
2.	DFO Jhelum	2016-17	19623	235
3.	DFO Murree	2016-17	19321	269
4.	DFO Multan	2016-17	21507	906
5.	DFO Attock	2016-17	22544	648
6.	DFO Changa Manga, Kasur	2016-17	22365	22
Total				7,949

Audit was of the view that weak assets management resulted in encroachment of 7,949 acres of forest land.

The matter was pointed out in February 2017 and from August to September & November 2017. The formations at Sr. Nos. 3 & 4 did not offer any cogent reply. The formations at Sr. Nos. 1, 5 & 6 noted the observation for compliance. The management at Sr. No. 2 replied that there was no encroachment. The reply of the management was not based on facts as the area statement showed that 235 acres of Bajwala Forest Range was under illegal occupation.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that department should make efforts for release of land through local & provincial administration.

10.4.20 Irregular transfer of forest land to other departments/agencies measuring 13,207 acres

As per paragraph 2.4 (i) of Forest Manual Vol-II, the Divisional Forest Officer is the custodian of forests/forest produce and will be responsible for proper management of the forest business and the finance of his division.

During audit of Divisional Forest Office Multan for the period 2016-17, it was observed that forest land measuring 13207 acres was transferred to various departments/agencies. The transfer of land was held irregular as the authority under which said land was transferred was not available on record. The details are as under:

Sr. No.	Particulars of occupants	Area under encroachment (acres)
1	Pakistan Army	13117
2	Fisheries Department	43
3	Jinnah Colony	47
Total		13,207

Audit was of the view that weak assets management resulted in irregular transfer of forest land to various departments/agencies.

Audit pointed out the matter in September 2017. The management replied that said land was transferred by the orders of the competent authority.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department should retrieve the forest land from the concerned quarters or orders of the competent authority be produced before audit.

(PDP No. –DFO, Multan -2016-17)

10.4.21 Irregular payment of pending liabilities - Rs. 9.95 million

According to Rule 17.17 of PFR Vol-I provides that every Disbursing Officer shall maintain a register of liabilities in P.F.R. Form No. 27 in which he should enter all those items of expenditure for which:

- Payment is to be made by or through another office;
- Budget allotment or sanction of a higher authority is to be obtained;
- Payment would be required partly or wholly during the next financial year or years.

Rule 17.18 of PFR Vol-I states that under no circumstances may charges incurred be allowed to stand over to be paid from the grant of another year. If possible, expenditure should be postponed till the preparation of a new budget has given opportunity of making provision and till the sanction of that budget has supplied means; but no account may charges be actually incurred in one year and thrown on the grant of another year.

During audit of Divisional Forest Office Chichawatni for the period 2015-16, it was observed an amount to the stated extent was paid by the department on account of payment of carriage to various contractors for transfer of timber and firewood from various compartments of the forest land to depot for further auction. Following are audit observations:

- Amount of carriage, cutting & conversion, lining, sorting etc pertained to year 2013-14, and were not cleared in financial year 2013 and 2014.
- Pending liabilities of 2013-14 were cleared from the budget of current financial year i.e 2015-16.
- No pending liability register in proper format was maintained to know the actual outstanding / pending liabilities to avoid any double payments.

Audit was of the view that weak supervisory and financial controls resulted in irregular payment of pending liabilities.

The matter was pointed out in March 2017. The management noted the observation for compliance.

The matter was further reported to the administrative department. In DAC meeting held on 21.12.2017, the para was kept pending for inquiry from Chief Conservator of Forests to find out the irregularities under Punjab Financial Rules. Further progress was not reported till the finalization of this report.

Audit recommends that irregularity be got condoned from competent authority under intimation to audit.

(PDP No. 17774 –DFO, Chichawatni -2015-16)

10.4.22 Irregular payment of electricity charges-Rs. 849,145

As per 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 Forestry, Wildlife and Fisheries Department, it was observed that the payment of electricity charges amounting to Rs. 849,145 was made to WAPDA. The payment of Rs. 440,000 was held irregular as the same was made in advance on manually prepared bill without any meter reading. Similarly, the payment of Rs. 409,145 was held irregular as the same was made in connection with arrears of electricity. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	Director General Wild Life and Parks, Lahore	2015-16	18229	440,000
2.	Divisional Forest Office, Chichawatni	2015-16	17773	409,145
Total				849,145

Audit was of the view that weak supervisory and financial controls resulted in irregular payment of electricity charges.

The matter was pointed out in March and May 2017. The managements noted the observations for compliance.

The matter was further reported to the administrative department. DAC meetings were held on 16.11.2017 and 21.12.2017. The para at Sr. No. 1 was kept pending for compliance and the para at Sr. No.2 was kept pending for adjustment of the surcharge in subsequent bills. Further progress was not reported by the department.

Audit recommends that the department should seek adjustment of advance payment in the subsequent bill and justify the matter regarding payment of arrears of electricity.

10.4.23 Loss due to mortality of animals/birds -Rs. 24.64 million

As per Sr. No.5 of Special Power of Forestry, Wildlife & Fisheries Department (of Parks & Wildlife Wing) of Punjab Delegation of Financial Power Rules 2006, the Administrative Department is competent to write off losses of wild animals/ birds and other exhibits due to natural causes other than negligence or fraud on the recommendations of D.G, Wildlife & Park after investigation / enquiry in the prescribed manner and the report shall be sent to Finance Department and Audit.

During audit of Forestry, Wildlife and Fisheries Department, it was observed that total three hundred ninety four (394) animals/birds etc. amounting to Rs. 24,639,910 approximately died but contrary to the above said directions of the Government, the cases of write off loss of wild animals / birds and other exhibits were not started despite lapse of considerable period. The inquiries of dead animals were neither conducted nor sent to Finance Department and Audit as per above said instructions of the Government.

The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	No of Animals / Birds	Amount(Rs.) Approx.
1.	Lahore Zoo, Lahore	2016-17		228	20,000,000
2.	Assistant Director Wildlife Breeding Farm Jallo Park, Lahore	2014-16	18955	73	1,035,710
3.	Assistant Director Wildlife Park, Loi Bher, Rawalpindi	2010-16	17596	93	3,604,200
Total				394	24,639,910

Audit was of the view that non observance of Delegation of Financial Powers Rules resulted in non write off loss of animals/birds due to mortality.

The matter was pointed out in February, April and November 2017. The management at Sr. No. 1 did not offer any cogent reply. The formations at Sr. Nos. 2 & 3 noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that responsibility be fixed for non-adherence of government instructions besides compliance of prescribed instructions and strengthening of financial and internal control system.

10.4.24 Irregular fixation of compensation for compound cases- Rs. 1.44 million

According to paragraph 3.8 (7) of Chapter III “Miscellaneous executive orders by Government and the Chief Conservator” of Forest Manual volume III, where the offender desires to pay compensation, shall make a written statement to this effect on the back of the damage report and sign it

in the presence of the arresting officer, and the Lambardar or two reliable witnesses referred to in paragraph 3.8 (5) above, who shall also sign it. Paragraph 3.8 (5) is reproduced as “Should the Lambardar happen to be absent or non-cooperative, the report, etc., should be made in the presence of two reliable and respectable residents of the village, and their signatures or thumb impressions obtained in place of the Lambardar.”

During audit of Divisional Forest Officer, Khushab for the period 2016-17, scrutiny of compound cases registers of two ranges and one sub-division revealed that an amount of Rs. 1,442,510 was charges as compensation of 315 compound cases during the year 2016-17. The fixation of the compensation was held irregular as the signature of the offenders and Lambardar or two reliable witnesses were not found on the damage reports.

Audit was of the view that weak internal controls on fixation of compensation for compound cases resulted into irregular fixation of compensation.

The matter was pointed out in September 2017. The management replied that rates would be followed. The reply of the management was irrelevant.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October and November 2017.

The department is required to fix the responsibility for non adherence to government instructions and get regularize the irregularity from the competent authority besides strengthening internal controls on fixation of compensation for compound cases.

(PDP No. 19646 – DFO Khushab- 2016-17)

10.4.25 Misclassification of forest receipt-Rs. 69.46 million

According to Para 4.2.9.2 of the Accounting Policies and Procedures Manual (APPM), all expenditures must be classified in accordance with the Chart of Account, under the appropriate expenditure head.

During audit of Divisional Forest Officer, R.Y Khan, it was observed that the revenue was generated by the department from various forest produce but all revenue was deposited into irrelevant head of account G10402 (Forest Remittance) instead of respective head of account from C03301 to C03370. The detail was as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	DFO R.Y Khan	2015-16	18264	68,501,292
2.	DFO R.Y Khan	2015-16	18258	955,416
Total				69,456,708

Audit was of the view that weak internal controls on fixation of compensation for compound cases resulted into irregular fixation of compensation.

The matter was pointed out in February 2017. The formations at Sr. Nos. 1 & 2 noted the observations for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends to fix the responsibility for non-adherence to government instructions and to seek condonation of irregularity of misclassified receipt with the ex-post facto sanction from the competent authority besides strengthening internal controls.

**10.4.26 Unauthorized purchase from incorrect head of accounts
- Rs.2.74 million**

As per para 3(a) Finance Department letter No. PS/F8/808/78 dated 26.02.1978 that funds allocated to a department its attached department or subordinate offices are spent for the purpose for which they are allocated.

During audit of Forestry, Wildlife and Fisheries Department, it was observed that different items were purchased from irrelevant head of accounts in violation of appropriation authorized by the Legislature, which is violation of the said instructions of the Government. The details are as under:

Sr. No.	Name of formation	PDP No.	Period of audit	Amount (Rs.)
1.	Deputy Director Wildlife, Rawalpindi	18296	2014-16	1,146,768
2.	Assistant Director Wildlife and Park, LoiBher, Rawalpindi	17600	2010-16	689,592
3.	DFO (RM) Chakwal	17612	2013-16	450,000
4.	Conservator Forest, Lahore	18949	2011-16	448,889
Total				2,735,249

Audit was of the view that charging the expenditure to wrong heads of accounts resulted in unauthorized expenditure of Rs. 2,735,249 due to weak supervisory and financial controls.

The matter was pointed out in February, April & May 2017. The formations at Sr. Nos. 1 & 4 did not offer any cogent reply. The management at Sr. No. 2 noted the observation for compliance. The management at Sr. No. 3 replied that the budget charged to the head in which head budget was provided.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that responsibility be fixed for non-adherence to government instructions besides regularization of the matter from Finance Department and strengthening of financial and internal control system.

10.4.27 Unjustified/doubtful auction of timber without observing codal formalities-Rs. 19.99 million

As per Government of the Punjab Forestry, Wildlife & Fisheries Department Notification No. SOFT (Ext) VIII-15/2006 dated: 30.08.2010, the following committees are hereby constituted for the Central Auction at Circle level:

Sr. No.	Name of Circle	Committee	Remarks
1.	Lahore, Faisalabad and Gujranwala	1.All DFOs of the Forest Circle	Member
		2.Director (Marketing)	Member
		3.Representative of Commissioner's office	Member
2.	Rawalpindi and Sargodha	1.All DFOs of the Forest Circle	Member
		2.CF D&WP Rawalpindi	Member
		3.Representative of Commissioner's office	Member
3.	Multan, Bahawalpur and Dera Ghazi Khan	1.All DFOs of the Forest Circle	Member
		2. CF D&WP Multan	Member
		3.Representative of Commissioner's office	Member

During audit of Divisional Forest Officer, Khushab for the period 2016-17, scrutiny of Demand Register revealed that auctions of timber for Rs. 19,992,531 were made without full quorum of auction committee. In the absence of such representatives, DFO was not authorized to hold auction in the best interest of government.

Audit was of the view that in the absence of full quorum of the members of the auction committee, the auction process was irregular.

Audit pointed out the matter in September 2017. The management replied that series of letters had been written to all committee members but they did not participate in auction process. The reply of the management was not acceptable as the requirements of the rules were not fulfilled.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that inquiry may be held against the persons responsible and the irregularity be got condoned from the competent authority.

(PDP No. 19647-DFO, Khushab--2016-17)

10.4.28 Variance in receipts as per Form-A as compare with SAP generated report-Rs. 19.545 million and non-clearance of amount kept in Form-6-Rs. 2.32 million

According to PFR Vol-I Rule 4.1 Note-2, “the reconciliation of differences should be carried out as promptly as possible especially in the case of returns for June so that all corrections may be included in the accounts of the year concerned”. Moreover, as per rule 7(1) of the Treasury Rules, all money received by the government on account of revenue of the province should without undue delay be paid in full into the treasury and shall be included in the Consolidated Fund or Public Accounts of the province.

During audit of Divisional Forest Officer, R.Y Khan for the period 2015-16, it was observed that as per Form-A “Statement showing Actual under head A0300-Revenue” total Revenue of Rs. 68,501,292 was generated by the department whereas as per SAP system Rs. 48,955,319 was deposited by the department under head G10402-Forest Remittance. The variance in receipt figures Rs. 19,545,973 needs reconciliation.

Moreover, scrutiny of Form-6 Register of Security (Contractors) revealed that Rs. 2,315,728 were still not charged/booked to respective

head of account. Undue retention of the amount was in contravention of the above rule:

Name	Particulars	Balance Amount as on 30th June, 2016
XEN Provincial Highway	Replenishment cost	1,974,059
XEN Provincial Highway	Replenishment cost	90,840
P.D. GP Fund	Iftikhar Hussain, FG	3,334
P.D. GP Fund	Bashir Ahmad, FG	1,385
P.D. Earnest Money	RFO Khanpur	6,310
P.D. Earnest Money	RFO R.Y.Khan	193,700
P.D. Earnest Money	RFO Sadiqabad	46,100
Total		2,315,728

Audit was of the view that weak supervisory and financial controls resulted in variation of receipts and non-clearance of amount kept in Form-6.

When the matter was pointed, the management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the difference in revenue may be reconciled with DAO, R.Y Khan and the amounts kept in Form-6 may be booked/charged to respective head of account and its compliance shown to audit.

(PDP No. 18253-DFO, R.Y Khan--2015-16)

10.4.29 Unjustified payment of pay and allowances-Rs. 3.92 million

According to Rule 2.31(a) 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.

During audit on the accounts of the Forestry, Wildlife and Fisheries Department, it was noticed that officials drew pay and allowances in excess of what was admissible as per rules which resulted in overpayment of Rs. 3,924,521. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs)
1.	DFO Bahawalnagar	2016-17	19172	218,910
2.	Lahore Zoo, Lahore	2016-17	22413	1,430,553
3.	Lahore Zoo, Lahore	2016-17	22414	2,275,058
Total				3,924,521

Audit was of the view that weak supervisory and financial controls resulted in unjustified payment of pay and allowances.

Audit pointed out the matter in January to February 2017 and in August & November 2017. The managements of the formations did not offer any cogent reply.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that pay and allowances may be recovered and deposited into government treasury. In future recoveries may be realized as and when become due.

10.4.30 Un-authorized grant of trees and plants/ saplings free of cost-Rs. 1.96 million

As per Rule 8 of Punjab Delegation of Financial Powers Rules 2016 (Special Powers Forestry, Wildlife & Fisheries Department), powers to sanction special grant of timber, or other forest produce free or at favorable rates for special purposes of public utility are as under:

Sr. No.	To whom delegated	Extent
1	Administrative department	Full powers
2	Chief Conservators of Forests	Full powers
3	Conservators of Forests	Upto Rs. 0.100 million during a financial year

During audit of Divisional Forest Officer, Kasur, scrutiny of Form-12 (free grant) of various sub-divisions revealed that plants/saplings were granted to various Army, Educational and Health institutions. The value of such grants came out to Rs. 1,956,400.

The grant of plants/saplings to such institutions was held unauthorized as the Divisional Forest Officer had no powers to do so. The powers for grant of trees free or at favorable rates only rested with the officers mentioned above.

Audit was of the view that non observance of Delegation of Financial Powers Rules resulted in un-authorized grant of trees and plants/saplings free of cost.

Audit pointed out the matter in August 2017. 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 any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department should seek the condonation of irregularity from the Finance Department.

(PDP No. 22362-DFO, Kasur -2016-17)

10.4.31 Irregular Expenditure of POL than Prescribed Ceiling Rs. 1.04 million

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 misappropriations.

As per letter No. MTO (S&GAD) AT-II dated 22.09.1999 Government of the Punjab following monthly POL limit was fixed.

Designation /BPS	POL Monthly Limit (Liters)
Secretary	200
Additional Secretary	175
Deputy Secretary	150

During audit of Forestry, Wildlife and Fisheries Department, it was observed that an amount to the stated extent was drawn on account of POL excess than prescribed limit allowed to officers.

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs)
1.	DFO, R.Y Khan	2015-16	18256	616,728
2.	Director General Wildlife & Parks, Lahore	2015-16	18232	421,110
Total				1,037,838

It is pertinent to mention here regarding formation at Sr. No. 3 had two vehicles LRW-370 Toyota Car and LEG-1567 Double Cabin which remained under the use of Director General Wildlife & Parks and POL of 7019 liters was drawn throughout entire period under audit. Log books of these vehicles showed that both vehicles were used simultaneously by the Director General.

Audit was of the view that use of two vehicles instead of one was irregular and against the instructions of finance department.

Audit pointed out the matter in February and May 2017. The managements noted the observations for compliance.

The matter was further reported to the administrative department. In DAC meeting held on 16.11.2017, the para at Sr. No. 2 was kept pending for regularization from Finance Department. Further progress was not reported by the department. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that amount may kindly be got recovered from concerned and deposited into government treasury under intimation to audit.

10.4.32 Non verification of receipts from treasury-Rs. 7.72 million

As per Rule 2.4 of PFR Vol-I, in the case of payments into the Treasury the Disbursing Officer should compare the Treasury Officer's receipt on the chalans with the entry in the cash book before initialing it, and when such payments are appreciable, he should obtain from the Treasury a monthly list of payments which should be compared with the posting in the cash book.

During audit of Forestry, Wildlife and Fisheries Department, it was observed that the department had deposited the amount of government receipt amounting to Rs. 7,719,131 into government treasury but the same had not got verified from the treasury office. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs)
1.	DFO Cholistan RM Division, Bahawalpur	2016-17	20049	3,133,340
2.	DFO Changa Manga, Kasur	2016-17	22363	4,585,791
Total				7,719,131

Audit was of the view that weak supervisory and financial controls resulted in non verification of receipts from treasury.

Audit pointed out the matter in August and September 2017. The managements noted the observations for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends the department to look into the matter and get the amount of deposit be verified from treasury.

**10.4.33 Excess expenditure over and above budget allocation-
Rs. 2.53 million**

As per Rule 17.15 of PFR Vol-I, no government servant may, without previously obtaining an extra appropriation, incur expenditure in excess of the amount provided for expenditure under the head concerned and when a Government servant exceeds the annual appropriation he may be held responsible for the excess.

During scrutiny of budget and expenditure statement of Lahore Zoo, Lahore for the period 2016-17, it was observed that the expenditure was incurred over and above budget allocation amounting to Rs.2,526,991 without obtaining additional funds which tantamount to serious financial irregularity on the part of DDO.

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

Audit pointed out the matter in November 2017. The management stated that reply would be submitted after scrutiny of record.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that matter may be investigated; responsibility be fixed besides strengthening of administrative, financial as well as supervisory controls to avoid recurrence of such lapses in future.

(PDP No.22408-Lahore Zoo, Lahore- 2016-17)

10.4.34 Non prudent expenditure -Rs. 13.27 million

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 Divisional Forest Officer, Lal Sohanra, Bahawalpur for the period 2016-17, it was observed that an amount of Rs.13,267,928 was incurred on account of different construction of works. Audit noticed that all the works were non-prudent due to the following reasons:

- No need based assessment of the work was done.
- Area where the work done was not a public place.

The matter was pointed out in November 2017. The management only signed the observation.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the matter may be probe at administrative level for wastage of Government money.

(PDP No.20699-Divisional Forest Officer, Lal Sohanra, Bahawalpur - 2016-17)

10.4.35 Overpayment in excess of provision in PC-I - Rs. 6.97 million

According to Finance Department letter No. RO (Tech) FD-1-2-83-VI dated 29.3.2005, during the execution of work neither the specification and quantity of different items approved in Technical Sanction Estimate be changed nor any additional item be approved

executed without prior written approval of such change addition by the authority also issued Technical Sanction.

During the audit of Divisional Forest Officer, Lal Sohanra, Bahawalpur for the period 2016-17, it was observed that amount of Rs. 6,966,150 was paid to the contractor in excess of the provision of PC-I of the scheme Development of Patisar Lake & Additional Recreational Facilities in Park. The details are as under:

Quantity as per PC-I	Quantity of work done	Percentage of Deviation	Rate Accepted (Per Hour)	Amount Approved	Total amount paid	Excess paid Amount
15937.5 Hours	19119.5 Hours	19.96 % Above	2189	34,887,188	41,853,338	6,966,150

Audit was of the view that weak supervisory and financial controls resulted in payment in excess of provision in PC-I.

The matter was pointed out in November 2017. The management only signed the observation.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that amount in excess of PC-I paid to contractor be recovered otherwise revision of PC-I be sought from the competent authority.

(PDP No. -Divisional Forest Officer, Lal Sohanra, Bahawalpur -2016-17)

10.4.36 Irregular provision of feed for animal/birds etc. at mini zoo of Governor House-Rs. 2.92 million

As per Rule 2.10 (a) (1) of PFR Vol-I, same vigilance should be exercised in respect of expenditure incurred from government revenue as a person of ordinary prudence would exercise in respect of the expenditure of its own money.

During audit of Lahore Zoo, Lahore for the period 2016-17, it was observed that the feed amounting to Rs.2,923,107 was provided to mini zoo of Governor House Lahore. The details are as under:

Bill No.	Date of Bill	Name of Supplier	Description	Amount in Rs.
40	17.08.2016	Inam & Sons	Supply of Ration	185,217
81	08.09.2016	Inam & Sons	Supply of Ration	185,217
117	15.10.2016	Inam & Sons	Supply of Ration	179,242
192	26.11.2016	Inam & Sons	Supply of Ration	185,217
255	22.12.2016	Inam & Sons	Supply of Ration	596,047
257	22.12.2016	Inam & Sons	Supply of Ration	157,680
281	01.01.2017	Inam & Sons	Supply of Ration	244,404
324	17.03.2017	Inam & Sons	Supply of Ration	244,404
329	17.03.2017	Inam & Sons	Supply of Ration	220,752
398	18.04.2017	Inam & Sons	Supply of Ration	244,004
464	26.05.2017	Inam & Sons	Supply of Ration	236,519
554	20.06.2017	Inam & Sons	Supply of Ration	244,404
Total				2,923,107

Audit observed the following shortcomings:

- The order/ notification of the competent authority in which Governor House Zoo is declared as a part and parcel of the main Zoo at Lahore is either not available or not shown to audit as required vide Section 18-A (2) of the Punjab Wildlife (Protection, Preservation, Conservation and Management) Act 1974.
- If the Governor House Zoo is a part and parcel of Lahore Zoo Lahore then why the birds / animals etc of the Governor House Zoo are not taken in stock of the Lahore Zoo, Lahore.
- Further, it was also observed that the matter for payment of outstanding claims of feed from Governor House was taken

- up by Director General, Wildlife & Parks Punjab Lahore (Chairman Zoo Maintenance Committee Lahore), Zoo Maintenance Committee (ZMC) & Director Lahore Zoo, Lahore at various occasions. Audit held that the management should explain that why the outstanding claims up-to-date were not recovered till the date of audit.
- Furthermore, the detail of animal/birds etc transferred at Mini Zoo Governor House Lahore along with orders of competent authority was called for which was not produce/shown to audit.

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

Audit pointed out the matter in November 2017. The management replied that the observation is noted for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the matter be investigated, expenditure on irregular provision of feed for animal/birds etc. at mini zoo of Governor House should be got regularized besides strengthening of administrative, financial as well as supervisory controls to avoid recurrence of such lapses in future.

(PDP No.22415-Lahore Zoo, Lahore- 2016-17)

***10.4.37 Deviation in quantity by measuring unit from PC-I
Rs. 16.38 million***

According to Finance Department letter No. RO (Tech) FD-1-2-83-VI dated 29.3.2005, during the execution of work neither the

specification and quantity of different items approved in Technical Sanction Estimate be changed nor any additional item be approved executed without prior written approval of such change addition by the authority also issued Technical Sanction.

During audit of Divisional Forest Officer, Lal Sohanra, Bahawalpur for the period 2016-17, it was observed that as per approval of work order, the item of desilting/excavation work of schemes was required to be paid @ per hours as per PC-I whereas payment was made @ per Cft.

Sr. No.	Vr. No.	Month	Contractor Name	Mode of Payment	Bill Amount
1.	1/LS-II	Jan 2017	Abdul Majeed Khan	per Cft	6,384,731
2.	7/LS-II	May 2017	Abdul Majeed Khan	per Cft	7,510,394
3.	13/LS-II	May 2017	Abdul Majeed Khan	per Cft	2,482,312
Total					16,377,437

Audit was of the view that non observance of government instructions resulted in irregular mode of payment.

The matter was pointed out in November 2017. The management only signed the observation.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that matter got revised from competent authority otherwise fix the responsibility for the irregularity.

(PDP No.20703-Divisional Forest Officer, Lal Sohanra, Bahawalpur-2016-17)

10.4.38 Non recovery of penalty on delayed work- Rs. 1.98 million

As per clause 39 of agreement between the contractor Mr. Abdul Majeed Khan and DFO Lal Sohanra, Bahawalpur, if the contractor fails to complete the work in stipulated period he shall pay compensation for delay maximum 10% amount of estimates depicted in memorandum of work.

During audit of Divisional Forest Officer, Lal Sohanra, Bahawalpur for the period 2016-17, it was observed that department award the work to the contractor under PC-I scheme “Revival of Patisar Lake at Lal Sohanra Park and Development of Patisar Lake & Additional Recreational Facilities” to complete the works as per agreement but the contractor did not complete the works within the stipulated time. Therefore an amount of Rs. 1,984,320 needed to be recovered as penalty for delay to the contractor. Details are as under:

Sr. No.	Vr. No.	Month	Contractor Name	Contract Amount	10% Compensation not Deducted
1	1/LS-II	Jan 2017	Abdul Majeed Khan	9,850,500	985,050
2	7/LS-II	May 2017	Abdul Majeed Khan	7,510,394	751,039
3	13/LS-II	May 2017	Abdul Majeed Khan	2,482,312	248,231
Total					1,984,321

Audit was of the view that non observance of agreement clause resulted in non-recovery of penalty on delayed work.

The matter was pointed out in November 2017. The management only signed the observation.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till

the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that recovery of the above stated amount for delay in work from the contractor be expedited.

(PDP No.20697-Divisional Forest Officer, Lal Sohanra, Bahawalpur-2016-17)

10.4.39 Non approval of annual plan of operation under budget replenishment cost-Rs.14.33 million

According to Rule 7(1) section 5 of Punjab Treasury Rules, money received by or tendered to government servant shall not be appropriated to meet departmental expenditure nor otherwise kept apart from consolidated fund. Moneys so received shall without undue delay be paid into the treasury. Moreover, as per Para 15.60 of Forest Manual Vol-II, all revenue received by the officers of the department should be paid into treasury immediately.

During security of record of Forestry, Wildlife and Fisheries Department, it was revealed that new dry station/ maintenance work was carried out during 2016-17 and also planting works was done without any approval of annual plan of operation for the year 2016-17 from the competent authority. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	No of Drive Stations Worked/ Maintained	Nature of Work	Amount (Rs.)
1.	DFO Attock	2016-17	22547	105	7 lac P Bag Plants	5,567,500
2.	DFO Attock	2016-17	22545	350	20 avenues miles planting	8,766,198
Total						14,333,698

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

The matter was pointed out in November 2017. The management replied that matter was already under consideration.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that matter should be investigated, responsibility be fixed besides strengthening of administrative, financial as well as supervisory controls to avoid recurrence of such lapses in future.

10.4.40 Un justified payment on account of non-scheduled items - Rs. 22.09 million

As per Government of the Punjab, Finance Department instructions conveyed vide No: RO (Tech) FD 18-23/2004 dated 21.09.2004, the available input rates of Materials/ Labour/ Equipment shall be the same as placed by the Finance Department on website. Standardized analysis shall be used to work out the rate of an item as far as possible. A copy of each analysis approved by the competent authority shall be sent to Technical Cell of Finance Department for scrutiny/standardization.

Name of Work	Construction of Chain Link fencing at Forest Park
Name of Contractor	MS Usama Hamza Sons
Original A.A Accorded by	Million
Revised A.A Accorded by	NIL

During audit of Divisional Forest Officer, Changa Manga, Kasur for the period 2016-17, running bills of the work disclosed that payment had been made to the contractor on account of non-scheduled items out of

total contract of Rs. 22,085,700. In this regard it is pointed out that rate analysis of said items duly approved by the competent authority has not found attached with detailed estimate neither same had been made available to audit for scrutiny. In the absence of rate analysis of non-scheduled item, audit could not authenticate the rate charged by contractor of work done of Rs. 22,085,700.

Audit was of the view that weak internal controls resulted in award of contract without rate analysis of non-schedule items and likely undue benefit to contractor.

When pointed out the matter in September 2017, the management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department should seek condonation of irregularity regarding award of contract without rate analysis of non-schedule items.

(PDP No.22360-Divisional Forest Officer, Changa Manga, Kasur-2016-17)

10.4.41 Doubtful auction of minor forest produce- Rs. 12.08 million

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

During audit of Divisional Forest Officer, Bhakkar for the period 2016-17, it was noticed that the management had sold out minor forest produce such as mesquite, munkana, munjkana and honey for Rs. 12,075,337. The sale was held irregular on the grounds that auction process was held without obtaining competent rates. Moreover, neither reserved price of the sold items was fixed nor quantity of the items was worked out. Necessary record such as tender sale register, CDR register, attendance of the participants and bid sheet was not maintained. Further advance income tax amounting to Rs. 1,207,534 had been withheld but deposit of the same was not shown.

Audit was of the view that weak supervisory and financial controls resulted in doubtful auction of minor forest produces.

Audit pointed out the matter in October 2017. The management replied that relevant record is available.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that irregularity be got condoned from Finance Department besides action against the responsible and deposit of withheld advance tax into government treasury.

(PDP No.21127-Divisional Forest Officer, Bhakkar -2016-17)

10.4.42 Loss due to charging of excess rates for raising of potted nursery - Rs. 19.15 million

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.

(A) During audit of DFO Bhakkar for the year 2016-17, a perusal of contingent vouchers revealed that different rates were charged for raising potted nurseries under the schemes “Social Forestry to Increase Tree Cover on Farmlands” and “Promotion of Social Forestry in Punjab”. The details are as under:

Sr. No.	Name of scheme	Avg. rate per plant charged	No. of plants raised
1	Social Forestry to Increase Tree Cover on Farmlands	5.4	453500
2	Promotion of Social Forestry in Punjab	8	7200000

A perusal of above table shows charging of excess rate of Rs. 2.6 per plant under the scheme “Promotion of Social Forestry in Punjab”. As the number of plants raised under this scheme was 7200000, a loss of Rs. 18,720,000 (2.6 x 7200000) was worked out to have been caused to the government exchequer.

(B) Similarly, it was observed that as per breakup of expenditure as given in PC-I of the scheme “Green Pakistan Programme”, the rate of hand watering charges was Rs. 2.55 per plant. A perusal of the contingent vouchers revealed that the rate of Rs. 3.074 per plant was charged for 15 times watering of 55000 plants. The government was thus caused a loss of Rs. 432,300.

No. of collies	Rate charged	Rate to be charged	Difference	Quantity (15x55000)	Amount of Loss
6 per 1000	3.074	2.55	0.524	825000	432,300

Audit was of the view that weak supervisory and financial controls resulted in loss of Rs. 19,152,300 (18,720,000 + 432,300) due to excess charging of rates.

The matter was pointed out in October 2017. The management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommended that the department should probe the matter to dig out the facts and to fix the responsibility besides taking corrective measures to make good the loss.

(PDP Nos.21126 & 21123-Divisional Forest Officer, Bhakkar-2016-17)

CHAPTER 11

HEALTH DEPARTMENT

11.1 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.

11.2 Comments on Budget & Accounts (Variance Analysis)

Introduction

The Appropriation Accounts for the year 2016-17 of Health Department indicate expenditure on various specified services vis-à-vis appropriation authorized by Government of the Punjab.

Summary of Appropriation Accounts

The summarized position of actual expenditure during 2016-17 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	974.022	156.22	1,130.242	856.998	(273.244)
PC21016	71,069.811	21,280.409	92,350.220	83,403.123	(8,947.097)
PC13034	40.133	37.897	78.030	61.442	(16.588)
PC22036	31,536.130	21,883.535	53,069.835	43,489.820	(9,580.015)
Total	103,620.096	43,358.061	146,628.327	127,811.383	(18,816.944)

Overview of Expenditure

The final budget of Health Department for the year ended 30 June, 2017 was Rs. 146,628.327 million. Out of this, actual expenditure was Rs. 127,811.383 million. 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	72,083,966,000	84,321,563,210	12,237,597,210	16.98
Development	31,536,130,000	43,489,819,864	11,953,689,864	37.90
Total	103,620,096,000	127,811,383,074	24,191,287,074	23.35

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	93,558,492,000	84,321,563,210	(9,236,928,790)	9.87
Development	53,069,835,000	43,489,819,864	(9,580,015,136)	18.05
Total	146,628,327,000	127,811,383,074	(18,816,943,926)	12.83

Anticipated savings not surrendered

As per para 14.3 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 Rs.(18,816.944) million at the close of the year 2016-17 under grants PC21010, PC21016, PC13034 & PC22036 were not surrendered in time by the Department.

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	1984-85	46	38	8	83
2	1985-86	48	35	13	73
3	1986-87	67	53	14	93
4	1987-88	145	91	54	63
5	1988-89	79	55	24	70
6	1989-90	101	54	47	53
7	1990-91	128	75	53	59
8	1991-92	67	47	20	70
9	1992-93	71	44	27	62
10	1993-94	88	54	34	61
11	1994-95	76	5	71	7
12	1995-96	122	0	122	0
13	1996-97	108	69	39	64
14	1997-98	201	53	148	26
15	1998-99	297	159	138	54
16	1999-00	154	118	36	77
17	2000-01	411	329	87	80
18	2001-02	270	160	110	59
19	2003-04	78	23	55	30
20	2005-06	95	32	63	34
21	2006-07	235	103	132	44
22	2009-10	295	64	231	22
23	2010-11	125	36	89	29
24	2011-12	97	25	72	26
	2012-13	44	21	23	48
25	2013-14	89	12	77	13
Total		3537	1755	1787	50

The compliance with PAC Directives in Health Department during the years 2009-10 to 2013-14 is unsatisfactory. The attention of the department is also drawn towards the compliance status for the years 1994-95 and 1995-96.

11.4 AUDIT PARAS

Fraud/Misappropriation

11.4.1 Misappropriation of stores-Rs.24.86 million

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.

Examination of record of Health Department for the period 2016-17 revealed that various store items were supplied to various wards, emergencies, operation theatres and OPD by making procurement through bulk and local purchase. A comparison of stores issued from main store with that received at users' end revealed that the quantities issued by the bulk store and LP Store were not fully received at users' end. It is apprehended that the same were misappropriated. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	Principal PGMI & Allied Institutions, Lahore	2016-17	22829	22,990,495
2.	Government Teaching Hospital, Shahdra, Lahore	2014-17	22832	1,681,004
3.	Faisalabad Institute of Cardiology, Faisalabad	2016-17	20316	190,018
Total				24,861,517

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

The matter when pointed out by audit, the formations at Sr. Nos. 1, 3 could not submit any cogent reply. The management at Sr. No.2 stated that stock was issued from main store after due acknowledgements. The replies of the managements were not acceptable being unsatisfactory.

The matter was further reported to the administrative department. In DAC meeting held on 29.01.2018, the committee kept the para at Sr. No. 1 pending for production of record. As regards remaining paras, neither any reply was received nor was DAC meeting convened despite reminders issued in October, November and December 2017.

Audit recommends probe into the matter to fix the responsibility for the loss and stresses upon to make good the loss.

11.4.2 Variation in reconciliation of expenditure statement- Rs.495.92 million

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, and that he will also be held personally responsible for any loss, arising from fraud or negligence.

During audit of Health Department for the financial year 2016-17, while making comparison of expenditure statement for the month of June 2017 with expenditure incurred as per soft data, it was observed that there was huge variation of expenditure in various object heads which reflected non-transparent maintenance of accounts. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	AIMC & Allied Institutions, Lahore	2016-17	20358	315,579,287
2.	AIMC & Allied Institutions, Lahore	2016-17	20361	154,859,479
3.	AIMC & Allied Institutions, Lahore	2016-17	20369	25,484,581
Total				495,923,347

Audit was of the view that weak supervisory and financial controls resulted in variation in reconciliation of expenditure statement.

The matter was pointed out during August to October 2017. The formations at Sr. Nos.1 to 3 stated that variation was due to addition of PLA figures with SDA and un-presented cheques. The reply of the entity was vague because the figures provided to audit were reconciled.

The matter was further reported to the administrative department. In DAC meeting held on 01.01.2018, the para at Sr. No.3 was kept pending till production of expenditure statements duly verified by AGP Office. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that matter may be inquired to find out the actual cause of variation in the statements and responsibility be fixed against the concerned or matter may be got regularized from competent authority besides strengthening the internal controls.

11.4.3 Likely misappropriation of hospital receipt-Rs.2.94 million

As per Rule 17.1 of the Punjab Medical and Health Department Institution Rules, 2003, Grant-in-Aid, Development Funds, all receipts generated by the Institution, donations and contributions received shall be kept in the Personal Ledger Account (PLA) of the Institution. Amounts may be shifted to a Scheduled Bank to be operated in the name of the Institution to such extent as may be allowed by the Finance Department.

During audit of Health Department, it was observed that hospital receipt of various pathology tests collected from the patients was neither deposited in PLA nor in the receipt account of the institutions.

The detail is as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	Gujranwala Medical College and DHQ hospital, Gujranwala	2015-16	18069	1,628,800
2.	Government Teaching Hospital, Shahdra, Lahore	2014-17	22830	1,306,702
Total				2,935,502

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

When the matter was pointed out, the management at Sr. No. 1 stated that as per BOM decision, Rs.100 shall be deposited into PLA and Rs.100 shall be used for the supply of free of cost medicines to the patients treated in the liver clinic. The management at Sr. No.2 stated that matter would be looked into.

The matter was further reported to the administrative department. In DAC meeting held on 03.01.2018, the para at Sr. No.1 was kept pending for probe at administrative level. As regards remaining para, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends probe of the matter at higher level and recovery of the amount from the concerned held responsible besides strengthening of internal controls.

11.4.4 Embezzlement/fraudulent drawl from salary account- Rs.2.46 million

According to sub section 3 (a) of section 16 of the FJMU Act 2015, the Treasurer shall manage the assets, liabilities, receipts, expenditure, funds and investment of the University.

During audit of FJMU & Sir Ganga Ram Hospital, Lahore for the financial year 2016-17, it was noticed that a Computer Operator of salary section managed fraudulent draws out of salary account of the institution to his own account. FIR was lodged against the accused and case was registered to Anti-corruption Department.

Audit was of the view that embezzlement/fraudulent drawl was due to weak internal controls and non-conducting of post audit.

Audit pointed out the matter in August 2017. The management stated that Internal Auditor of institution has unearthed the scam and case referred to Anti-Corruption Department.

The matter was further reported to the administrative department. In DAC meeting held on 11.01.2018, the amount of the para was reduced to Rs. 413,464 after verification of recovery. The committee further directed that case against computer operator may be pursued vigorously and forensic audit needs to be conducted at the earliest. As regards remaining paras, neither any reply was received nor was DAC meeting convened despite reminders issued in October, November and December 2017.

Audit recommends that the case may be pursued with Anticorruption Department to effect recovery of stated amount. Forensic audit of the soft data relating to salary account from the date of posting of the accused may be conducted.

(PDP No.20318-FJMU & Sir Ganga Ram Hospital, Lahore- 2016-17)

11.4.5 Irregular appointment of Senior Law Officer on bogus notifications and recovery of non-practicing allowance - Rs.1.74 million

Rule 2.33 of PFR Vol-I states that 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, and that he will also be held personally responsible for any loss, arising from fraud or negligence on.

During audit of King Edward Medical University, Lahore for the period 2016-17, it was observed that a Computer Operator of KEMU was appointed as Liaison Officer on current charge basis for a period of six months vide order dated 23.09.1993 which was extended after expiry of each spell. He was appointed on regular basis on the same post with effect from 01.02.1995. Later on he was granted performa promotion to the post of Senior Law Officer (B-18) w.e.f. 01.04.2001 and he served till 31.08.2016. All the orders were shown to have been originated from the Health Department.

University Management made a request on 18.02.2017 to Secretary Government of the Punjab, Specialized Healthcare & Medical Education Department, Lahore for verification of transfer orders issued by Health Department from time to time in favour of the said Computer Operator wherein it was stated that incumbent was arrested by Anti-corruption Establishment after rejection of his bail by Anticorruption Court with following allegations:

- He had taken away a number of important files of KEMU without permission of authority.
- A number of inquiries of financial and other types of corruption were pending against him.

The officer was in prison and case was pending against him vide FIR no.72/2016, dated 08/2016. The officer received pay till 31.08.2016 including non-practicing allowance (NPA) Rs.15,000 per month . NPA was drawn by him w.e.f. 01.01.07 to 31.08.16. Moreover, in court orders dated 24.03.17 at Sr. No.16, it was remarked, “he was having no license to

practice as a lawyer. That there was no law for obtaining practicing license from Bar Council during service of a government servant.” Therefore, the payment of NPA w.e.f. 01.01.2007 to 31.08.16 amounting to Rs.1,740,000 was unjustified and needs to be recovered.

Audit was of view that lapse was due to weak administrative and financial controls.

The matter was pointed out in August 2017. The management replied that as per information the case has been launched against said official in the Anti-corruption on the basis of accruing illegal NPA, by the present Senior Law Officer of this University. The case is being investigated.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that matter be probed at administrative level to fix responsibility to ascertain as to how he succeeded to cheat the department. Actual amount of recovery needs to be worked out, effected and deposited into government treasury.

(PDP No.22906-King Edward Medical University, Lahore; 2016-17)

Nonproduction of record

11.4.6 Non production of auditable record - Rs.2,079.30 million

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 Health Department, auditable record of payments relating to distribution of share money, Cash Book, consumption accounts of chemicals & kits, payments made to Provincial Works Department for construction/repair works, appointments record, pay & allowances, contract of HBL ATM outlet, purchase of Hybrid Angiography machine & Cardiac CT Angio, contract of hiring of services of security guards, Hostel, Cash receipt books, Pass Books of SDA, was not produced to audit despite repeated requests.

Audit was of the view that due to non production of record, audit could not ascertain the authenticity of accounts amounting to Rs.2,079,297,221 (Annexure-7).

When audit pointed out the matter, the formations at Sr. Nos. 8, 19, 20, 24, 31 did not furnish any reply. The formations at Sr. No. 3, 11, 18, 22 & 27 replied that the record was available and would be produced. The rest of the managements noted the observations for compliance.

The matter was further reported to the administrative department. In DAC meetings held on 17.08.2017, 10.11.2017, 13.12.2017, 26.12.2017, 01.01.2018, 11.01.2018, 15.01.2018 and 29.01.2018, the paras at Sr. Nos. 3, 8, 21 & 26 were kept pending for verification of vouched account/record; the para at Sr. No. 11 was kept pending for detailed verification upto the extent of Hospital receipt accounts only; the paras at Sr. Nos.1, 2, 7, 10, 12, 13 & 32 were kept pending for compliance; the para at Sr. No. 18 was reduced to Rs. 2,788,000 after verification of record relating to transactions amounting to Rs.3,122,900; the para at Sr. No. 19 was kept pending for inquiry besides production of complete record for verification; the para at Sr. No. 22 was kept pending

till the provision of consumption certificate as well as acknowledgement of receipts of stores & stock and the para at Sr. No.23 was kept pending for probe/inquiry by Administrative Department and fixation of responsibility. The para at Sr. No. 29 was kept pending for the assessment of rent and amount of electricity charges from the date of installation of ATM machine and recovery of rent and electricity charges from HBL. Further, as regards photocopier shop, the proof of recovery of Rs. 200,000 may be produced to audit along with record of closure of photocopier shop. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

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

Irregularities & non-compliance

11.4.7 Irregular procurement without advertisement on PPRA website-Rs.1,829.33 million

As per Rule 12 of Punjab Procurement Rules 2009, procurements over one hundred thousand rupees and up to the limit of two million rupees shall be advertised on PPRA website in the manner and format specified in the regulations by the PPRA from time to time.

During audit of Health Department, it was observed that the Department had made purchases of medicines, disposables and other store items amounting to Rs.1,829,331,179 (Annexure-8) without advertisement on newspapers/PPRA website.

Audit was of the view that non-adherence to Punjab Procurement Rules resulted in irregular expenditure Rs.1,829,331,179.

The matter was pointed out to concerned formations from July 2015 to November 2017. Most of the formations noted the observations for compliance.

The matter was further reported to the administrative department. In DAC meetings held on 17.08.2017, 07.11.2017, 10.11.2017, 13.12.2017, 26.12.2017, 01.01.2018, 03.01.2018 and 29.01.2018, the paras at Sr. Nos. 2 & 42 were kept pending with direction that matter may be probed/inquired by with direction that matter may be probed/inquired by Administrative Department; the paras at Sr. Nos. 5, 7, 21 & 44 were kept pending for compliance; the para at Sr. No. 19 was kept pending for ex-post facto sanction of expenditure from Finance Department; the para at Sr. No.25 was kept pending for probe by Administrative Department. The paras at Sr. Nos. 6, 11, 13, 20, 24, 31, 37 & 45 were kept pending for regularization from Finance Department. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that irregular expenditure be got regularized from the Finance Department besides strengthening of the internal controls.

11.4.8 Unauthorized sanction of expenditure beyond competence-Rs.304.42 million

According to Rule 17.2 (I) of PFR Vol-I, there must be an act of financial sanction of competent authority before making payment out of government revenue. Moreover, various categories of officers has been

given financial powers in Delegation of Financial Powers in PM&HI Act, 2003.

During audit of Health Department, it was observed that an amount of Rs.304,418,828 was spent by the DDOs' by sanctioning expenditure beyond their competency. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	Ch. Pervaiz Elahi Institute of Cardiology, Multan	2016-17	21630	76,860,201
2.	Govt. Teaching Hospital, Shahdra, Lahore	2014-17	22850	62,742,000
3.	PMC & Allied Institutions Faisalabad	2016-17	20502	44,092,847
4.	FJMU, Ganga Ram Hospital, Lahore	2016-17	20352	33,625,266
5.	AIMC, Jinnah Hospital, Lahore	2016-17	20368	27,459,164
6.	Fatima Jinnah Medical University, Sir Ganga Ram Hospital, Lahore	2016-17	20323	26,944,566
7.	Ch. Pervaiz Elahi Institute of Cardiology, Multan	2016-17	21624	16,886,727
8.	PMC & Allied Institution, Faisalabad	2016-17	20532	11,940,399
9.	Govt. Mian Nawaz Sharif Hospital, Lahore	2015-16	18140	1,733,400
10.	Director Drug Testing Laboratory, Lahore	2013-16	17452	1,210,903
11.	Govt. Mian Nawaz Sharif Hospital, Lahore	2015-16	17793	923,355
Total				304,418,828

Audit was of the view that weak supervisory and financial controls resulted in unauthorized sanction of expenditure beyond competency.

The matter was pointed out to the formations during audit conducted from July to November 2017. In response the formations offered vague and evasive replies.

The matter was further reported to the administrative department. In DAC meetings held on 28.12.2017 and 11.01.2018, the para at Sr. No. 4

was kept pending for compliance; the committee kept the para at Sr. No. 5 pending for provision of a certificate from LESCO Authorities and the para at Sr. No. 6 was kept pending for regularization from Finance Department. Further progress was not reported till the finalization of this report. As regards remaining paras, neither any reply was received nor was DAC meeting convened despite reminders issued in October, November and December 2017.

Audit recommends that the department should adhere to the “Delegation of Powers” and seek regularization of the expenditure.

11.4.9 Irregular procurement made without specifying evaluation criteria-Rs. 2,223.05 million

According to Rule 31 (1) and (2) of Punjab Procurement Rules 2014, a procuring agency shall formulate an appropriate evaluation criterion listing all the relevant information against which a bid is to be evaluated and such evaluation criteria shall form an integral part of the bidding documents.

During audit of Health Department, it was observed that hospital managements made procurement of medicine, surgical/chemical and store items amounting to Rs.2,203,051,799 (Annexure-9) without specifying evaluation criteria in the bidding documents. In the absence of specified evaluation criteria in the bidding documents, audit could not authenticate the veracity of the procurements. The details are as under:

Audit was of the view that disregard to the provisions of Punjab Procurement Rules resulted in miss-procurement.

The matter was pointed out to the formations during audit conducted from July to November 2017. In response the formations did not submit cogent reasons.

The matter was further reported to the administrative department. In DAC meetings held on 28.12.2017, 07.11.2017, 10.11.2017, 30.11.2017, 26.12.2017 and 01.01.2018, the committee kept the para at Sr. No. 1 pending for recovery of stamp duty; the paras at Sr. Nos.2 & 8 were kept pending for regularization; the paras at Sr. Nos. 3, 4 & 12 were kept pending for want of inquiry, the para at Sr. No. 21 was kept pending for probe the matter at administrative level and the para at Sr. No. 5 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 was DAC meeting convened despite reminders issued in October, November and December 2017.

Audit recommends that the department should seek condonation of irregularity from the Finance Department.

11.4.10 Unauthorized collection of user charges-Rs.737.90 million

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 the management had collected user charges amounting to Rs.737,902,450 from patients at the rates prescribed by the board without getting prior approval from the government. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	Punjab Institute of Cardiology, Lahore	2016-17	22749	276,218,951
2.	Ch. Pervaiz Elahi Institute of Cardiology, Multan	2016-17	21607	169,929,860

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
3.	Nishtar Medical College & Allied Institutions, Multan	2015-16	17414	117,384,320
4.	PMC & Allied Institutions, Faisalabad	2016-17	20498	108,618,245
5.	PMC & Allied Institutions, Faisalabad	2016-17	20533	41,682,872
6.	Gujranwala Medical college and DHQ Hospital, Gujranwala	2015-16	18094	23,754,402
7.	Institute of Mental Health, Lahore	2016-17	19292	313,800
Total				737,902,450

Audit was of the view that disregard to the Punjab Medical & Health Institution Rules 2003, resulted in unauthorized collection of user charges without approval of Finance Department.

The matter was pointed out to the formations during audit conducted from July to November 2017. In response the formations did not submit cogent replies.

The matter was further reported to the administrative department. In DAC meetings held on 17.08.2017, 30.11.2017, 03.01.2018 and 15.01.2018, the para at Sr. No.1 was kept pending for policy decision from Health Department; the paras at Sr. Nos.3 & 7 were kept pending till the approval of user charges by Administrative Department and the para at Sr. No. 7 was kept pending for regularization from Finance Department. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends to get the irregularity condoned besides action against the responsible for collection of unauthorized user charges.

11.4.11 Undue retention of government money-Rs.2,393.37 million

According to Clause 17(1) of the Punjab Medical & Health Institutions Act, 2003, all receipts generated by the institutions, donation

and contribution received shall be kept in Personal Ledger Account (PLA) of the institutions.

During audit of Health Department, it was observed that the management had kept an amount of Rs.2,393,368,274 (Annexure-10) in bank accounts other than PLA in violation of the above mentioned rule.

Audit was of the view that weak supervisory and financial controls resulted in undue retention of Govt. money in the banks instead of PLA.

The matter was pointed out to the formations during audit conducted from July to November 2017. In response the formations did not submit cogent replies.

The matter was further reported to the administrative department. In DAC meetings held on 17.08.2017, 10.11.2017, 01.01.2018, 11.01.2018 and 29.01.2018, the para at Sr. No. 1 was kept pending till the complete shifting of amounts into PLA alongwith sought approval from BOM and the para at Sr. No. 3 was kept pending till the decision of Public Accounts Committee. The paras at Sr. Nos. 4 & 8 were kept pending with the direction the matter may be inquired by Administrative Department and responsibility be fixed. The paras at Sr. Nos. 6, 7 & 10 were kept for compliance. The paras at Sr. Nos. 11 & 14 were kept pending for advice/clarification from Finance Department. The amount of the para at Sr. No. 13 reduced to the stated extent and kept pending for depositing the same into government treasury. The para at Sr. No. 18 was kept pending for regularization of expenditure from the Finance Department. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends to get the irregularity condoned besides deposit of the amount in the PLA.

11.4.12 Purchase of medicine without DTL reports-Rs.660.83 million

Clause 3 of terms & conditions of each supply order under heading DTL test/analysis states that the sample will be sent to the DTL for test/analysis.

During audit of Health Department, it was observed that an amount of Rs.660,826,167 was expended on purchase of medicines but DTL test/analysis were not got carried out from any recognized government laboratory. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	Chaudhary Pervaiz Elahi Institute of Cardiology, Multan	2016-17	21606	191,380,995
2.	Chaudhary Pervaiz Elahi Institute of Cardiology, Multan	2016-17	21608	153,399,900
3.	PMC & Allied Institution Faisalabad	2016-17	20490	120,249,209
4.	Lady Willington Hospital Lahore	2016-17	20476	41,216,869
5.	PMC & Allied Institution Faisalabad	2016-17	20547	31,008,050
6.	Gujranwala medical College & DHQ Hospital	2015-16	18103	29,144,760
7.	PMC & Allied Institution Faisalabad	2016-17	20540	28,540,509
8.	Govt. Teaching Hospital Shahdra Lahore	2014-17	22842	27,570,800
9.	Khawaja Muhammad Safdar medical College & Allied Institution Sialkot	2015-16	18056	25,384,332
10.	PMC & Allied Institution Faisalabad	2016-17	20548	3,807,709
11.	PMC & Allied Institution Faisalabad	2016-17	20541	3,368,034
12.	AIMC Jinnah Hospital Lahore	2016-17	20387	2,976,000
13.	Principal Sheikh Zaid medical college / hospital RY Kahn	2015-16	17478	2,779,000
Total				660,826,167

Audit was of the view that weak supervisory controls resulted in purchase of medicine without DTL.

The matter was pointed out to the formations during audit conducted from July to November 2017. In response the formations did not submit cogent replies.

The matter was further reported to the administrative department. In DAC meetings held on 17.08.2017, 07.11.2017, 28.12.2017, 01.01.2018 and 03.01.2018, the paras at Sr. No. 9 & 13 were kept pending for compliance and the paras at Sr. Nos. 4 & 6 were kept pending subject to the verification of DTL reports/record. The para at Sr. No. 12 was kept pending to probe the matter at institutional level. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that responsibility be fixed for non-conducting of DTL analysis besides condonation of irregularity from the competent authority.

11.4.13 Unjustified payment of SEMS allowance -Rs.34.26 million

As per Government of Punjab Department, Finance Department letter No. SO (AB-II) 3-23 Dated 14.06.2004, a stipend @ 50% of basic pay would be given extra on the existing posts of SEMS (Strengthening of Emergency Medical Services).

During audit of Health Department it was observed that the payment of the SEMS allowance was being made to some personnel in excess of the sanctioned strength of SEMS. Thus, an amount of Rs. 34,259,926 was overpaid as SEMS allowance.

The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	FJMU & Ganga Ram Hospital Lahore	2016-17	20350	20,677,032
2	Children Hospital Lahore	2016-17	22923	3,908,600
3	Nishtar Medical College & Allied Institutions, Multan	2015-16	17424	9,674,294
Total				34,259,926

Audit was of the view that disregards to the government instructions and weak internal controls on “Sanctioned Strength” and “Payroll” resulted in unjustified payment of SEMS allowance.

The matter was pointed out to the formations during audit conducted from July to November 2017. In response the formations offered vague and evasive replies.

The matter was further reported to the administrative department. In DAC meeting held on 17.08.2017, the para at Sr. No.3 was kept pending for compliance. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that unjustified payments of SEMS allowance be recovered, non-observance of sanctioned strength be got regularized from Finance Department besides action against the responsible.

11.4.14 Irregular/wasteful expenditure on security and Janitorial Services-Rs. 94.99 million

According to Rule 2.33 of PFR Vol-I, every government servant should realize fully and clearly that he will 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 the management had hired services of security agencies and janitorial companies for security and cleanliness of the hospitals in spite of the fact that a large number of regular security staff and sweepers existed on the strength of the hospitals. The management did not work out requirement of hiring of security and janitorial services with the existing staff, hence hiring of security services and janitorial services and payment of Rs.94,993,843 was held irregular. The details are as under:

Sr. No.	Name of formation	Period of Audit	PDP No.	Amount (Rs.)
1	AIMC Jinnah Hospital Lahore	2016-17	20364	54,309,509
2	PMC & Allied Institutions Faisalabad	2016-17	20526	31,684,095
3	PMC & Allied Institutions Faisalabad	2016-17	20557	9,000,239
Total				94,993,843

Audit was of the view that the lapse occurred due to weak internal controls on procurement of services.

The matter was pointed out to the formations during audit conducted from July to November 2017. In response the formations did not submit cogent replies.

The matter was further reported to the administrative department. In DAC meeting held on 01.01.2018, the para at Sr. No.1 was kept pending for probe regarding attendance sheets and CNIC numbers of 231 janitors and the installation of biometric machine and android applications. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that matter be inquired into for fixing responsibility against concerned besides condonation of irregularity from the competent authority.

11.4.15 Irregular purchase of medicine and store items through repeat orders-Rs. 19.76 million

As per Rule 59 (c) (iv) of Punjab Procurement Rules 2014, repeat orders should not exceed fifteen percent of the original procurement.

During audit of Health Department, it was observed that medicines amounting to Rs.19,758,255 were purchased through repeat orders over and above the permissible limit i.e. 15% of original procurement in violation of PPRA Rules. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	Fatima Jinnah Medical University, Sir Ganga Ram Hospital, Lahore	2016-17	20329	19,565,755
2	S.M Hussain Govt. Sanitorium Samli Murree	2014-16	17832	192,500
Total				19,758,255

Audit was of the view that the lapse occurred due to weak internal controls on procurement.

The matter was pointed out to the formations during audit conducted from July to November 2017. In response the formations did not submit cogent replies.

The matter was further reported to the administrative department. In DAC meeting held on 11.01.2018, the para at Sr. No. 1 was kept pending for regularization. As regards remaining para, neither any reply was received nor was DAC meeting convened despite reminders issued in October, November and December 2017.

Audit recommends to fix the responsibility regarding irregular purchase and condonation of irregularity from the Finance Department.

11.4.16 Irregular payment of salary due to shifting of headquarter- Rs.284.64 million

As per Government of the Punjab, Finance Department letter No.SR-IV-8-6/76 (Prov.) dated 16.3.1988, a competent authority may depute a civil servant on duty outside his headquarter for a period not exceeding three months.

During audit of Health Department it was observed that an amount of Rs.284,164,539 was paid to employees who were actually working at other places for more than three months. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	Nishtar Medical College & Allied Institutions, Multan	2015-16	17398	272,369,723
2.	Govt. Teaching Hospital, Shahdra, Lahore	2014-17	22846	4,363,181
3.	Children Hospital & Institute of Child Health, Multan	2016-17	22774	2,599,250
4.	Institute of Blood Transfusion, Lahore	2016-17	19360	1,635,554
5.	Ch. Pervaiz Elahi Institute of Cardiology, Multan	2016-17	21618	1,169,080
6.	Director General Health Nursing, Lahore	2013-16	18985	736,872
7.	PGMI Ameer ud din college, General Hospital, Lahore	2016-17	22828	702,765
8.	Institute of Blood Transfusion, Lahore	2016-17	19298	588,114
Total				284,164,539

Audit was of the view that the lapse occurred due to disregard to the government instructions and weak internal controls on “Sanctioned Strength”.

The matter was pointed out to the formations during audit conducted from July to November 2017. In response, the formations offered vague and evasive replies.

The matter was further reported to the administrative department. In DAC meetings held on 13.12.2017, 30.11.2017 and 29.01.2018, the para at Sr. Nos.4, 7 & 8 were kept pending for regularization from Finance Department. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the irregular expenditure be got regularized from Finance Department, temporary transfer orders be reversed, abolition of posts where not required and creation of posts where required be sought from the competent authorities.

11.4.17 Non auction of canteens through open tender-Rs.41.19 million

As per Rule 19 (b) of Punjab Delegation of Financial Powers Rules 2016, the powers have been delegated to various categories of officers subject to open auction.

During audit of the Health Department, it was noticed that the managements did not auction the canteens through open tender system to avoid the competitive rates. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	AIMC, Jinnah Hospital, Lahore	2016-17	20367	38,587,400
2	Govt. Mian Nawaz Sharif Hospital, Lahore	2015-16	17791	2,500,000
3	Lady Aitchison Hospital, Lahore	2015-16	17800	102,200
4	Punjab Dental Hospital, Lahore	2016-17	19378	-
Total				41,189,600

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

The matter was pointed out to the formations during audit conducted from July to November 2017. In response the formations did not submit cogent reason.

The matter was further reported to the administrative department. In DAC meetings held on 13.12.2017 and 01.01.2018, the para at Sr. No. 1 was kept pending till vacation of stay order and the para at Sr. No.4 was kept pending for regularization from Finance Department. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department should probe the matter and seek condonation of irregularity from the Finance Department.

11.4.18 Irregular Purchase of LP Medicines for Outdoor Patients-Rs. 1.54 million

As per Government of the Punjab Health Department letter No. SO (P-1) H/3-64/2008 dated 12.08.2013, LP medicines is permitted only for emergencies and indoor patients on the prescription of authorized medical practitioner.

During audit of Health Department it was observed that the hospitals management had made local purchases of medicines for outdoor patients instead of indoor patients irregularly. The details of such purchases are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	Khawaja Muhammad Safdar Medical College & Allied Institution, Sialkot	2016-17	20463	155,942
2	PMC & Allied Institutions Faisalabad	2016-17	20522	968,482
3	PMC & Allied Institutions Faisalabad	2016-17	20543	412,257
Total				1,536,681

Audit was of the view that the lapse was occurred due to weak internal controls on procurement of medicines.

The matter was pointed out to the formations during audit conducted from July to November 2017. In response the formations did not submit cogent reason.

The matter was further reported to the administrative department. In DAC meeting held on 26.12.2017, the para at Sr. No. 1 was kept pending to probe at administrative level. As regards remaining paras, neither any reply was received nor was DAC meeting convened despite reminders issued in October, November and December 2017.

Audit recommends that the irregularity be got condoned from Finance Department besides disciplinary action against the person held responsible.

11.4.19 Misclassification of expenditure-Rs.11.32 million

Paragraph 5 of Finance Department letter No.PS/FS/808/78, dated 26.2.1978 states that the Principal Accounting Officers should issue instructions to the controlling and disbursing officers under him that all payments are correctly classified under the appropriate heads of accounts.

During audit of Health Department, it was observed that the managements of the hospitals incurred expenditure in the irrelevant heads of accounts just to exhaust the funds. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	Children hospital & Institute of Child Health, Multan	2016-17	22777	4,641,513
2.	Khawaja Muhammad Safdar Medical College & Allied Institution, Sialkot	2016-17	20444	3,803,200
3.	Khawaja Muhammad Safdar Medical College & Allied Institution, Sialkot	2015-16	18047	1,838,200

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
4.	Govt. Mian Nawaz Sharif Hospital, Lahore	2015-16	17794	802,955
5.	Director Internal Audit wing, Lahore	2016-17	21490	130,193
6.	Institute of Blood Transfusion Services, Lahore	2016-17	19371	99,750
Total				11,315,811

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

The matter was pointed out to the formations during audit conducted from July to November 2017. In response the formations did not submit cogent replies.

The matter was further reported to the administrative department. In DAC meetings held on 07.11.2017, 13.12.2017 and 26.12.2017, the paras at Sr. No.2, 3 & 6 was kept pending for regularization from competent authority. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that irregularity be got condoned from the Finance Department.

***11.4.20 Irregular expenditure incurred on pending liabilities
Rs.58.31 million***

As per 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. Moreover, as per rule 2.10 (b)(3), if possible, expenditure should be postponed till the preparation of a new budget has given opportunity of making provision, and till the sanction of that budget has

supplied means; but on no account, may charges be actually incurred in one year and thrown on the grant of another year.

During the audit of Health Department, it was observed that pending liabilities pertaining to the previous years on account of medicine, medical gases, and other store items were cleared from the current year budget. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	PMC & Allied Institution, Faisalabad	2016-17	20525	21,141,316
2.	AIMC, Jinnah Hospital, Lahore	2016-17	20371	18,298,906
3.	Secretary Specialized Healthcare Department	2016-17	22738	7,428,759
4.	Children Hospital & Institute of Child Health, Multan	2016-17	22776	3,791,529
5.	Children Hospital & Institute of Child Health, Lahore	2016-17	22938	3,428,180
6.	Ch. Pervaiz Elahi Institute of Cardiology, Multan	2016-17	21615	1,846,344
7.	Khawaja Muhammad Safdar Medical College & Allied Institution, Sialkot	2015-16	18052	1,598,908
8.	Gujranwala Medical College and DHQ hospital	2015-16	18078	780,200
Total				58,314,142

Audit was of the view that the lapse occurred due to weak internal controls on “Appropriations” and because of non-observance of rules, the chances of double payment could not be ruled out.

The matter was pointed out to the formations during audit conducted from July to November 2017. In response the formations did not submit cogent replies.

The matter was further reported to the administrative department. In DAC meetings held on 07.11.2017, 01.01.2018 and 03.01.2018, the

paras at Sr. Nos.2 & 8 were kept pending for compliance and the para at Sr. No. 7 was kept pending for getting approval from BOM at earliest. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department should probe the matter to fix the responsibility and seek regularization of the expenditure from the Finance Department.

11.4.21 Irregular disbursements in cash -Rs.37.90 million

As per 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 Govt. Teaching Hospital, Shahdra, Lahore for the period 2014-17, it was observed that cheques amounting to Rs. 37,897,237 were drawn in the name of DDO instead of suppliers / contractors.

Audit was of the view that disregard to the government instructions resulted in irregular mode of disbursement.

The matter was pointed out to the formations during audit conducted in November 2017. In response, the management did not offer any reply.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that irregularity be got condoned from the Finance Department.

(PDP No. 22848-Govt. Teaching Hospital, Shahdra, Lahore-2014-17)

**11.4.22 Likely misappropriation due to variation in cash book -
Rs.2.00 million**

As per Rule 2.2 of PFR Vol-I, all transactions of money received from the bank/treasury should be entered in the cash book as soon as they occur and attested in token of check.

During audit of Lady Willingdon Hospital, Lahore for the period 2016-17, following discrepancies were found in cash book:

- i. A variation of Rs.1,997,676 was found between “Receipt” and “Payment” side of the cash book during the year. The cash book was received on the last day of audit after repeated requests.
- ii. Cash Book of complete year was not signed by the concerned DDOs according to their tenure in the hospital.
- iii. Amount of closing balance of last year’s cash book was not made known to audit to verify whether the same was brought forward in new cash book or otherwise.
- iv. The entries of the cash book for the month of June 2017 were not recorded in cash book till the date of audit i.e. October 2017.
- v. Audit could not authenticate the reliability and accuracy of the cash book due to incompleteness and huge variation.

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

The matter was pointed out in October 2017. The management stated that the detailed reply would be submitted after scrutiny of record.

The matter was further reported to the administrative department. In DAC meeting held on 28.12.2017, the committee kept the para pending

for production of complete record. Further progress was not reported till the finalization of this report.

Audit recommends that matter may be investigated and responsibility be fixed against the concerned for non-maintenance of cash book in accordance to rules & regulations besides strengthening of internal controls. Further, variation may also be justified or recovery be effected from person (s) at fault.

(PDP No.20467-Lady Willingdon Hospital, Lahore- 2016-17)

Performance

11.4.23 Poor execution of development scheme-Rs.196.27 million

As per minutes of DDSC meeting held on 01.11.2016, the completion year of the scheme “Up-gradation of Cardiology and Cardiac Surgery Services at Jinnah Hospital, Lahore” was 2016-17.

During audit of AIMC & Allied Institutions, Lahore for the period 2016-17, it was observed that Departmental Development Sub Committee (DDSC) in its meeting held on 01.11.2016 approved revised PC-1 of the scheme " Up-gradation of Cardiology and cardiac surgery services at JHL" at a total cost of Rs. 199.500 million. The gestation period of the scheme was blank in original and revised PC-1. However in minutes of DDSC meeting held on 01.11.2016, it was informed that scheme would be completed in 2016-17. Scrutiny of the record revealed that Rs.196,274,496 were incurred during 2015-17. The scheme was poorly executed due to the following reasons:

- i. The funds were released during August 2016, but the process of opening LCs for purchase of medical equipment & instruments could not be completed up to August 2017 while the implementation schedule was six months after

approval of the project. The revised PC-1 was approved on 01.11.2016. As per time frame, the project should have been completed up to April, 2017 but it was still under process at the time of audit (August 2017)

- ii. As per stock register, only Angiography machine (1 No.), Rotablator Machine (1 No.), Syringe Pumps (13 Nos.), Diathermy Machine (1 No.) and Intra-Aortic Balloon Pump (1 No.) were received and issued to Cardiac Surgery Department during June and July 2017 from the expenditure made during 2015-2017. No other equipment was received in store despite lapse of considerable time. This showed that procurement operations were not carried out efficiently.
- iii. One of the main objective was to enhance the spectrum of surgeries like bypass surgeries from 400 to 500 cases annually, 5000 Angiography / Angioplasties cases per year and reduce the number of patients on long waiting lists in bigger cardiac institutions but due to abnormal delay in equipment procurement and installation operations, the objectives for which heavy funding was made by the Government could not be materialized.
- iv. As per revised PC-1, the required human resource was not hired.

Audit was of the view that the said lapses occurred due to weak financial and supervisory controls.

When pointed out in August 2017, the management stated that the detailed reply would be submitted later on.

The matter was further reported to the administrative department. In DAC meeting held on 28.12.2017, the committee kept the para pending for want of detailed verification of relevant record. Further progress was not reported till the finalization of this report.

Audit recommends that the matter be probed for fixing responsibilities for poor execution of development scheme besides strengthening financial and supervisory controls to avoid recurrence of such lapses in future.

(PDP No.20360-Principal AIMC & Allied Institutions, Lahore-2016-17)

11.4.24 Non-functioning of bio-medical machines & equipment - Rs.337,432

Rule 15.1 of PFR Vol-I requires that the departmental officers entrusted with the care, use or consumption of stores are responsible for maintaining correct records and preparing correct returns in respect of the stores entrusted to them. They are also responsible for keeping them in proper custody and in good and efficient condition and for protecting them from deterioration. They should also take proper precautions to prevent loss of public stores by fire or other accidents. Any loss of or damage to Government stores should forthwith be reported by them to their immediate superiors.

During audit of the Health Department, it was observed that lifesaving machines viz., MRI, CT Scan, Ventilator & Anesthesia machines and other biomedical equipment remained non-functional for a considerable time and not got repaired. This not only deprived the poor from proper diagnostics facilities but also caused loss of revenue to institutions to the stated extent.

Sr. No.	Name of formation	Period of Audit	PDP No.	Amount (Rs.)
1.	Punjab Medical College & Allied Institutions Faisalabad	2016-17	20544	337,432
2.	Sheikh Zayed Medical College/Hospital, RY Khan	2015-16	17484	-
Total				337,432

Audit was of the view that lapse occurred due to slow procurement process.

When pointed out in August 2017, the management at Sr. No. 1 replied that CT Scan machine remains operational for 24 hours and so needed maintenance. The management at Sr. No. 2 noted for compliance. The replies were not tenable & evasive in nature.

The matter was further reported to the administrative department. In DAC meeting held on 17.08.2017, the para at Sr. No.2 was kept pending for compliance. As regards remaining para, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that matter may be inquired into, responsibility fixed against concerned at fault for the lapses pointed out above.

11.4.25 Non-functioning of three medical wards

As per Sr. No.12 (F) of Punjab Medical and Health Institutions Act 2003, the function of the Board is ensuring that poor patients and vulnerable sections of society receive adequate health care.

During the audit of Punjab Medical College & Allied Institutions, Faisalabad for the period 2016-17 and while reviewing statistical data revealed that three medical wards comprising of 70 beds i.e. Eye,

Orthopedic and ENT wards were not operational for more than one year and no indoor patients were treated in these wards during that period. Due to nonfunctioning of these wards, poor patients were deprived of treatment.

When pointed out in August 2017, the management replied that due to non-availability of human resources, these wards remained non functional.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department should make the wards functional for the health care of the poor patients.

(PDP No.20549, Punjab Medical College & Allied Institutions Faisalabad; 2016-17)

11.4.26 Non-installation/commissioning of bio-medical machines & equipment - Rs.341.17 million

As per relevant clauses of agreements, the firms were responsible to make supplies as well as installation of equipment including all accessoriness indicated in the specifications within a period specified in their respective agreements.

During audit of Health Department, it was noticed that costly bio-medical machines such as MRI, CT Scan and various equipment were purchased but not installed/commissioned despite the lapse of considerable period ranging from 3 to 24 months. The management neither imposed LD charges nor forfeited securities of the supplying firms.

Non-installation deprived the poor patients from the modern facility of life saving equipment to the institution. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Period of non-installation	Amount (Rs.)
1.	Nishtar Medical College & Allied Institutions, Multan	2015-16	17400	8-24 months	205,315,109
2.	Punjab Medical College & Allied Institutions Faisalabad	2016-17	20560	CT Scan 1 year	82,075,000
3.	King Edward Medical University, Lahore	2016-17	22913	4 to 6 months	28,685,263
4.	Punjab Medical College & Allied Institutions Faisalabad	2016-17	20513	3 to 5 months	14,182,000
5.	Punjab Medical College & Allied Institutions Faisalabad	2016-17	20539	3 to 8 months	10,911,212
6.	Principal PGMI & Allied Institutions, Lahore	2016-17	22812	4 months	0
Total					341,168,584

Audit was of the view that the lapse was due to failure of supervisory and financial controls.

When pointed out, the formation at Sr. No.5 stated that MRI machine had been installed. Test scans had been done. Training of radiologist and radiology technician was underway by foreign trainer. Committee has been established with members from within and outside of the institution to conduct functional inspection after training is completed. The formations at Sr. Nos. 1 & 2 replied that some equipment could not be installed due to construction work and delay in provision of sui gas & electricity connections. The management at Sr. No.3 & 5 replied that equipment had been installed partially. The management at Sr. No.4

replied that modular operation theatre is near completion and equipment would be installed. The management at Sr. No.6 replied that shifting of items to functional locations has begin. The replies were not acceptable because the machines were not installed for a considerable period.

The matter was further reported to the administrative department. In DAC meeting held on 17.08.2017, the para at Sr. No.1 was kept pending till the complete installation of remaining equipment. The committee further directed that matter may be probed/inquired by Administrative Department that why the installation of equipment delayed. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that matter needs probe for fixing responsibility besides production of inspection & commissioning reports and recovery of LD charges.

Internal control weaknesses

11.4.27 Blockade of capital due to purchase without immediate requirement - Rs.653.93 million

As per Rule 15.21(4) of PFR Vol-I, stores in many cases represent a locking up of capital which is not justifiable unless essential. In order to effect economy the balance in hand does not exceed the maximum limit prescribed by competent authority and is not in excess of requirements for a reasonable period.

During audit of Health Department, it was observed that various items like furniture, IT equipment, test kits etc. were purchased by the formations but were still lying in stores and not utilized by the institution

ever after lapse of considerable time. This resulted in locking up of capital amounting to Rs.653,931,376.

The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	Ch. Pervaiz Elahi Institute of Cardiology, Multan	2016-17	21605	332,924,552
2.	Nishtar Medical College & Allied Institutions, Multan	2015-16	17398	272,369,723
3.	Children Hospital & Institute of Child Health, Multan	2016-17	22771	27,817,312
4.	King Edward Medical University, Lahore	2016-17	22917	9,640,189
5.	Children Hospital & Institute of Child Health, Multan	2016-17	22775	4,707,800
6.	Children Hospital & Institute of Child Health, Multan	2016-17	22774	2,599,250
7.	Punjab Dental Hospital, Lahore	2016-17	19373	2,042,550
8.	Khawaja Muhammad Safdar Medical College & Allied Institution, Sialkot	2016-17	20448	1,830,000
Total				653,931,376

Audit was of the view that the lapse was due to failure of supervisory and financial controls.

When pointed out during January to September 2017, the formations at Sr. No. 1, 2, 4 & 7 furnished no reply. The others noted the observations for compliance.

The matter was further reported to the administrative department. In DAC meetings held on 13.12.2017 and 26.12.2017, the para at Sr. No.7 was kept pending for regularization from Finance Department and the para at Sr. No. 8 was kept pending for probe at administrative level. As regards remaining paras, neither any reply was received nor any DAC meeting

was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that matter needs to be inquired and responsibility for purchase without immediate requirement should be fixed besides strengthening of internal controls to avoid recurrence in future.

11.4.28 Non-accountal of stores - Rs. 5.58 million

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

During audit of the Health Department, it was observed that an amount to the stated extent was drawn from treasury but the items so purchased/rendered were not entered in relevant stock register/repair register/photocopy register/history sheet/logbook etc.

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	Gujranwala Medical College and DHQ hospital, Gujranwala	2015-16	18126	3,854,252
2.	Government Teaching Hospital, Shahdra, Lahore	2014-17	22833	1,728,509
Total				5,582,761

Audit was of the view that weak supervisory and financial controls resulted in non-accountal of stores.

When pointed out the matter, the management at Sr. No. 1 noted the observation for compliance. The management at Sr. No. 2 did not offer any reply.

The matter was further reported to the administrative department. In DAC meeting held on 10.11.2017, the para at Sr. No.1 was kept

pending for fact finding inquiry within one month. As regards remaining para, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends probe into the matter besides recovery from persons held responsible.

11.4.29 Non-replacement of substandard/expired medicines- Rs.14.50 million

According to the supply order, supplies will be governed by the Drug Act, 1976 and the firms will be bound to replace the unconsumed/expired/rejected/substandard/misbranded stocks free of cost.

During audit of Health Department, it was noticed that medicines declared substandard by the Drug Testing Lab./expired stock were not replaced by the supplying firms despite lapse of considerable time. The managements failed to forfeit their securities or recover LD charges in case of non-supply or delayed supply respectively. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	Principal PGMI & Allied Institutions, Lahore	2016-17	22795	11,615,495
2.	Gujranwala Medical College and DHQ hospital, Gujranwala	2015-16	18118	2,667,500
3.	Principal PGMI & Allied Institutions, Lahore	2016-17	22824	109,031
4.	The Children Hospital & The Institute Of Child Health Multan	2016-17	22770	108,352
Total				14,500,378

Audit was of the view that weak supervisory and financial controls resulted in non-replacement of substandard/expired medicines.

When the matter was pointed out, the management at Sr. No. 1 replied that supply process starts after receipt of objectionable DTL report. The management at Sr. No. 2 stated that replacement had been completed. The formations at Sr. No. 3 replied that the firm has been directed to replace the stock. The formation at Sr. No. 4 noted the observation for compliance. The replies of the managements were not convincing because the medicines were not replaced despite elapse of considerable time and in some cases 10 to 23 months.

The matter was further reported to the administrative department. In DAC meetings held on 10.11.2017 and 29.01.2018, the para at Sr. No.2 was kept pending for probe and the para at Sr. No.3 was reduced to the stated extent after verification. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that strict action i.e. forfeiture of security & black listing should be taken against the concerned firms for not making supply promptly to meet the needs of the institution. As regards receipt of partial supplies, LD charges should be recovered for delayed periods.

11.4.30 Non-reconciliation of expenditure-Rs.493.50 million

As per Finance Department letter No.BI-27(294)2009-2010 dated 21.05.2012, DDOs / Head of the departments / Disbursing Officers / Controlling Officers are responsible to get the figure reconciled monthly, annually basis on account of receipt and expenditure from the concerned District Accounts Officers/ Treasury Officers/ Accountant General Punjab.

During audit of Health Department for the financial year 2013-17, it was observed that huge expenditure was made by the formations during

the period under audit but reconciliation of the expenditure with the Accounts office concerned was not made. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	Director General Health Nursing Lahore	2013-16	18986	57,271,255
2.	Institute of Blood Transfusion Services, Lahore	2016-17	19362	436,233,277
Total				493,504,532

Audit was of the view that weak supervisory and financial controls resulted in non reconciliation of expenditure.

When pointed out the lapse in February to August 2017, the managements noted the observation for compliance.

The matter was further reported to the administrative department. In DAC meeting held on 13.12.2017, the para at Sr. No.2 was kept pending for verification of reconciliation of expenditure. As regards remaining para, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that responsibility for non-reconciliation should be fixed and the expenditure should be got reconciled and produced to audit for verification.

Recoveries and overpayments

11.4.31 Non / less deduction of income tax-Rs.205.83 million

As per section 12, 153, 153 (1) (a) & 236A of Income Tax Ordinance 2001, the departments are required to deducted income tax on salaries, goods & services and auction at prescribed rates at the time of payment.

During audit of Health Department, it was observed that income tax amounting to Rs.205,832,958 (Annexure-11) was either not deducted or was less deducted on account of supplies, payments made to Post Graduate Trainees & House Officers, salaries of employees, payments on shares money and payment on auction.

Audit was of the view that weak internal controls on taxation resulted in non/less deduction of income tax.

Audit pointed out the matter in March to November 2016 and January to November 2017. The formations at Sr. Nos.1, 4, 11, 14, 19, 20, 23, 25, 30, 31, 33, 34, 38, 40, 41 & 49 noted the observations for compliance. The formations at Sr. Nos.45 & 46 stated that the matter was subjudice. The formations at Sr. Nos.3, 17, 24 & 32 stated that detailed reply would be submitted later on. The rest of the formations offered vague replies without any documentary evidence.

The matter was further reported to the administrative department. DAC meetings were held on 17.08.2017, 07.11.2017, 10.11.2017, 13.12.2017, 26.12.2017, 28.12.2017, 01.01.2018, 03.01.2018, 11.01.2018 and 15.01.2018. The amounts of the paras at Sr. Nos. 1, 16, 27, 34 & 35 were reduced to the stated extent after verification of record. The committee kept the para at Sr. No. 4 pending with the direction that matter may be taken up with FBR for getting exemption of income tax on PG's stipend. The paras at Sr. Nos. 6, 9 & 38 were kept pending for compliance. The committee kept the para at Sr. No. 19 pending with direction that clarification on the subject matter may be obtained from Federal Board of Revenue that whether the Medical Universities are exempt from payment of GST or not. The para at Sr. No. 23 was kept pending for provision of consumption certificate. The paras at Sr. Nos.25 & 29 were reduced to the stated extent after verification of deposit. The paras at Sr. Nos.3, 11, 20,

42 & 49 were kept pending for recovery. The amount of the para at Sr. No. 36 was reduced to Rs. 236,392 and was kept pending for recovery. The paras at Sr. Nos. 45 & 46 were kept pending being court case. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that matter may be inquired into, responsibility be fixed for the lapses pointed out by audit and amount be recovered and deposited into income tax treasury.

11.4.32 Un-authorized payment of sales tax-Rs.138.37 million

According to Sr. No. 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 exempt from payment of sales tax.

During audit of various formations of Health Department, it was observed that an amount of Rs.138,374,152 (Annexure-12) was paid on account of GST on the payments made for utility charges/bills despite the fact that the hospitals were exempt from the payments of General Sales Tax.

Audit was of the view that weak supervisory and financial controls resulted in unauthorized payment of sales tax.

The matter when pointed out in April and November 2017, the formations at Sr. Nos. 8 to 10, 12, 13, 15 & 17 noted the observations for compliance and remaining formations stated that the matter had already been taken with the concerned authorities and action will be taken accordingly.

The matter was further reported to the administrative department. In DAC meetings held on 17.08.2017, 01.01.2018, 03.01.2018, 11.01.2018 and 15.01.2018, the para at Sr. No. 2 was kept pending for verification from LESCO; the paras at Sr. Nos. 3, 6, 14 & 17 were kept pending for compliance and the para was kept pending with direction that matter may be taken up with FBR for adjustment of income tax already paid. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that irregular payment of GST be got recovered/adjusted in the next utility bills besides strengthening the supervisory and financial controls.

***11.4.33 Non deduction CA/ HRA and non deduction of 5% HMC
Rs.16.00 million***

As per letter No. 106(SR-IV)/7 dated 18.08.1977, conveyance allowance is not admissible during leave/LPR. Furthermore, as per notification No. FD(M-I) 1-15/82-P-I dated 15.01.2000, officers/ officials provided with government accommodation are not entitled to draw house rent allowance and 5% of their basic pay was also required to be deducted on account of maintenance charges.

During audit of Health Department, some of the formations made payments of conveyance allowance and house rent allowance and also did not deduct 5% recovery of house maintenance charges amounting to Rs.16,000,893 (Annexure-13) from the salary of the officials who were not entitled as per above rules/instructions.

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

Audit pointed out the lapses in October 2016 and from January to November 2017. The formations at Sr. Nos. 2 & 7 to 9 noted the observations for compliance. The formations at Sr. Nos. 4, 5 & 12 did not offer any reply. The formation at Sr. No.10 stated that detailed reply would be submitted later on and rest of the formations offered vague replies without any documentary evidences.

The matter was further reported to the administrative department. In DAC meetings held on 17.08.2017, 07.11.2017, 13.12.2017, 03.01.2018 and 11.01.2018, the paras at Sr. Nos. 2 to 5, 7, 10 & 11 were kept pending for compliance and the amount of the paras at Sr. Nos. 6 & 12 were reduced to the stated extent after verification of record. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that responsibility be fixed for non observance of rules and government instructions and amount be recovered from the concerned and deposited into government treasury.

11.4.34 Un-authorized payment of allowances - Rs.109.73 million

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 misappropriations. Moreover, as per various letters of the Government of the Punjab, certain allowances discontinued from some specific dates or were allowed with some specific conditions.

During audit of Health Department, it was observed that an amount of Rs.109,732,188 (Annexure-14) was paid as allowances which were not admissible to the employees such as Adhoc Allowance, Non-Practicing Allowance, Anesthesia Allowance, Qualification Allowance,

Teaching Allowance and Health Professional Allowance. Moreover, in some cases the pay & allowances were drawn in excess.

Audit was of the view that disregard to the government instructions and weak internal controls on “Payroll” resulted in unauthorized payment of pay and allowances.

Audit pointed out the matter in October 2016 and from January to November 2017. The formations at Sr. Nos. 2, 5, 7 to 10, 12, 15, 17, 18, 19 & 22 noted the observations for compliance. The formations at Sr. Nos. 11, 13 & 14 stated that detailed reply would be submitted later on. The formations at Sr. Nos. 5, 6 & 20 did not offer any reply and rest of the formations offered vague replies without any documentary evidences.

The matter was further reported to the administrative department. In DAC meetings held on 17.08.2017, 13.12.2017, 03.01.2018, 11.01.2018, 15.01.2018 and 29.01.2018, the paras at Sr. Nos. 1, 10 & 11 were kept pending for compliance. The amount of the paras at Sr. Nos. 9 & 22 to the stated extent after verification of recovery. The para at Sr. No. 2 was kept pending being a policy matter and decision from Health Department. The paras at Sr. Nos. 4 & 5 were kept pending for clarification from SHC & ME Department. The para at Sr. No. 20 was kept pending for clarification from Finance Department. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that matter may be inquired into, responsibility be fixed and amount be recovered and deposited into government treasury.

11.4.35 Non recovery of rent of canteens/parking stands and service outlets etc.-Rs.97.15 million

As per 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 Health Department, it was observed that an amount of Rs.97,152,325 (Annexure-15) was outstanding due to non-recovery of rent of canteens/parking stands and services outlets etc. situated at different entities of the Department.

Audit was of the view that non-recovery of outstanding rent from the contractors caused loss public exchequer.

Audit pointed out the lapse in October 2016 and from January to November 2017. The formations at Sr. Nos. 3, 7, 8, 11, & 19 noted the observations for compliance. The formation at Sr.No.16 stated that detailed reply would be submitted later on. The formation at Sr. No.6 did not offer any reply and rest of the formations offered vague replies without any documentary evidences.

The matter was further reported to the administrative department. In DAC meetings held on 17.08.2017, 10.11.2017, 26.12.2017, 11.01.2018 and 15.01.2018, the para at Sr. No.1 was kept pending for probe/inquiry by the Administrative Department; the amounts of the paras at Sr. Nos. 3 & 7 was reduced to the stated extent after verification of recovery; the para at Sr. No. 4 was kept pending for final decision of the Honorable Court of Law and the para at Sr. No.6 was kept pending for production of record. The committee further directed that amount recovered may be transferred from PLA to government treasury. The para

at Sr. No. 9 was kept pending for regularization from BOM. The para at Sr. No. 14 was kept pending being subjudice. The para at Sr. No.19 was kept pending for advice/clarification on the matter from Finance Department. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that outstanding amount may be recovered and deposited into government account besides strengthening financial and supervisory controls to avoid recurrence of such lapses in future.

11.4.36 Un-justified less recovery of electricity charges from hostels -Rs. 119.77 million

According to Rule I of Schedule-II of the Punjab Medical & Health Institutions Rules 2003, the Medical Superintendent shall be responsible for all matters relating to hospital management and patient care and shall discharge all duties entrusted by the Principal/Head of the Institution/Board.

During audit of Nishtar Medical College & Allied Institutions, Multan for the period 2015-16, it was observed that electricity charges were not collected from hostels as per their actual consumption rather the same were fixed @ Rs.80,000 per hostel per month during 2015-16. On the other hand an amount of Rs.119,771,259 was available in electricity and sui gas fund accounts of NMC as on 30.06.16. It was apprehended that the management was collecting excess amounts from students under electricity charges and keeping it into Student Electricity Charges Account. This amount was required to be deposited into government treasury as the electricity bills were paid out of SDA.

Audit was of the view that weak supervisory and financial controls resulted in excess collection of utility charges from students and non-deposit of the said collection into government treasury.

The irregularity was pointed out in October 2016. The management replied that amounts of sui gas and electricity were recovered from students of NMC residing in college hostels. Sui gas meters were installed separately in hostels and their bills were regularly paid out of sui gas fund.

The matter was further reported to the administrative department. In DAC meeting held on 17.08.2017, the para was kept pending for clarification from Finance Department about the accumulated amount whether it may be shifted to government treasury or it may kept by institution. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department should deposit the amount collected into Government Treasury and not in PLA because it was not generated by regular operations of the institution.

(PDP No.17418 - Nishtar Medical College & Allied Institutions, Multan – 2015-16)

11.4.37 Non-deduction of PST on account of services rendered - Rs.94.64 million

Second schedule of Punjab Sales Tax Act 2012 provides that sales tax @16% should be deducted on services provided for specific purposes.

During audit of Health Department, it was observed that different formations made payments on account of different services rendered by various contractors. The deduction of PST @16% amounting to Rs.94,638,664 was, however, not made from the payments made to contractors.

The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	King Edward Medical University, Lahore	2016-17	22918	61,880,221
2.	Fatima Jinnah Medical University, Sir G.R. Hospital, Lahore.	2016-17	20340	22,622,535
3.	Govt. Khawaja Muhammad Safdar Medical College & Allied Institutions, Sialkot	2015-16	18051	551,335
4.	Punjab Medical College & its Allied Institutions Faisalabad	2016-17	20576	3,395,708
5.	Nishtar Medical College & Allied Institutions, Multan	2015-16	17436	2,609,867
6.	Khawaja Muhammad Safdar Medical College & Allied Institutions, Sialkot	2016-17	20447	474,036
7.	Government Teaching Hospital, Shahdra, Lahore	2014-17	22835	870,000
8.	Chaudhary Pervaiz Elahi Institute of Cardiology, Multan	2016-17	21616	788,613
9.	PGMI/LGH and Nursing School, Lahore	2016-17	22803	422,719
10.	Punjab Medical College & its Allied Institutions Faisalabad	2016-17	20554	329,609
11.	Secretary Specialized Health Care Department, Lahore	2016-17	22718	229,818
12.	Govt. Mian Nawaz Sharif Hospital Lahore	2015-16	17789	199,768
13.	Faisalabad Institute of Cardiology, Faisalabad	2016-17	20317	165,000
14.	Govt. Mian Nawaz Sharif Hospital Lahore	2015-16	17790	99,435
Total				94,638,664

Audit was of the view that weak internal controls on “Taxation” resulted in non-deduction of PST.

Audit pointed out the lapse in October 2016 and from January to November 2017. The formations at Sr. Nos. 2, 6 & 12 to 14 noted the observations for compliance. The formations at Sr. Nos. 4 & 11 stated that

detailed reply would be submitted later on. The formations at Sr. Nos. 3 & 7 did not offer any reply and rest of the formations offered vague replies without any documentary evidences.

The matter was further reported to the administrative department. In DAC meetings held on 17.08.2017, 07.11.2017, 26.12.2017 and 11.01.2018, the para at Sr. No. 2 was kept pending for compliance; the amount of the para at Sr. No. 3 was reduced from Rs. 41,514,841 to Rs. 551,335 and kept pending for balance recovery; the para at Sr. No. 5 was kept pending for recovery and the amount of the para at Sr. No. 6 was reduced to the stated extent after verification of record. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends to fix the responsibility regarding non recovery of PST besides recovery of the same and its deposit into government treasury.

11.4.38 Irregular appointments without advertisement-Rs.113.04 million

According to Finance Department letter No. FD.SO(GOODS) 44-4/2011 dated 06.07.2013, no contingent paid staff shall be appointed without prior approval of the Finance Department. 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 Health Department, it was observed that an amount of Rs.113,044,318 (Annexure-16) was paid to the staff recruited during the period under audit without advertising the posts in the newspapers.

Audit was of the view that weak supervisory and financial controls resulted in irregular appointments of contingent paid staff.

The matter was pointed out to the formations during audit conducted from July to November 2017. In response, the formations failed to give any cogent reason for recruiting contingent paid staff without advertisement.

The matter was further reported to the administrative department. DAC meetings were held on 17.08.2017, 10.11.2017, 01.01.2018, 03.01.2018 and 15.01.2018. The paras at Sr. Nos.1, 2 & 7 were kept pending for regularization from Finance Department; the para at Sr. No. 9 was kept pending till the complete verification of documents and the para at Sr. No. 16 was kept pending for fact finding inquiry within one month. The para at Sr. No. 12 was kept pending for regularization from Finance Department alongwith recovery of taxes. The para at Sr. No. 13 was kept pending for fixing responsibility of illegal appointments at administrative level. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends to get the irregularity condoned besides action against the responsible.

11.4.39 Non deduction of liquidated damages-Rs.70.48 million

As per purchase orders liquidated damages on late delivery of goods beyond the periods specified in the schedule of requirements, shall be recovered from supplier @ 2% per month, i.e., 0.067% per day on late delivery of the supply.

During audit of Health Department, it was observed that the formations had awarded contracts for the supply of medicines, surgical

disposable items etc. within the specified time given in the agreement. The contractors failed to make supplies within the stipulated periods but formations did not deduct liquidated damages amounting to Rs.70,478,142 from the contractors.

The details are asunder:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	Nishtar Medical College & Allied Institutions, Multan	2015-16	17409	44,972,261
2	Principal, AIMC, Jinnah Hospital & Nursing School, Lahore	2016-17	20380	8,234,000
3	Principal, AIMC, Jinnah Hospital & Nursing School, Lahore	2016-17	20383	5,596,000
4	Punjab Medical College & its Allied Institutions Faisalabad	2016-17	20542	3,442,000
5	Children Hospital & the Institute Of Child Health, Multan	2016-17	22766	3,156,193
6	Punjab Medical College & its Allied Institutions Faisalabad	2016-17	20571	1,128,000
7	Gujranwala Medical College and DHQ hospital	2015-16	18100	1,043,520
8	Institute of Blood Transfusion Services, Lahore	2016-17	19356	925,923
9	Government Teaching Hospital, Shahdra, Lahore	2014-17	22836	520,000
10	Gujranwala Medical College and DHQ hospital	2015-16	18137	439,819
11	Punjab Medical College & its Allied Institutions Faisalabad	2016-17	20488	395,622
12	PGMI/LGH and Nursing School, Lahore	2016-17	22817	356,864
13	S.M Hussain Govt. Sanatorium Samli Muree	2014-16	17829	148,546
14	PIC, Lahore	2016-17	22759	119,394
Total				70,478,142

Audit was of the view that weak internal controls on contractual obligations resulted in non deduction of liquidated damages.

Audit pointed out the lapse in October 2016 and from April to November 2017. The formations at Sr. Nos. 5, 9, 11, 12, 13 & 14 noted the observations for compliance. The formations at Sr. Nos. 2, 4, 6 & 8 stated that detailed reply would be submitted later on. The formations at Sr. Nos. 1, 7 & 10 did not offer any reply and rest of the formations offered vague replies without any documentary evidences.

The matter was further reported to the administrative department. In DAC meetings held on 17.08.2017, 10.11.2017, 13.12.2017, 28.12.2017, 15.01.2018 and 29.01.2018, the paras at Sr. Nos. 1, 2, 7, 8, 10, 12 & 14 were kept pending for compliance and the para at Sr. No. 3 was kept pending for want of inquiry at administrative level. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department should adhere to the contractual obligations effect recovery of the stated amount from the concerned and deposit the same into government treasury.

11.4.40 Un-authorized payments of share money-Rs.65.71 million

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 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.

Audit was of the view that non-observance of government instructions and weak financial controls resulted in payment of Rs.65,705,601 (Annexure-17) to the non-entitled doctors/staff.

Audit pointed out the matter from March to October 2017. The formations at Sr. Nos. 1, 5, 7, 8, 9, 11, 12 & 13 noted the observations for compliance. The formation at Sr. No.2 replied that the case was under consideration with the concerned authorities and action will be taken accordingly. The formation at Sr. No. 6 did not offer any reply and rest of the formations offered vague replies without any documentary evidences.

The matter was further reported to the administrative department. In DAC meetings held on 10.11.2017, 13.12.2017, 26.12.2017, 03.01.2018, 11.01.2018 and 15.01.2018, the para at Sr. No. 5 was kept pending till the finalization of policy from Health Department; the para at Sr. No. 9 was kept pending for probe; the paras at Sr. Nos. 1, 2, 6 & 10 were kept pending for recovery and the para at Sr. No.11 was kept pending for clarification from Finance Department. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends recovery of the overpayment from the concerned and its deposit into government treasury.

**11.4.41 Irregular/excess payment of mobilization advance-
Rs.58.29 million**

According to Finance Department notification No.RO(Tech) F.D.18.44/ 2006 dated 07.12.2007, the mobilization advance @ 10% (and 5% subsequent to completion of work) would be given to the contractor whose tendered amount in the acceptance letter exceed 10 million, the recovery of mobilization advance will be made after expiry of 20% period of completion or 20% of the work done whichever is earlier @ 25% of work done in each bill.

During audit of KEMU Lahore, it was noticed that mobilization advance was less recovered as well as excess paid to the contractors while making payments of advances and running bills of different construction works. The less recovered / excess paid mobilization advance amounting to Rs.58,291,289 needs to be recovered.

Sr. No.	Name of Formation	Period of Audit	PDP No.	Amount
1	KEMU, Lahore	2016-17	22888	17,196,290
2	KEMU, Lahore	2016-17	22887	22,252,004
3	KEMU, Lahore	2016-17	22853	18,842,995
Total				58,291,289

Audit was of the view that weak internal controls on advances resulted into excess payments and non/ less recovery of mobilization advance.

The matter was pointed out in August 2017. The management replied that the advances were granted in accordance with the terms & conditions of the contract agreement. The reply was not tenable as no documentary evidence was furnished in support of reply.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till

the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department enquire into the matter, fix the responsibility, and effect recovery.

11.4.42 Undue financial benefit due to imbalance rate-Rs.50.89 million

As per Government of the Punjab Finance Department letter No.SRO(TECH)FD-1-2/83(VI)(P) dated 06.04.2005, if a contractor quotes disproportionate rates in his tender which deviate from the rates approved in the sanctioned estimate, he will be paid as per T.S rates in the running bills. Balance payment will be made on the completion of work or the relevant item of work as the case may be. Further as per Para(v) of Finance Department notification No. RO(Tech)FD 1-2/83-VI dated: 29th March, 2005. The final cost of tender/payment shall be the same percentage above/below the amount of revised sanctioned estimate as was at the time of approval of the tender, so as to pre-empt excess payment.

Scrutiny of the record of the work “Strengthening of King Edward Medical University Lahore” for the year 2016-17 revealed that the work was allotted on the basis of input rates of 2nd quarter 2010 with agreement amount of Rs.228.622 million against the estimated cost of Rs.227.886 million. Overall percentage of lowest contractor was 0.32% above. Market Rate Schedule items were quoted at par and Non-Market Rate Schedule items were quoted at very disproportionate and irrational way. Further, the quantities having higher quoted rates were executed more than the agreement quantities. The department made payment for different items carrying higher quoted rates instead of estimated rates till the completion of item which resulted in unjustified financial benefit to the contractor

amounting to Rs. 50,893,461 was the amount paid in excess of 0.32% above estimated cost.

Audit was of the view that weak administrative and financial controls resulted in unjustified financial benefit to the contractor of Rs.50,893,461.

The matter was pointed out in August 2017. The management stated that detailed reply would be submitted after scrutiny of record.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends probe into eh matter for fixing responsibility and effecting recovery of excess payment to prepare financial statement in light of Para(v) of Finance Department notification No. RO(Tech)FD 1-2/83-VI dated 29.03.2005 and recover the amount accordingly.

(PDP No. 22868- KEMU, Lahore - 2016-17)

11.4.43 Purchase of medicines, disposable etc. items at higher rates-Rs.24.58 million

According to Rule 4 of Punjab Procurement Rules 2014, procuring agencies, while engaging in procurements, shall ensure that the procurements are conducted in a fair and transparent manner, the object of procurement brings value for money to the agency and the procurement process is efficient and economical.

During audit of Health Department, comparison of rates for medicines/surgical items offered by the firms in different subordinate entities of the department revealed that lesser rates were offered by the same firms for purchase of same items during the same period in the sister

entities. Consequently, purchases were made at higher rates amounting to Rs.24,579,497. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	PGMI/LGH and Nursing School, Lahore	2016-17	22820	9,579,575
2.	Nishtar Medical College & Allied Institutions, Multan	2015-16	17434	5,644,714
3.	Children Hospital, Lahore	2016-17	22924	3,020,723
4.	Principal, AIMC, Jinnah Hospital & Nursing School, Lahore	2016-17	20391	1,958,600
5.	Khawaja Muhammad Safdar Medical College & Allied Institutions, Sialkot	2016-17	20451	1,427,000
6.	Nishtar Medical College & Allied Institutions, Multan	2015-16	17438	1,164,483
7.	M.S., Lady Willingdon Hospital, Lahore	2016-17	20466	732,050
8.	Khawaja Muhammad Safdar Medical College & Allied Institutions, Sialkot	2016-17	20459	509,936
9.	Punjab Medical College & its Allied Institutions Faisalabad	2016-17	20802	292,840
10.	Children Hospital, Lahore	2016-17	22936	175,640
11.	Govt. Teaching Hospital, Shahdra, Lahore	2014-17	22852	73,936
Total				24,579,497

Audit was of the view that loss occurred due to weak financial and administrative controls.

The lapse was pointed out in October 2016 and from August to November 2017. The formations at Sr. Nos. 3 to 5, 8, 10 & 11 noted the observations for compliance. The formation at Sr. No.7 stated that detailed reply would be submitted later on and rest of the formations offered vague replies without any documentary evidences.

The matter was further reported to the administrative department. In DAC meetings held on 17.08.2017, 26.12.2017, 28.12.2017 and 29.01.2018, the para at Sr. No.2 was kept pending with the direction that

amount of payment should be recalculated according to the discount rate@12.5% and excess paid amount may be recovered from concerned supplier. The paras at Sr. Nos. 1, 6 & 8 were kept pending for probe/inquiry by Administrative Department. The paras at Sr. Nos. 5 & 7 were kept pending for want of recovery. The amount of the para at Sr. No. 4 was reduced to the stated extent. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends to recover the amount from the contractors and deposit the same into government treasury.

11.4.44 Over payment of salaries on regularization of contract employees - Rs.44.43 million

According to clarification of FD Vide UO No. FD.SR-II/9-103/09 dated 02.10.2009, there is provision of pay protection in case of regularization from contract mode in the contract appointment policy 2004 and it was further clarified by FD vide letter no. FS.DR-II/9-274/2011 dated 03.05.2012 that the pay on their regularization will be fixed on initial of scale and increments earned during contract period shall be converted into personal allowance and increment on 01.12.2009 will not be allowed to those employees who have been regularized w.e.f. 14.10.2009 or have less than six months service.

During audit of Health Department, the pay on regularization of contract employees had not been fixed on the initial stage of their respective pay scales and the employees were paid the same time scale was given to them before regularization, in violation of the above rules. Hence, an amount of Rs.44,430,751 needs to be recovered from the employees.

The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	PGMI/LGH and Nursing School, Lahore	2016-17	20804	32,677,438
2	Fatima Jinnah Medical University, Sir G.R. Hospital, Lahore.	2016-17	20321	11,753,313
Total				44,430,751

Audit was of the view that weak supervisory and financial controls resulted in overpayment of salaries.

Audit pointed out the irregularity in August and September 2017. The managements replied that recovery process had been started and amount recovered would be shown to audit.

The matter was further reported to the administrative department. In DAC meeting held on 11.01.2018, the para at Sr. No. 2 was kept pending till decision of the court, revision of pay slips of all the employees mentioned in the para and recovery of over payments. As regards remaining para, neither any reply was received nor was DAC meeting convened despite reminders issued in October, November and December 2017.

Audit recommends that responsibility be fixed for non adherence to government instruction and amount be recovered from the concerned besides strengthening of supervisory and financial controls to avoid such recurrences in future.

11.4.45 Overpayment due to incorrect application of rate-Rs.42.83 million

As per clause 52.1 all extra or additional work done or work omitted by the order of the Engineer shall be valued at the rates and prices

set out in the contract if, in the opinion of the engineer, the same shall be applicable. If the contract does not contain any rates or prices applicable to extra or additional work, it shall be based on MRS (respective quarter).

During audit of the Health Department, it was observed that over payments of Rs.42,826,758 was made to different contractors in respect of the construction works of following formations by applying incorrect.

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	KEMU, Lahore	2016-17	22855	14,748,083
2.	KEMU, Lahore	2016-17	22866	11,052,000
3.	KEMU, Lahore	2016-17	22865	10,382,000
4.	KEMU, Lahore	2016-17	22861	3,315,600
5.	KEMU, Lahore	2016-17	22869	2,471,286
6.	Principal, AIMC/Jinnah Hospital & Nursing School, Lahore	2016-17	20397	515,860
7.	Principal, AIMC, Jinnah Hospital & Nursing School, Lahore	2016-17	20399	341,929
Total				42,826,758

Audit was of the view that lowest contractor was not lowest evaluated contractor and as per consultancy agreement designing, the bid preparation, evaluation of bids and supervision was the responsibility of consultant. The case was not properly presented by the engineers before the arbitrator for decision of rate.

The matter was pointed out in August 2017. The formations at Sr. Nos.1 to 4 stated that detailed reply would be submitted after scrutiny of record and rest of the formations offered vague replies without any documentary evidences.

The matter was further reported to the administrative department. In DAC meeting held on 28.12.2017, the paras at Sr. Nos.6 & 7 were kept pending for advice from Technical Advisor of Finance Department. As

regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

The department is required to enquire the matter, fix the reasonability, and recover the over payment from the concerned besides strengthening its internal controls.

11.4.46 Non/ less deduction of cost of x-ray films from share money-Rs.36.79 million

According to Government of the Punjab, Health Department letter No. S.O (H.D) 1-42/94 (P) dated 16.11.1973, the department should deduct the cost of X-ray films from the receipt before making apportionment of share money.

During the audit of Health Department, scrutiny of stock register of X-ray films and share distribution record revealed that cost of X-ray films of Rs.36,793,372 were not/ less deducted before making distribution of share money in violation of above instructions. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	Punjab Medical College & its Allied Institutions Faisalabad	2016-17	20530	15,971,338
2	Punjab Medical College & its Allied Institutions Faisalabad	2016-17	20500	10,923,250
3	Principal, AIMC, Jinnah Hospital & Nursing School, Lahore	2016-17	20384	5,013,582
4	Principal, Sheikh Zayed Medical College/Hospital Rahim Yar Khan	2015-16	17481	1,958,525
5	Gujranwala Medical College and DHQ hospital	2015-16	18116	1,277,883
6	Khawaja Muhammad Safdar Medical College & Allied Institutions, Sialkot	2016-17	20453	845,244
7	Children Hospital, Lahore	2016-17	22930	803,550
Total				36,793,372

Audit was of the view that weak supervisory and financial controls resulted in non / less deduction of cost of x-ray films from share money.

The matter was pointed out from March to November 2017. The formations at Sr. Nos. 5, 7 & 8 noted the observations for compliance. The formation at Sr. No.4 stated that detailed reply would be submitted later on and rest of the formations offered vague replies without any documentary evidences.

The matter was further reported to the administrative department. In DAC meetings held on 17.08.2017, 26.12.2017, 01.01.2018 and 03.01.2018, the para at Sr. No. 3 was kept pending for 20% deduction of x-ray films from receipt and apportionment of distribution made as per Government policy; the para at Sr. No. 4 was kept pending for regularization from Finance Department and the para at Sr. No. 5 was kept pending for recovery. The para at Sr. No. 6 was kept pending for advice from Health Department. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that matter may be enquired into, responsibility be fixed for the lapses and amount be recovered from concerned and deposited into government treasury.

11.4.47 Payment of price variation beyond stipulated period- Rs.37.21 million

As per contract agreement, no price escalation will be allowed during extended period when the contractor is at fault.

Scrutiny of record of work “Strengthening of King Edward Medical University Lahore” for the year 2016-17 revealed that the work was started on 28.06.2010 and was to be completed in 2 years. The

contractor did not complete the work. The contractor was allowed, the total price variation for Rs. 48.801 million (8th EPC under approval) wherein price escalation Rs. 37.214 million was beyond the stipulated period though the contractor was at fault in respect of completion of work. Only Rs.11.587 million were admissible to contractor, as the delay in completion of work was on part of contractor.

Audit was of the view that weak technical and managerial controls resulted in extra payment of Rs.37.214 million.

The matter was pointed out in August 2017. The management stated that detailed reply would be submitted after scrutiny of record.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the matter be enquired, responsibility be fixed and overpayment be recovered and payment beyond the stipulated time on account of price variation.

(PDP No.22864- KEMU. Lahore – 2016-17)

11.4.48 Non recovery on account of risk purchase-Rs.4.23 million

According to clause 20 of the standard General Condition of Contract (Annex-G of Standard Bidding Document), delivery of the goods shall be made by the Supplier in accordance with the time schedule prescribed by the Purchaser in the Schedule of Requirements. In case the contractor fails to adhere to the prescribed time schedule, the purchaser is at liberty to make risk purchases at the risk & cost of the contractor in the best public interest. Moreover, as per schedule of requirement, the

maximum delivery period is 60 days, extension in delivery period may be granted subject to late delivery charges penalty @ 0.067% per day after 60 days.

During audit of Health Department, the successful bidders/firms did not supply different medicines, equipment, surgical & disposable items despite lapse of considerable period. Neither risk purchase amounting to Rs.4,229,041 was made nor LD charges recovered. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	Faisalabad Institute of Cardiology, Faisalabad	2016-17	20292	2,488,007
2.	Children Hospital, Lahore	2016-17	22929	816,478
3.	Principal, AIMC, Jinnah Hospital & Nursing School, Lahore	2016-17	20376	382,857
4.	Principal, Sheikh ZayedMedicla College / Hospital, Rahim Yar Khan	2015-16	17476	301,500
5.	Government Teaching Hospital, Shahdra, Lahore	2014-17	22838	240,199
Total				4,229,041

Audit was of the view that weak supervisory and financial controls resulted in non-recovery on account of risk purchase.

Audit pointed out the irregularity from March to November 2017. The formations at Sr. Nos. 3 to 5 noted the observations for compliance. The formation at Sr. No. 1 did not submit cogent reply.

The matter was further reported to the administrative department. In DAC meetings held on 17.08.2017 and 18.12.2017, the para at Sr. No.4 was kept pending for verification of record and the para at Sr. No. 3 was kept pending for want of recovery. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the

finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that responsibility be fixed for non adherence to prescribed government instruction and amount be recovered from the concerned besides strengthening internal controls to avoid such recurrences in future.

11.4.49 Non-recovery/undue financial benefit of secured advance-Rs.21.98 million

According to Para 2.98 (a) of B&R Department Code and C&W Department letter vide No. So-III (C&W) 2-14/97, dated 29.05.1997, recovery of secured advance so made shall not be postponed until whole of the work entrusted to the contractor is completed under normal circumstances, the secured advance has to be recovered within three months.

During audit of KEMU Lahore, it was noticed that secured advance amounting to Rs.21,979,310 was not recovered while making payments to different contractors through running bills. In this way authority gave undue financial benefit to the contractors. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	KEMU, Lahore	2016-17	22883	9,900,000
2.	KEMU, Lahore	2016-17	22881	9,523,684
3.	KEMU, Lahore	2016-17	22886	2,555,626
Total				21,979,310

Audit was of the view that weak internal controls on advances resulted into non recovery of secured advance.

The matter was pointed out in August 2017. The management stated that detailed reply would be submitted after scrutiny of record.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department inquire the matter to fix the responsibility and effect recovery from the contractor.

11.4.50 Delay in completion of work-Rs.17.09 million

As per contract agreement clause 47.1 the contractor will be penalized 0.1% for each day of delay in completion of the works subject to a maximum of 5% of the contract price stated in the letter of acceptance.

During audit of Health Department, it was observed that the formations had awarded contracts of civil works to different contractor but the contractors failed to complete the work within the stipulated period without any reason and formations had not imposed the penalties on the contractors. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	KEMU, Lahore	2016-17	22858	11,431,000
2	Principal, AIMC, Jinnah Hospital & Nursing School, Lahore	2016-17	20366	3,915,974
3	Gujranwala Medical College and DHQ Hospital	2015-16	18099	790,807
4	Children Hospital, Lahore	2016-17	22935	474,973
5	KEMU, Lahore	2016-17	22880	403,848
6	Principal, PGMI/LGH, School of Nursing, Lahore	2016-17	22796	72,390
Total				17,088,992

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

Audit pointed out the lapse from April to November 2017. The formations at Sr. Nos. 1 & 5 stated that detailed reply would be submitted later on. The formations at Sr. Nos. 3 & 4 noted the observations for compliance, and rest of the formations offered vague replies without any documentary evidences.

The matter was further reported to the administrative department. In DAC meetings held on 10.11.2017, 28.12.2017 and 29.01.2018, the committee kept the paras at Sr. Nos. 2 & 3 pending for want of recovery and the amount of the para at Sr. No. 6 was reduced to the stated extent after verification of recovery. Further progress was not reported till the finalization of this report. As regards remaining paras, neither any reply was received nor was DAC meeting convened despite reminders issued in October, November and December 2017.

Audit recommends that penalty be recovered from concerned and deposited the same into government treasury under intimation to audit.

11.4.51 Non-recovery of outstanding fee from students- Rs.11.94 million

As per 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 the audit of Health Department, it was observed that an amount of Rs.11,938,450 was outstanding against different students studying in different Medical Colleges. Non-recovery of outstanding fee caused a loss to public exchequer. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	Punjab Medical College & its Allied Institutions Faisalabad	2016-17	20566	5,019,680

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
2.	Punjab Medical College & its Allied Institutions Faisalabad	2016-17	20567	3,869,560
3.	KEMU, Lahore	2016-17	22907	2,743,570
4.	Principal, PGMI/LGH and Nursing School, Lahore	2016-17	22781	305,640
Total				11,938,450

Audit was of the view that lapse occurred due to weak internal controls on “Recoveries”.

Audit pointed out the lapse from March to August 2017. The formations at Sr. Nos. 1, 2 & 4 noted the observations for compliance. The formation at Sr. No. 3 stated that the matter was subjudice. The formation at Sr. No.5 offered no reply and rest of the formations offered vague replies without any documentary evidences.

The matter was further reported to the administrative department. In DAC meeting held on 15.01.2018, the committee kept the para at Sr. No. 6 pending and directed that the amount may be deposited into government treasury instead of PLA and got verified from audit. As regards remaining paras, neither any reply was received nor was DAC meeting convened despite reminders issued in October, November and December 2017.

Audit recommends that recovery be made and deposited into government account besides strengthening financial and supervisory controls to avoid recurrence of such lapses in future.

11.4.52 Non-deposit of deductions into Government Treasury- Rs.16.47 million

As per Rule 4.17 of Treasury & Subsidiary Rules, the duty of noting the proper deductions to be made from pay bills on account of funds and other deductions e.g. rents of government residences, fund

subscription, etc., devolves on the drawers of the bills as such deductions should be recovered by stoppages from pay and consequent short drawings from the treasury.

During audit of Post Graduate Medical Institute, AMC, LGH and College of Nursing for the financial year 2016-17, it was noticed that deductions made from the employees' salaries of LGH such as electricity, gas & water charges, recoveries of conveyance allowance and 5% house maintenance charges amounting to Rs.16,471,105 were recovered by short drawing from the Treasury. Later on such deductions were drawn from the Treasury (SDA) through a cheque and deposited either into PLA or A/c No. 3817-001 maintained in Bank of Punjab, LGH Branch. It was not permissible to draw the deductions through cheque and made it receipt of the institution. This action of the institution was in violation of above rule. The deductions from salary of establishment cannot be treated as receipt generated by the hospital.

Audit was of the view that the lapse was due to failure of supervisory and financial controls.

When the matter was pointed out, the formation stated that rule at Sr. No.17(i) of Punjab Medical & Health Institution Act 2003 provides that all receipts generated by the institutions shall be kept in the PLA. In compliance of above directions the deductions were deposited into PLA.

The reply of the formation was not acceptable because the deductions from salary cannot be treated as receipt generated by the institution. Moreover, it is pertinent to clarify here that electricity, gas and water were supplied from the hospital bulk supply which was paid out of SDA.

The matter was further reported to the administrative department. In DAC meeting held on 29.01.2018, the committee kept the para pending for seeking advice from Finance Department. Further progress was not reported till the finalization of this report.

Audit recommends fixing responsibility for irregular drawl and refund of the amount into government treasury.

(PDP No.22800 - PGMI/LGH, School of Nursing, Lahore – 2016-17)

11.4.53 Non recovery of room rent and electricity charges- Rs.13.99 million

As per Rule 2.31 of PFR Vol-I, a drawer of bill for pay allowances contingent and other expense will be held responsible for any overcharge, fraud and misappropriation. Moreover, 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 government treasury accordingly. Furthermore, as per Health department letter No. BO(B&A)1-1/91-92 dated 12.05.1992, it was decided that all those government servants who have been provided rent free residential accommodation or on rent in the institution / hospitals premises would arrange separate meters for those facilities.

During audit of the Health Department, some of the formations did not recover the room rent and electricity charges amounting to Rs.13,991,376 from the allottees who were bound to deposit the same, according to above rules/ instructions. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	Nishtar Medical College & Allied Institutions, Multan	2015-16	17428	8,234,020
2	Nishtar Medical College & Allied Institutions, Multan	2015-16	17422	3,751,975
3	Children Hospital, Lahore	2016-17	22943	1,575,885
4	Faisalabad Institute of Cardiology, Faisalabad	2016-17	20315	314,500
5	Institute of Mental Health, Lahore	2016-17	19289	114,996
Total				13,991,376

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

Audit pointed out the lapse in October 2016 and August & November 2017. The formations at Sr. Nos. 3 & 5 noted the observations for compliance and rest of the formations offered vague replies without any documentary evidences.

The matter was further reported to the administrative department. In DAC meetings held on 17.08.2017 and 30.11.2017, the para at Sr. No. 1 was kept pending for advice/clarification on the matter from Finance Department that whether the said recoveries are to be deposited into PLA or SDA/government treasury; The para at Sr. No.2 was kept pending for revision of rates and recovery and the para at Sr. No. 5 kept pending for compliance. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that responsibility be fixed for non observance of rules and government instructions, amount be recovered from the concerned and deposited into government treasury.

11.4.54 Loss due to local purchase of medicine at less discount rate - Rs.11.41 million

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 FJMU & Sir Ganga Ram Hospital, Lahore for the financial year 2016-17, it was observed that the contract for supply of local purchase of medicine was awarded to M/s Punjab Medical Store

opposite OPD Ganga Ram Hospital Lahore for the year 2016-17 with the discount on MRP/RP as indicated in the Annexure. It was further noticed that contract for supply of LP of medicine for the year 2016-17 was awarded to the same contractor/supplier by Government Teaching Hospital Shahdara (Under the Administrative control of FJMU, Lahore) at higher discount rates. Comparison of discount rates resulting in loss to the institution is given below:

Category of items	Discount offer		
	SGRH	GTHS	less discount
Drug/medicine (National)	11.00%	16.00%	5.00%
Drug/medicine (Multi-national)	9.50%	12.50%	3.00%
Surgical Disposable	16.00%	25.55%	9.55%
Total Discount offer	36.50%	54.05%	17.55%
Total LP Discount (N. amount)	63.50%	41,285,668	
Total LP (G. amount)	100%	65,016,800	
Less discount (amount)	65,016,800*17.55%	11,410,448	

It is further added that the less discount was calculated by audit as a whole as the separate stock register of national medicine, multinational medicine and surgical disposables have not been maintained by the department. As per clause 6 of the terms and conditions of the contract, online orders will be placed for daily demand and contractor will quote the price online but no such record in soft shape was available with the department and therefore audit could not calculate the quantity/price of the these items.

Audit pointed out the matter in August 2017. The management stated that the extension period of L.P award expired on 30.09.2016. The new tender could not be finalized due to multiple grievances by the vendors in PPRA and Lahore High Court. As such the annual tender was scrapped. The new tender was advertised in which only one vender

participated. Due to the urgency, the hospital awarded the LP contract on discount for smooth functioning of hospital. The departmental reply cannot be considered as the rates of Government Teaching Hospital Shahdra was required to be kept in view being under the Administrative control of FJMU.

The matter was further reported to the administrative department. In DAC meeting held on 11.01.2018, the committee kept the para pending for clarification/advice from PPRA. Further progress was not reported till the finalization of this report.

Audit recommends that the matter may be enquired at administrative level to fix the responsibility regarding acceptance of less discount and recovery of loss be made from the responsible.

(PDP No. 20325 – FJMU/Sir Ganga Ram Hospital, Lahore – 2016-17)

***11.4.55 Loss to government due to application of excess rates-
Rs.11.29 million***

As per MRS of 2nd quarter 2010 District Lahore vide chapter 25 item No. 52 the rate of item of work “Providing and fitting all types of glazed aluminum windows of anodized bronze colour partly fixed and partly sliding using deluxe sections of M/s Al-Cop or Pakistan Cables having frame size of 100 x 20 mm (4"x¾") and leaf frame sections of 50 x 20 mm (2"x¾"), all of 1.6mm thickness including 5 mm thick imported tinted glass with rubber gasket using approved standard latches, hardware etc., as approved by the engineer in charge” was Rs.310.05 per sft.

Scrutiny of the accounts record of the work “Strengthening of King Edward Medical University Lahore” for the year 2016-17 revealed that provision of a non-scheduled item of work “Providing and fitting all types of double glazed aluminum windows of anodized bronze colour partly fixed and partly sliding using deluxe sections of Pakistan Cables having

frame size of 100 x 20 mm (4"x¾") and leaf frame sections of 50 x 20 mm (2"x¾"), including 5 mm thick imported tinted glass with rubber gasket using approved standard latches, hardware etc., as approved by the engineer in charge” has been provided @ Rs.710 per sft in the estimate of the work instead of using the related schedule item @ Rs.310.05 per sft.

In this way, excess rate of Rs.400 Per Sft was provided in the estimate which resulted in unnecessary increase in cost amounting to Rs.11,290,000 (28,225 x 400).

Audit was of the view that weak technical control resulted in loss of Rs 11.290 million

The matter was pointed out in August 2017. The management stated that detailed reply would be submitted after scrutiny of record.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommend that the department is required to enquire the matter to fix the responsibility, and recover the loss from the concerned besides strengthening its technical and management internal controls.

(PDP No.22862 - KEMU, Lahore – 2016-17)

11.4.56 Non/less recovery of outstanding dues from Various Departments - Rs.5.80 million

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 Health Department, revealed that an amount of Rs.5,798,237 was outstanding on account of provision of medical facilities to the departments on penal of the following hospitals. The details of the outstanding amounts are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	PIC, Lahore	2016-17	22747	1,989,025
2.	Chaudhary Pervaiz Elahi Institute of Cardiology, Multan	2016-17	21626	3,809,212
Total				5,798,237

Audit was of the view that weak supervisory and financial controls resulted in non recovery of outstanding dues.

Audit pointed out the irregularity from August to October 2017. The formations noted the observations for compliance.

The matter was further reported to the administrative department. In DAC meeting held on 15.01.2018, the amount of the para at Sr. No. 1 was reduced to the stated extent and kept pending for balance recovery. As regards remaining para, neither any reply was received nor was DAC meeting convened despite reminders issued in October, November and December 2017.

Audit recommends that amount be recovered from the concerned besides strengthening of internal controls to avoid such recurrences in future.

11.4.57 Overpayment due to tempering of rates in bid schedule - Rs.9.89 million

As per 2nd bi-annual period 2014 the rate of item No. 6 (a) (ii) Chapter No. 6 i.e. RCC 1:2:4 in slab of rafts / strip foundation was Rs. 232 per cft.

Executive Engineer, King Edward Medical University, Lahore paid the item of work RCC in slab of rafts/strip foundation 1:2:4. In the bid schedule contractor initially quoted the rate of said item as Rs. 242 per cft which was later on tempered as Rs. 442 per cft. In sub head Block 2 & 3 of (Building portion) the quantity of 49464.10 cft was paid @ Rs. 442 per cft instead of admissible rate of Rs. 242 per cft. Hence, the contractor was overpaid for Rs.9,892,820.

Audit was of the view that weak administrative and financial controls resulted in overpayment of Rs. 9,892,820.

The matter was pointed out in August 2017. The management replied that payment was made to contractor as per accepted rate hence there was no overpayment. The reply was not tenable as no documentary evidence was furnished in support of reply.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department enquire the matter, fix the responsibility and amount may be recovered from the contractor under intimation to audit.

(PDP No. 22876 - KEMU, Lahore – 2016-17)

11.4.58 Less recovery of stamp duty - Rs.6.59 million

Vide Section 22(A) (b) of Schedule-I of Stamp Act 1899 read with Finance Act 1995 (Act-VI of 1995), Government of the Punjab levied the 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 Health Department, it was observed that that the following formations entered into contract with various contractors for procurement of stores and material but the stamp duty was not recovered at the rate prescribed and the government sustained a loss of Rs.6,586,377.

The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	Gujranwala Medical College and DHQ Hospital	2015-16	18098	1,620,259
2.	Principal, AIMC, Jinnah Hospital & Nursing School, Lahore	2016-17	20393	1,401,000
3.	Nishtar Medical College & Allied Institutions, Multan	2015-16	17432	1,116,905
4.	King Edward Medical University, Lahore	2016-17	22919	966,881
5.	Principal College of Ophthalmology and Allied Vision Sciences Lahore	2015-16	17799	547,169
6.	Khawaja Muhammad Safdar Medical College & Allied Institutions, Sialkot	2016-17	20461	114,550
7.	Punjab Medical College & its Allied Institutions Faisalabad	2016-17	20506	233,861
8.	King Edward Medical University, Lahore	2016-17	22910	231,056
9.	The Children Hospital & The Institute Of Child Health Multan	2016-17	22769	205,411
10.	Punjab Medical College & its Allied Institutions Faisalabad	2016-17	20575	149,285
Total				6,586,377

Audit was of the view that weak financial and administrative controls resulted in non-recovery of stamp duty.

Audit pointed out the lapse from January to October 2017. The formations at Sr. Nos. 1, 2, 5, 6, 9 & 10 noted the observations for compliance and rest of the formations offered vague replies without any documentary evidences.

The matter was further reported to the administrative department. In DAC meetings held on 17.08.2017, 26.12.2017, 01.01.2018 and 03.01.2018, the para at Sr. No. 1 kept pending for recovery; the amounts of the paras at Sr. Nos. 2 & 6 were reduced to the stated extent after verification of record and the para at Sr. No.3 was kept pending for recovery. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that department needs to take appropriate action for early realization of recovery from concerned and strengthening of internal controls.

11.4.59 Overpayment due to application of higher input rates- Rs.8.22 million

According to instructions issued by the Finance Department vide No. RO(Tech) FD-18-23/2004 dated 21.09.2004, the rate analysis of the items be prepared on the basis of input rates of relevant quarter, placed at website of Finance Department.

During audit of Health Department, scrutiny of the record revealed that authorities had made overpayment to the contractors by applying high input rates on different items, in this way an amount of Rs.8,219,797 was overpaid which may be recovered.

The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	KEMU, Lahore	2016-17	22853	1,842,000
2	KEMU, Lahore	2016-17	22877	1,765,030
3	PGMI/LGH and Nursing School, Lahore	2016-17	22806	1,495,912
4	KEMU, Lahore	2016-17	22872	789,862
5	KEMU, Lahore	2016-17	22891	747,913
6	KEMU, Lahore	2016-17	22873	663,201
7	PIC, Lahore	2016-17	22760	537,378
8	KEMU, Lahore	2016-17	22860	230,250
9	KEMU, Lahore	2016-17	22893	148,251
Total				8,219,797

Audit was of the view weak internal controls resulted in excess payment of Rs.8,219,797.

The matter was pointed out from August to October 2017. The formations at Sr. Nos. 1, 2, 4 to 6, 8 & 9 stated that detailed reply would be submitted after scrutiny of record. The formation at Sr. No.7 noted the observation for compliance and rest of the formation offered vague reply without any documentary evidence.

The matter was further reported to the administrative department. In DAC meeting held on 15.01.2018, the para was kept pending for recovery. As regards remaining paras, neither any reply was received nor was DAC meeting convened despite reminders issued in October, November and December 2017.

Audit recommends that the department should inquire the matter, fix the reasonability, and recover the overpaid amount from the contractor besides strengthening its technical internal controls.

11.4.60 Non-deduction of General Sales Tax-Rs.7.50 million

As per Sales Tax Act, 1990 (amended from time to time) sales tax at the prescribed rates may be recovered on the purchase of taxable goods and deposited into government treasury under prescribed head of account.

During audit of Health Department, scrutiny of contingent vouchers revealed that different items were purchase but GST @ 17% amounting to Rs.7,498,087 was not recovered which resulted into loss to government. The details are as under:

Sr. No.	Name of formation	Period of Audit	PDP No.	Amount (Rs.)
1	Fatima Jinnah Medical University, Sir G.R. Hospital, Lahore.	2016-17	20338	3,868,372
2	Secretary Specialized Health Care Department, Lahore	2016-17	22717	2,974,252
3	Gujranwala Medical College and DHQ hospital	2015-16	18082	290,598
4	Gujranwala Medical College and DHQ hospital	2015-16	18130	364,865
Total				7,498,087

Audit was of the view that weak internal controls on taxation resulted in non-deduction of GST.

Audit pointed out the matter in April and August 2017. The formation at Sr. No. 1 noted the observation for compliance and rest of the formations stated that detailed reply will be submitted later on.

The matter was further reported to the administrative department. In DAC meetings held on 10.11.2017, 03.01.2018 and 11.01.2018, the paras at Sr. Nos.1, 3 & 4 were kept pending for recovery. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that amount of General Sales Tax may be recovered from the concerned contractors and deposited into the relevant treasury under intimation to audit.

11.4.61 Unauthorized payment of special incentive - Rs.4.71 million

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. Moreover, 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.

During audit of Punjab Medical College & its Allied Institutions Faisalabad, it was observed that payment of Rs.4,710,000 was made to the officers without previous consultation with the Finance Department in violation of aforementioned rule. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	Punjab Medical College & its Allied Institutions Faisalabad	2016-17	20535	1,950,000
2.	Punjab Medical College & its Allied Institutions Faisalabad	2016-17	20552	1,620,000
3.	Punjab Medical College & its Allied Institutions Faisalabad	2016-17	20804	1,140,000
Total				4,710,000

Audit was of the view that weak supervisory and financial controls resulted in unauthorized payment of special incentive.

Audit pointed out the matter in August 2017. The management offered vague reply without any documentary evidence.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till

the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the matter may be inquired into, responsibility be fixed for the lapses and amount be recovered.

11.4.62 Non-recovery of de-escalation in the rate of diesel and steel- Rs.5.30 million

As per clause 55(1) of the contract agreement, if any variation (increase or decrease) to the extent of 5% or more in the price of any of the item mentioned in sub clause (2) takes place after the acceptance of tender and before the completion of contract, the amount payable under the contract shall be adjustable to the extent of the actual variation in the cost of the item concerned.

During audit of King Edward Medical University, Lahore for the year 2016-17, it was observed that work was awarded to M/s NEXSUS vide acceptance Letter No. EMU/6232/Reg/KEMU/2015 dated 04.06.2015 at a contract cost of Rs. 242.31 million.

The tender opening date of the work was 27.05.2015 and the base price of diesel was Rs. 83.61 per litter which was decreased during the execution of work. The department allowed the payment without affecting the recovery on account of de-escalation in the price of POL /diesel which resulted into over payment of Rs. 973,794 to the contractor and needs recovery. The details are as under:

Bill No.	Date of Bill	Value of Work Done	Base Rate	Current Rate	De-escalation of Diesel
3	Dec-15	39330130	83.61	83.79	0
5	Apr-16	33132189	83.61	72.52	307634.2
6	Jun -16	23127510	83.61	72.52	214733.7
9	Aug-16	21766289	83.61	72.52	202095.1

Bill No.	Date of Bill	Value of Work Done	Base Rate	Current Rate	De-escalation of Diesel
10	Oct-16	15589910	83.61	72.52	144748.8
11	Dec-16	14888785	83.61	75.22	104582.9
12	Feb-17	29158688	83.61	79.48	0
13	May-17	28469124	83.61	83	0
Total					973794.7

Further, the base price of Steel Grade-60 was Rs. 83750 per metric ton which was decreased during the execution of work. The department allowed the payment without effecting the recovery on account of de-escalation in the price of steel.

De-escalation of steel

Bill No.	Bill Month	Qty of Steel	Base Rate	Current Rate	Diff	De-escalation
2	15-Jun	45.67	83750	83750	0	0
3	15-Dec	155.48		81500		0
4	16-Feb	44.45	83750	79800	3950	175577.5
5	16-Apr	48.01	83750	72500	11250	540112.5
6	16-Jun	29.67	83750	74500	9250	274447.5
7	16-Jun	105	83750	74500	9250	971250
8	16-Aug	110	83750	73750	10000	1100000
10	16-Oct	50.19	83750	73750	10000	501900
11	16-Dec	45.11	83750	74250	9500	428545
12	17-Mar	44.07	83750	76250	7500	330525
13	17-Jun	18.47	83750	81000	2750	0
						4322357.5

The weak financial controls resulted in non-recovery of price de-escalation in the rate of Diesel and steel for Rs.5,296,151 (973,794+4,322,357) detailed as above which needs recovery.

Audit was of the view that weak technical controls resulted into non recovery from the contractor.

The matter was pointed out in August 2017. The management stated that audit worked out de-escalation considering only 02 items mentioned in the clause 55 of Price Variation of which price of items decreased. As per clause 55 of the Bidding Documents, there are many other items like Labour, cement, bricks etc. on which price escalation/de-escalation is admissible. The reply was not tenable as the department could not prepare the overall variation statement.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department enquire the matter, fix the responsibility, and the amount may be recovered from the contractor.

(PDP No.22884 - KEMU, Lahore – 2016-17)

11.4.63 Non deposit of receipt on account of test charges-Rs.3.32 million

According to sub section 3 (a) of section 16 of the FJMU Act 2015, the Treasurer shall manage the assets, liabilities, receipts, expenditure, funds and investment of the University.

During audit of FJMU & Sir Ganga Ram Hospital, Lahore for the period 2016-17, it was observed that an amount of 3,319,800 on account of test charges was collected from the patients, which was required to be deposited into PLA, whereas said amount was kept in the custody of the organization unthorisedly.

Audit was of the view that weak internal and financial controls resulted in non deposit of receipt on account of test charges into PLA.

Audit pointed out the matter in August and December 2017, the management offered vague reply without any documentary evidences.

The matter was further reported to the administrative department. In DAC meeting held on 11.01.2018, the para was kept pending for compliance. Further progress was not reported till the finalization of this report.

Audit recommends that the amount be deposited into PLA.

(PDP No. 20344- FJMU & Sir Ganga Ram Hospital, Lahore-2016-17)

11.4.64 Doubtful and less deposit of lab receipt - Rs.2.73 million

As per 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 Health Department, it was observed that an amount of Rs.2,732,893 was collected as lab receipt but not deposited into government treasury as required under the rules.

The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	KEMU, Lahore	2016-17	22908	2,553,830
2	Institute of Blood Transfusion Services, Lahore	2016-17	19368	179,063
Total				2,732,893

Audit was of the view that weak supervisory and financial controls resulted in doubtful and less deposit of lab receipt.

Audit pointed out the in July and August, 2017. The formation at Sr. No. 1 offered vague reply without any documentary evidence and the formation at Sr. No. 2 stated that reply would be submitted later on.

The matter was further reported to the administrative department. In DAC meeting held on 13.12.2017, the para at Sr. No.2 was kept pending for verification of record after reconciliation of receipts. As regards remaining para, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the stated amount may be recovered and deposited into government treasury.

11.4.65 Unauthorized payment of car monetization-Rs.1.56 million

According to original PC-I and approval of the CM pay package for the post of Chief Organizational Development was Rs. 600,000 per month.

During audit of Secretary Specialized Health Care & Medical Education Department, Lahore (PMU for the establishment of Punjab Public Health Agency) for the financial year 2016-17, revealed that car monetization @ Rs. 95,910 per month was irregularly allowed to COD w.e.f. 06.11.2016 which was not admissible as per original PC-I and pay package approved by Chief Minister. It is pertinent to mention over here that pay package @ Rs. 800,000 per month and car monetization was added/inserted by COD herself in the revised PC-I which was revised by her later on and the same has not been approved by the concerned forum i.e. DDSC and pay package @ Rs.800,000 per month was wrongly mentioned in her charge report dated 05.11.2016. It was further observed that instead of drawing car monetization a rented car also remained in her use unauthorizedly. Unauthorized payment of car monetization and rented car is calculated as under:

Sr. No.	Description	Total Amount(Rs.)
1	Car monetization	754,492
2	Rented car	417600
3	Rented car	321,425
4	Rented car	85,958
Total		1,579,475

Audit was of the view that non-observance of provision of PC-I resulted in unauthorized payment of car monetization.

Audit pointed out the matter in August 2017. The management stated that detailed reply would be submitted later on.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that:

1. The responsibility regarding unauthorized payment of car monetization be fixed and recovery be made from the responsible.
2. Action may be taken against the officer for revision of PC-I for her own benefit.
3. Further payment of car monetization may be stopped forthwith.

(PDP No. 22731- Secretary, Specialized Health Care Department, Lahore – 2016-17)

11.4.66 Non-recovery of cost of substandard medicines- Rs.1.55 million

According to Clause e (i) of Annex-B of Standard Bidding Documents for Procurement of Drugs / Medicines, Surgical & Disposable items, after delivery of drugs and medicines at the Purchaser's premises,

the Purchaser shall send the samples from all batches of each consignment of the supplied store to the Drugs Testing Laboratory, Punjab, for testing. The Inspection Committee constituted by the Purchaser shall inspect the quantity, specifications of goods after receipt of standard quality report of each batch of supplied store issued by DTL concerned under Drugs Act 1976/DRAP Act 2012 & rules framed there under.

During the audit of S.M. Hussain Government T.B. Sanatorium SamliMurree for the year 2014-16, revealed that Rs. 1,554,800 were drawn for purchase of medicine from M/s MediwisePharma Rawalpindi. Medicine purchased was declared substandard by Government Analyst, Drug Testing Laboratory Rawalpindi. But the amount paid was not got recovered from the supplier. This resulted into loss of Rs.1,554,800 to the governmentduetonon-recoveryofsub-standard medicine as per detail given below:

Name of medicine	Batch No	Quantity	Amount (Rs)
Tab. Cimetidine 400 mg	466	200,000	598,000
Tab. Cimetidine 400 mg	465 & 466	320,000	956,800
Total			1,554,800

When pointed out the matter in May 2017, the management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that loss be recovered and deposited into Government Account besides strengthening financial and supervisory controls to avoid recurrence of such lapses in future.

(PDP No. 18027 - S.M. Hussain Govt. Sanatorium Sami, Murree, 2014-16)

11.4.67 Recovery due to non-engagement of engineers-Rs.1.38 million

As per clause 18(a) and (b) of the contract agreement, the contractor shall employ for each contract, whole time qualified technical personnel to the satisfaction of the Engineer in-charge for the supervision of the work as under:

Contract costing more	one senior graduate Engineer
than 7.50 million	one junior Engineer

If the contractor fails to employ the qualified technical personnel to the above scale, the Engineer in-charge shall have the option to employ to make up the deficiency in the number of such persons at the risk and cost of the contractor.

During the examination of account record for the year 2016-17, it was observed that Executive Engineer KEMU Lahore awarded the work (Girls Hostel 430 Student Punjab Government) to the M/S Nexus construction company but did not make recovery from the contractor who had not deputed one qualified senior and one junior graduate Engineer at site as per scale laid down in the contract agreement (clause 18 (a&b)). This resulted into non-recovery of Rs.1,375,000.

1.	04.06.2015 to date = 25 months x 30,000 per month	Rs. 750,000
2.	04.06.2015 to date = 25 months x 25,000 per month	Rs. 625,000
Total		Rs.1,375,000

The matter was pointed out in August 2017. The management stated that detailed reply would be submitted after scrutiny of record.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till

the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department enquire the matter, fix the responsibility recover the amount from the contractor under intimation to audit.

(PDP No. 22879 - KEMU, Lahore – 2016-17)

11.4.68 Unauthorized distribution of government receipt among the hospital staff-Rs.1.00 million

Private room charges, medical certificate fee, re-examination fee, MLC male & female fee was required to be deposited into the government account.

Examination of the record of DHQ hospital Gujranwala for the period 2015-16 revealed that the above mentioned charges were not deposited into the PLA of the institute and irregular distribution of government receipt was made amongst the hospital employees as share.

Audit was of the view that weak supervisory and financial controls resulted in unauthorized distribution of government receipt.

The lapse was pointed out in April 2017. The management noted the observation for compliance.

The matter was further reported to the administrative department. In DAC meeting held on 03.01.2018, the para was kept pending for recovery. Further progress was not reported till the finalization of this report.

Audit recommends that responsibility be fixed and recovery be made from the hospital staff and deposited into the government account.

(PDP No. 18115 – Gujranwala Medical College & DHQ Hospital, Gujranwala – 2015-16)

11.4.69 Defective system of electrification-Loss due to less recovery of electricity charges from residents-Rs.3.75 million

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 they are paid into the Treasury.

During audit of Nishtar Medical College and Allied Institutions Multan for the period 2015-16, revealed that the entity was providing electricity to the residents of Nishtar Estate from bulk supply of electricity purchased from MEPCO. The electricity charges were being collected as per reading of sub meters by applying a fixed tariff of Rs.11.50 per unit which was lesser than the tariff charged by MEPCO i.e. Rs.14.45 against bulk supply meter resulting loss of Rs.10,810,776.

The irregularity was pointed out in October 2016. The management replied that MEPCO authorities had been requested to install individual meters. Moreover, the matter was being sent to BOM for further decision. The reply was not satisfactory as the government sustained a loss due to difference of per unit rate.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that electricity connections of residences be separated and in the interim period electricity charges be recovered at the rate charged by MEPCO to the institution.

(PDP No.17422 – Nishtar Medical College & Allied Institutions, Multan – 2015-16)

Others

**11.4.70 Excess expenditure over and above the budget allocation
- Rs.22.24 million**

According to Rule 17.15 of Punjab Financial Rules Vol-I, no Government servant may, without previously obtaining an extra appropriation, incur expenditure in excess of the amount provided for expenditure under the head concerned and when a Government servant exceeds the annual appropriation he may be held responsible for the excess.

During audit of Health Department, it was observed that expenditure incurred excess than budget allocation by various formations in contravention to above rules/ instructions.

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	Institute of Blood Transfusion Services, Lahore	2016-17	19364	17,200,539
2.	Secretary Specialized Health Care Department, Lahore	2016-17	22721	4,385,886
3.	Director Health Services Faisalabad.	2012-16	18032	410,841
4.	Children Hospital & the Institute of Child Health, Multan	2016-17	22773	246,910
Total				22,244,176

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

When pointed out the matter from May to September 2017. The formations at Sr. Nos. 1 & 2 furnished no reply. The management at Sr. No.3 admitted the irregularity. The formation at Sr. No. 4 noted the observation for compliance.

The matter was further reported to the administrative department. In DAC meeting held on 13.12.2017, the para at Sr. No.1 was kept pending till the decision of PAC. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that responsibility for excess expenditure over budget allocation should be fixed besides regularization of expenditure from the competent authority.

11.4.71 Non-surrendering of savings of budget allocation - Rs.10,367.36 million

Para 14.3 of the Punjab Budget Manual requires that all the anticipated saving should be surrendered in the 1st statement of excess and surrenders by 1st January and 2nd statement by 31st March, so that it could be utilized where it actually needed.

During audit of Health Department, it was observed that an amount of Rs.10,367,358,724 remained unused by various formations and not surrendered. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	Secretary specialized Health Care Department	2016-17	22736	9,345,859,550
2.	Nishtar Medical College & Allied Institution Multan	2015-16	17401	590,317,760
3.	Government Teaching Hospital Shahdra Lahore	2014-17	22847	186,807,216
4.	Faisalabad Institute of Cardiology Faisalabad	2016-17	20291	84,817,314

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
5.	Punjab Dental Hospital, Lahore	2016-17	19380	60,994,756
6.	Institute of blood transfusion services, Lahore	2016-17	19363	41,963,762
7.	Institute of Mental Health, Lahore	2016-17	19295	34,564,619
8.	Ch. PervaizElahi Institute of Cardiology, Multan	2016-17	21610	21,564,979
9.	Gujranwala Medical College and DHQ Gujranwala	2015-16	18124	468,768
Total				10,367,358,724

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

When pointed out the matter from February to October 2017, the formations at Sr. No. 1 to 3, 5 & 8 furnished no reply. The others noted the observations for compliance.

The matter was further reported to the administrative department. In DAC meetings held on 17.08.2017, 13.12.2017, 30.11.2017 and 03.01.2018, the para at Sr. No.2 was kept pending for fact finding inquiry and fixation of responsibility by Administrative Department; the paras at Sr. Nos. 5, 7 & 9 were kept pending for compliance and the para at Sr. No. 6 was kept pending till the decision of PAC. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that responsibility for non-surrendering of savings through 2nd excesses & surrenders statement should be fixed besides condonation of the irregularity from the competent authority.

11.4.72 Irregular making of transfer entries-Rs.212.08 million

Schedule IV of Punjab Medical & Health Institutions Rules 2003 provides that the Budget and Finance Branch shall be headed by a Budget Officer and shall perform reconciliation of expenditure and receipts of the Medical Institution as a whole.

During audit of Post Graduate Medical Institute and Allied Institutions, Lahore for the financial year 2016-17, it was noticed that 34 transfer entries amounting to Rs.212,080,722 were got made in the SAP System without any justification.

Audit was of the view that the lapse was due to failure of supervisory and financial controls.

Audit pointed out the matter in August 2017. The formation stated that majority of the cheques issued were not cleared from State Bank of Pakistan. Therefore reverse entries were made. The reply of the formation was not tenable because the cheques issued were cleared by the State Bank of Pakistan as ascertained from the Pass Book duly reconciled by the Treasury Officer and their detail is given against each alongwith payee's detail.

The matter was further reported to the administrative department. In DAC meeting held on 15.01.2018, the para was kept pending to reconcile the matter with TO Lahore & AGP and the record of all transfer entries may be produced to audit for verification. Further progress was not reported till the finalization of this report.

Audit recommends that the matter needs to be probed to assess the reasons for reduction in expenditure.

(PDP No. 22785-Post Graduate Medical Institute and Allied Institutions, Lahore; 2016-17)

11.4.73 Non maintenance of cash books of different development schemes-Rs. 247.72 million

As per Rule 2.2 of PFR Vol-I, a simple Cash Book in P.F.R. Form I should be kept in every office receiving or disbursing money on behalf of Government regularly or frequently for recording all transactions of moneys received by Government Servants in their official capacity, and subsequent remittance to the treasury or to the bank, as well transactions of moneys withdrawn from the treasury or the bank by bills and their subsequent disbursement. All cash transactions should be entered in the Cash Book as soon as they occur and attested in token of check. The Cash Book should be closed regularly and completely checked. In token of the check of the Cash Book, the last entry checked therein should be initialed (with date) by the Government servant concerned on each occasion.

During audit of Secretary Specialized Health Care & Medical Education Department, Lahore for the financial year 2016-17, it was noticed that the cheques were drawn from SDA 89 to incur the expenditure for different development schemes/projects under cost center LZ4359 and LZ4613 but separate cash books and allied record for each development scheme showing the cheques drawn and expenditure made were not maintained.

Due to non maintenance of cash book, budget control register, stock register and expenditure statement of each development scheme, actual financial position could not be ascertained by audit.

Audit pointed out the matter in August 2017. The management stated that cash book was maintained after consultation with treasury office.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that responsibility regarding non maintenance of record in violation of rules be fixed and complete record be produced.

(PDP No.22705-Secretary Specialized Health Care & Medical Education Department, Lahore-2016-17)

11.4.74 Wastage of public money on publicity campaign-Rs. 5.40 million

As per 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. Moreover, as per Rule 2.10 (a) (1) *ibid*, 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 Secretary Specialized Health Care & Medical Education Department, Lahore for the financial year 2016-17, it was noticed that expenditure to the stated extent was incurred on publicity campaign regarding development work in South Punjab. Audit is of the view that there was no need of such exorbitant campaign and it was just wastage of public money which could have been used on other development scheme.

When pointed out in August 2017, the management stated that detailed reply would be submitted later on.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that responsibility in this regard may be fixed and such expenditure may be avoided in future.

(PDP No. 22715 - Secretary Specialized Health Care - 2016-17)

11.4.75 Irregular expenditure due to advance drawl - Rs. 728.65 million

As per Sr. No. 1 (ii) of Schedule-IV of Punjab Medical & Health Department Institute Rules 2003, the Director Finance shall co-ordinate and supervises all financial and accounting matters of the institution.

During audit Health Department, it was observed that an amount to the stated extent was drawn in advance but the same was not got adjusted despite the lapse of considerable period. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	Khawaja Muhammad Safdar Medical College & Allied Institutions, Sialkot	2016-17	20434	728,200,000
2.	Gujranwala medical college & DHQ hospital, Gujranwala	2015-16	18133	450,000
Total				728,650,000

Audit was of the view that the omission caused due to weak supervisory and financial internal controls.

The lapse was pointed out in April and September 2017. The management at Sr. No.1 noted the observation for compliance. The management at Sr. No. 2 furnished no reply.

The matter was further reported to the administrative department. In DAC meetings held on 10.11.2017 and 26.12.2017, the para at Sr. No. 1 was kept pending for verification of vouched account and the para at Sr. No.2 was kept pending for fact finding inquiry at administrative level. Further progress was not reported till the finalization of this report.

Audit recommends that responsibility for non-adjustment of advances should be fixed besides adjustment of the advances.

11.4.76 Non-completion of development schem-Rs.1,477.10 million

As per 3rd revised PC-1 & revised administrative approval issued vide No. SO (Dev.-1) 37-2/2002(P-V), dated 2.11.2015, the development scheme Construction of Phase –II/A Sheikh Zayed Medical Complex Rahim Yar Khan is to be completed at a total cost of Rs.1477.104 million up to 30.06.2016.

During audit of Sheikh Zayed Medical College/Hospital, Rahim Yar Khan for the period 2015-16, it was noticed that construction work Group-VII to Group IX i.e., residences for BPS-15 to 19/College Block and Group-9A to 9D i.e., Anatomy, Pathology, Community Medicine, Physiology, Biochemistry, Forensic and Pharmacology and Lecture Theatre Blocks, Cafeteria and Water Tower etc. was not completed.

Moreover, Procurement of IT equipment & remaining items of Basic Science Department was also not made as evident from the financial & physical progress reports for the financial year 2015-16 sent to Government which shows that the project is time over run & still in progress. It is worth mentioning that construction work was started in 2008-09 and a number of revisions had been made up to 2015-16 and at end of the day work is still incomplete.

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

When audit pointed out in March 2017, the management furnished no reply.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that responsibility for non-completion of work despite repeated revisions of PC-I needs to be fixed.

(PDP No.17486- Sheikh Zayed Hospital R.Y. Khan- 2015-16)

11.4.77 Unauthorized / illegal receipt of USG and birth certificate charges - Rs. 6.62 million

According to rates approved by Health Department vide letter No. SO (HD)-12-13/73 dated 11.04.1985, endorsed by MS Government Teaching Hospital, Shahdra, Lahore vide Office Order No. 5683/Admin dated 16.04.2013, Ultrasound (USG) Charges fixed for outdoor patients were Rs.50 while there was no provision for receiving Birth Certificate Fee from indoor patients.

During audit of Government Teaching Hospital, Shahdra, Lahore for the financial years 2014-17, scrutiny of hospital receipt revealed that an amount of Rs. 5,925,255 was received as USG Charges by charging Rs.100 instead of Rs.50 from outdoor patients and Rs. 692,500 were received from indoor patients @ Rs.200 as birth certificate without approval of Health Department.

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

When pointed out the matter in August 2017, the management stated that Birth Certificate fee would be stopped immediately and USG matter will be looked into furthermore, rates will be confirmed but no progress was shown.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends probe of the matter to fix responsibility for receiving illegal charges from poor patients besides charging Health Department approved rates from patients and stoppage of receipt of birth certificate fee immediately.

(PDP No.22841 - Govt. Teaching Hospital, Shahdra, Lahore - 2014-17)

11.4.78 Irregular opening of bank accounts

Finance Department's letter No. FD(FR)V-6/2 dated 29.10.1978 required that in no case the Government money coming into the hands of a government servant either on account of receipts of the Government or by way of withdrawl from the Treasury should be kept in a commercial bank except with the specific sanction of the Finance Department.

During audit of Health Department, it was observed that bank accounts were operated by the management without permission of the opening of bank accounts from the Finance Department. Further, the cash book of the above said bank accounts along with bank reconciliation statements were not maintained by the management. The details are as under:

Sr. No.	Name of~ formation	Period of audit	PDP No.	Account No.
1	Director Health Services, Rawalpindi Division, Rawalpindi	2009-16	17803	3277-2 BOP, Khayaban-e-Sir Syed Branch
2	Punjab Medical College & Allied Institution , Faisalabad	2016-17	20875	Habib Bank (PLS)

Audit was of the view that non-observance of government instructions resulted in irregular opening of bank accounts.

When pointed out in August and March 2017, the management at Sr. No.1 noted observation for compliance. The management at Sr. No. 2 replied that bank account was opened with the approval of BOM.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that irregularity be got condoned from the competent authority.

11.4.79 Non-receipt of medical equipment - Rs.986.48 million

As per purchase orders liquidated damages on 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 delivery supply shall be imposed upon supplier.

During audit of Health Department, it was observed that the formations awarded contracts for supply of medical equipment amounting to Rs.986,480,816 within the specified time given in the agreement. The contractors failed to make supply within the stipulated period. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	Nishtar Medical College & Allied Institution, Multan	2015-16	17399	454,662,811
2.	Ameer-ud-Din Medical College & General Hospital & School of Nursing, Lahore	2016-17	22803	294,163,463
3.	Ameer-ud-Din Medical College & General Hospital & School of Nursing, Lahore	2016-17	22802	226,483,133
4.	Punjab Medical College & Allied Institutions, Faisalabad	2016-17	20570	11,171,409
Total				986,480,816

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

Audit pointed out the matter from October 2016 to September 2017. The management at Sr. No.1 replied that for all the items except three LCs were opened on 31.10.2016 later than that period during the month of November 2016. So, how, it was possible that delivery was expected before 06 months after the opening of L.C. The reply was evasive and was not based on facts as 42 LCs out of total 54 were expired till close of audit and the remaining were also near to expire but the equipment was not yet received. The management at Sr. No.2 noted the observation for compliance. The management at Sr.No.3 replied that LCs weredelayed due to reconfirming of warranty but no evidence in support of reply was provided. The management at Sr. No.4 did not offer any reply.

The matter was further reported to the administrative department. In DAC meetings held on 17.08.2017 and 29.01.2018, the para at Sr. No.1 was kept pending for detailed probe and fixation of responsibility by Administrative Department. The amount of the para at Sr. No.2 was reduced to the stated extent and the para at Sr. No. 3 was kept pending for

regularization. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that matter may be inquired to fix the responsibility against concerned at fault for the lapses pointed out.

11.4.80 Un-Justified expenditure on purchase of air conditioners - Rs.7.55 million

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 AIMC Jinnah Hospital & Nursing School, Lahore for the period 2016-17, it was observed that huge quantity of Air Conditioners were purchased and shown to have been installed while the buildings were having HVAC system and heavy expenditure was incurred on its maintenance. Thus, the purchase of Air Conditioners was unjustified.

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

When pointed out in August and September 2017. The management replied that Sabro HVAC was not operational therefore, split unit was the only viable option.

The matter was further reported to the administrative department. In DAC meetings held on 28.12.2017, the committee kept the para pending till the finalization of inquiry. Further progress was not reported till the finalization of this report.

Audit recommends that huge expenditure incurred on purchase of Air Conditioners without any requirement should be investigated at

Administrative level and responsibilities be fixed for wastage of public money.

(PDP No. 20381- AIMC Jinnah Hospital & Nursing School, Lahore-2016-17)

11.4.81 Irregular/doubtful expenditure on repair & maintenance of vehicles-Rs. 11.99 million

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 Secretary Specialized Health Care & Medical Education Department, Lahore for the financial year 2016-17, the scrutiny of paid vouchers revealed that payments of Rs.11,993,319 were drawn from government treasury by the DDO for the repair and maintenance of different vehicles. The expenditure was held irregular and repair and maintenance works doubtful due to following reasons.

- The whole work was awarded to the contractors on quotations basis.
- Purchase orders were not issued to the contractors.
- Date of sanction and bills/invoices were same.
- The actual payee receipts amounting to Rs. 3,448,721 as a token for payment to the suppliers were not obtained.
- Neither the History sheets of the vehicles were maintained/up to date or the repair work done enter in log book.
- The dead stock register/detail of replacement parts was also not maintained.
- Certificate of satisfactory repair work was not got obtained.
- Income tax amounting to Rs. 83,334 was not deducted from the service provider.
- Pending liability of previous year amounting to Rs. 5,354,843 was paid in current year and the current year

payment amounting to Rs. 1,808,418 was also pending which shows lack of efficient budgeting.

It is stated that the validity of expenditure and authenticity of transaction cannot be verified in the absence of valid record.

The matter was pointed out in August 2017. The managements replied that all repair and maintenance of vehicles was carried out after completion of codal formalities. However detail reply shall be submitted after scrutiny of record. The reply was not tenable as no record in support of reply was produced to audit.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that responsibility in this regard may be fixed through inquiry committee at an appropriate level and action be taken against the persons held responsible besides regularization from Finance Department.

(PDP No.22713-Secretary Specialized Health Care & Medical Education Department, Lahore-2016-17)

CHAPTER 12

HIGHER EDUCATION DEPARTMENT

12.1 Introduction

The Higher Education Department, Government of the Punjab deals with Universities, Boards and Colleges. There are two attached departments of Higher Education Department:

- Directorate Public Instructions (Colleges)
- Director General Public Libraries

The realization of the Higher Education department's vision of "enlightened and prospering Punjab by reinforcing knowledge economy" rests on the shift from access to quality, and for realization of this vision the department has outlined following objectives:

Improve Quality of Higher Education

- Increase number of skilled faculty
- Enhance quality of assessment system
- Increase market relevance of higher education programs

Expand Access

- Increase in number of students enrolled at college/ university level

Enhance Equity

- Create opportunities for all income groups, social classes and genders
- Introduce a financial aid (loan) scheme in HEIs
- Increase number of need-based scholarships
- Create special opportunities for remote areas

Strengthen Governance and Management

- Raise students' commitment to higher education
- To Improve Infrastructure and Resource Provision

12.2 Comments on Budget & Accounts (Variance Analysis)

Introduction

The Appropriation Accounts for the year 2016-17 of Higher Education Department indicate expenditure on various specified services vis-à-vis appropriation authorized by Government of the Punjab.

Summary of Appropriation Accounts

The summarized position of actual expenditure during 2016-17 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	354.760	(211.665)	143.095	139.207	(3.888)
PC21015	29,511.503	(4231.315)	25,280.188	26,479.236	1,199.048
PC22036	12,078.130	3632.01	15,710.140	12,930.776	(2,779.364)
Total	41,944.393	(810.97)	41,133.423	39,549.219	(1,584.204)

Overview of Expenditure

The final budget of Higher Education Department for the year ended 30 June, 2017 was Rs. 41,133.423 million. Out of this, actual expenditure was Rs. 39,549.219 million. 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	29,866,263,000	26,618,220,769	(3,248,042,231)	10.88
Development	12,078,130,000	12,930,775,707	852,645,707	7.06
Total	41,944,393,000	39,548,996,476	(2,395,396,524)	5.71

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	25,423,283,000	26,618,220,769	1,194,937,769	4.70
Development	15,710,140,000	12,930,775,707	(2,779,364,293)	17.69
Total	41,133,423,000	39,548,996,476	(1,584,426,524)	3.85

Anticipated savings not surrendered

As per para 14.3 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. (1,584.204) million at the close of the year 2016-17 under grants PC21010, & PC22036 were not surrendered in time by the Department.

Excess expenditure 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. 1,199.048 million for the year 2016-17 under grant PC21015 had not been got regularized so far. This was breach of legislative control over appropriations.

12.3 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	1984-85	39	33	6	85
2	1985-86	65	53	12	82
3	1986-87	109	92	17	84
4	1987-88	112	93	19	83
5	1988-89	148	108	40	73
6	1989-90	165	48	117	29
7	1990-91	83	27	56	33
8	1991-92	67	17	50	25
9	1992-93	41	19	22	46
10	1993-94	41	21	20	51
11	1994-95	55	14	41	25
12	1995-96	50	22	28	44
13	1996-97	66	42	24	64
14	1997-98	197	103	94	52
15	1998-99	391	167	224	43
16	1999-00	447	244	203	55
17	2000-01	1427	947	480	66
18	2001-02	471	328	143	70
Total		3974	2378	1596	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	2003-04	61	0	61	0
2	2005-06	86	0	70	81
3	2009-10	91	35	56	37

Sr. No.	Audit Report Year	Total Paras	Compliance Received	Compliance not Received	Percentage of Compliance
4	2010-11	26	21	5	80
5	2011-12	77	11	66	14
6	2012-13	172	7	165	4
7	2013-14	15	3	12	2
Total		528	77	435	15

The compliance with PAC directives in Higher Education Department remained unsatisfactory except for the year 2005-06. The department is required to improve it.

12.4 AUDIT PARAS

Fraud/misappropriation

12.4.1 Embezzlement in college funds- Rs. 7.27 million

According to Rule 4.7 (1) of PFR Vol-I, it is the primarily responsibility of departmental authorities to see that all revenues or other debts due to Government, which have to be brought to the account, are correctly and promptly assessed, realized and credited to government account.

During audit of Government Girls College for Women Gulshan Ravi Lahore for the period 2014-17, examination of funds record revealed that clerk of the college embezzled college funds valuing Rs. 7,266,462 by forging and adding amounts (digits) in various cheques after getting signatures from Principal. The paid vouchers and relevant record was also not shown to audit.

Audit was of the view that weak financial controls resulted into embezzlement of college funds.

The matter was pointed out in September 2017. The management replied that the ex-head clerk was the culprit and had been sent to jail.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends to fix the responsibility besides recovery of loss involved and strengthening financial and supervisory controls to avoid reoccurrence of such lapses in future.

(PDP No.21667- Principal Govt. Girl College for Women Gulshan Ravi Lahore- 2014-17)

**12.4.2 Loss due to payment of pay and allowances against fake/
bogus Ph.D Degree-Rs. 1.71 million**

According to 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 over charges, frauds and misappropriations.

During audit of Government College Women University Sialkot for the period 2015-17, scrutiny of the record revealed that one Assistant Professor (BS-19) was appointed by the Higher Education Commission of Pakistan vide offer letter No.3152/IPFP/HRD/HEC/2015/2428 dated 30.09.2015. The Ph.D Degree was sent to concerned university for verification purpose which was declared fake and bogus. Thus, public exchequer sustained a loss of Rs. 1,712,419 on account of payment of pay and allowances against fake and bogus degree.

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

The matter was pointed out in November 2017. The management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that matter should be looked into, loss involved recovered and deposited into Government account besides strengthening financial and supervisory controls to avoid recurrence of such lapses in future.

(PDP No.22107- Govt. College Women University Sialkot- 2015-17)

12.4.3 Loss due to fake pay order on account of lease of canteen- Rs. 2.53 million

According to clause 5 of the Agreement for auction of canteen, the contractor was bound to give three months advance security.

As per Rule 4.1 of PFR Vol-I, all sums due to Government are regularly received and deposited in to 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 in to the treasury.

During audit of Queen Marry College Lahore for the period 2016-17, it was noticed that the contract of the canteen was awarded at a cost of Rs 4,332,000. As per contractual requirement, the contractor was bound to give three months advance security valuing Rs.1,083,000. The contractor provided the same vide Bank Islami Pay Order No. S06018934 dated 15.06.2016. The pay order was presented to bank which was retained by the bank being fake / forged pay order .

The management lodged FIR No. 690/16 dated 10.09.2016 against the contractor. The matter is also in court of law. However, from June 2016 to October 2016, Rs. 1,805,000 was collected as rent of canteen for five months. Neither the remaining rent for seven months was collected, any income received nor agreement cancelled and proceedings initiated for black listing of the contractor.

Audit was of the view that weak supervisory and financial controls resulted in resulted in loss of Rs. 2,527,000 to the Institution.

Audit pointed out the matter in October 2017. The management replied that matter was in court and audit directions were also noted for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that matter should be investigated, court case be pursued vigorously. Financial and supervisory controls be strengthened to avoid recurrence of such lapses in future.

(PDP No.21976- Queen Marry College Lahore- 2016-17)

Non production of Record

12.4.4 Non production of record-Rs. 9,677.92 million

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 Higher Education Department, the auditable record relating to transactions amounting to Rs.9,677,924,296 (Annexure-18) was not produced despite repeated requests.

Audit was of the view that due to non-production of record, the authenticity of the accounts could not be verified.

The matter was pointed out in November 2016 and from January to November 2017. The formations at Sr. Nos. 7, 8 to 10, 13, 15 to 16, 20, 25, 29, 43, 46 & 47 did not offer any comments. The formations at Sr. Nos. 6, 14, 22 to 24, 27, 28, 31, 32 to 36, 38, 39, 41, 44 & 45 noted the observations for compliance. The management for Sr. No. 5 replied that as

per Syndicate decision departmental self supporting accounts are to be audited by the resident auditor. Reply was not tenable because as per Constitutional provision only the Auditor General of Pakistan has mandate to audit the accounts of receipt and expenditure.

The matter was further reported to the administrative department. DAC meetings were held during December 2017 and January 2018. The para at Sr. No. 15 was kept pending for verification of record; the paras at Sr. Nos. 23, 33 & 48 were kept pending for production of record; and para at Sr. No. 24 was kept pending till finalization of inquiry already taken up on the matter, paras at Sr. Nos. 10, 13 & 25 were kept pending for probe by administrative department; para at Sr. No. 32 was kept pending for probe by the Director of Education (Colleges), Lahore, paras at Sr. Nos. 37 & 39 were kept pending for compliance; the amount of paras at Sr. Nos. 26 & 42 was reduced after verification of record and para at Sr. No. 47 was reduced to the extent of recovery of income tax amounting to Rs. 51,150. Further progress was not reported by the department. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department should produce record for scrutiny besides fixing responsibility for non-production of record.

Performance

12.4.5 Financial mismanagement due to non-utilization of development funds -Rs.4.46 million

As per condition mentioned in the letter at Sr. No.3 for the allocation of funds vide No.58089-97 dated 28.12.2010 that the funds may be utilized quickly by observing all codal/procedural/ financial formalities strictly.

During audit of Government College for Boys Kot Momin Sargodha for the period 2009-16, examination of record revealed that revenue grant valuing Rs. 4.46 million released for the Establishment of Government Boys Degree College Kot Momin was not utilized and lapsed.

Audit was of the view that grants were normally granted for improving the physical resources of the country, knowledge, professional skill and productivity besides encourages efficiency in utilization of available resources. The practice leads to financial and administrative mismanagement.

The matter was pointed out in August 2017. The management did not offer any comment.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that matter should be investigated, responsibility for the lapse fixed, irregularity got regularized besides strengthening financial and supervisory controls to avoid recurrence of such lapses in future.

(PDP No. 21258 - Govt. College for Boys Kotmomin Sargodha -2009-16)

12.4.6 Non submission of PC-IV of the completed ADP schemes-Rs. 6,825.62 million

As per Government of Pakistan, Planning Commission Form PC-IV revised 2005 states that PC-IV to be furnished immediately after completion of Project regardless of whether or not the accounts of the Project have been closed.

During audit of Secretary Higher Education Lahore for the period 2016-17, scrutiny of the record revealed that Rs. 6,825.62 million was spent on following development schemes which were completed but the relevant PC-IVs were not submitted till the date of completion of audit.

Sr. No	Name of scheme	Sr. No. of Scheme	Date of completion	Amount spent till 30.06.2016 in millions
1.	Capacity Building of Higher Education Department	430-A	30.06.2017	198.501
2.	Provision of Laptops	607	30.06.2017	6,572.600
3.	Establishment of Specialized Computer Labs for BS(IT) at 26 Colleges in Punjab.		30.06.2017	54.514
Total				6,825.615

Audit was of the view that weak supervisory and financial controls resulted in non-submission of PC-IV of the completed ADP schemes.

The matter was pointed out in August 2017. The management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that PC-IV should be prepared and got approved besides strengthening financial and supervisory controls to avoid recurrence of such lapses in future.

(PDP No. 21929 - Secretary Higher Education, Lahore-2016-17)

12.4.7 Irregular/misuse of PHEC funds released to Universities for opening of Career Counseling Centers- Rs.32.00 million

As per Rule 2.10 (b) (5) of PFR Vol-I, that no money is withdrawn from the treasury unless it is required for immediate disbursement or has already, been paid out of the permanent advance and that it is not permissible to draw advances from the treasury for the execution of works the completion of which is likely to take a considerable time.

During audit of the Punjab Higher Education Commission (PHEC) Lahore for the period 2015-16, it was observed that advance payment of Rs.32.00 million was made to eight Universities @ Rs. 4,000,000 each for opening of Career Counseling Centers (CCCs) at main campuses of the universities concerned without obtaining necessary financial sanction of the advance draws from the competent authority.

It was further revealed that as per clause 4 of Section-D of SOPs framed for CCCs, PHEC was bound to make regular monitoring visits of the Universities to monitor entire activities and functions performed by CCCs but neither effective monitoring visits were made nor heavy unspent balances valuing Rs. 27,288,477 were returned to PHEC in violation of clause-7 of section-D of SOPs

The matter was pointed out in February 2017. The management replied that funds were released to the universities and not to the individuals directly and it is the responsibility of concerned universities to ensure the proper utilization of these funds by fulfilling all codal formalities. The reply was not tenable as advance payments made without approval of competent authorities and heavy unspent balances also not got recovered from quarters concerned.

The matter was further reported to the administrative department. In DAC meeting held on 20.12.2017, the committee kept the para pending for condonation of irregularity of the advance drawal from the competent authority. Moreover, observed that the actual unspent balance was Rs.21,395,032 instead of Rs. 27,288,477 and accordingly kept the para pending with the direction to refund/ deposit the unspent amount of Rs.21,395,032 into government treasury besides production of vouched account of the amount shown to have been utilized by the respective universities. Further progress was not reported by the department till the finalization of this Report.

Audit recommends that matter be inquired, unspent balances be recovered from the universities and deposited into government account besides strengthening of financial and supervisory controls.

(PDP No.18816-Punjab Higher Education Commission -2014-16)

12.4.8 Non utilization of HEC need based scholarships- Rs.7.64 million

Section 17 (a) of IUB Act, 1978 states that the treasurer shall manage the property, the finance and investment of the University and as per (c) ensure that the funds of the University are expended on the purposes for which they are provided. Further as per calendar of The Islamia University of Bahawalpur“ A register shall be maintained in the office of the Treasurer wherein shall be entered all moneys received for credit to the Fund and amount withdrawn from time to time. This register shall serve as a Cash Book of the Fund and its balance shall be checked by comparison with the Bank Statement under dated initials of the Treasurer every month”.

During audit of the Islamia University of Bahawalpur for the period 2015-16, it was observed that heavy closing balance of HEC fund

released for need based scholarships programs valuing Rs. 7,641,984 were lying in current bank account of the University since last few years. The unspent balance was neither surrendered for its utilization where actually needed nor the cash book for the scholarship account was maintained for audit scrutiny.

Audit was of the view that weak supervisory and financial controls resulted in non-utilization of HEC need based scholarships.

The matter was pointed out in March 2017, the management stated that detailed reply would be submitted in due course of time.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends to fix the responsibility for non-utilization/ surrendered of funds and maintenance of accounts besides strengthening financial and supervisory controls.

(PDP No.22044-Islamia University Bahawalpur -2015-16)

12.4.9 Non-functional of Business Incubation Center funded by HEC-Rs. 5.48 million

Section 16 (a) of UET Act, 1974 states that the treasurer shall manage the property, the finance and investment of the University.

During audit of Institute of Business and Management of University of Engineering & Technology, Lahore for the period 2014-16, it was observed that Rs.5,480,200 transferred on 08.07.2014 from HEC to UET bank account No. 0128-79017271-03 for establishment of Business Incubation Center. The purpose of center was to promote entrepreneurship among the students and seek the possibilities of commercialization of

undergraduate and postgraduate students with the facility of office space, networking facilities, promotion, mentoring and marketing but Business Incubation Center was not established despite elapse of more than 2 years. Only salary of Rs.12,000 per month of office attendant was drawn from bank account regularly. Balance of bank account as on 08.08.2016 was Rs. 5,235,942 which shows non-utilization of HEC Funds.

Audit pointed out the matter in August, 2016, the management stated that record of IBC was lies with the chairman IME department as per order of the VC, but the department did not furnish reply regarding the balance amount lying in the bank account.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends to fix the responsibility for non-functioning of Business Incubation Center besides surrender of unspent balance for its proper utilization where actually needed.

(PDP No.20130-UET Lahore -2014-16)

12.4.10 Wasteful expenditure without immediate requirements - Rs.4.50 million

As per Rule 15.18 of PFR, Vol-I, balances of stores must not be held in excess of the requirements of a reasonable period or in excess of any prescribed maximum limit. In order to ensure the observance of this rule, a periodical inspection must be made by a responsible Government servant, who must submit a report of surplus, unserviceable and obsolete stores to the authority competent to issue orders for their disposal (vide rule 15.3). Stores remaining in stock for over a year should be considered surplus unless there is any good reason to treat them otherwise.

During audit of Higher Education Department, it was observed that expenditure amounting to Rs.4,504,330 was incurred on purchase of various items for different purchases without immediate requirements resulted in wasteful/unnecessary expenditure and causing blockage of government money. The details are as under:

Sr. No.	Name of Formation	Period of audit	PDP No.	Brief description of irregularity	Amount (Rs.)
1	BZU, Multan (Institute of Chemical Sciences)	2015-16	21314	Purchase of chemicals made without immediate only to utilize the funds.	3,515,645
2	Government Degree College, PindDadan Khan	2012-16	18821	Purchase of Medical & laboratory Equipment for B.S. Honor's were made during 2012-13, whereas the B.S. Honor's classes were still not started in the college until, 2017.	988,685
Total					4,504,330

Audit was of the view that due to weak financial and supervisory controls purchases were made without immediate requirements.

Audit pointed out the matter in April 2017. The management at Sr. No. 1 replied that purchases were made on the demand of the department. The reply was not satisfactory because the purchase of chemicals made at the close of financial year in a huge quantity without immediate requirement. The management at Sr. No. 2 noted the observation for compliance.

The matter was further reported to the administrative department. In DAC meeting held on 28.12.2017, the para was kept pending for compliance. Further progress was reported by the department. As regards remaining paras, neither any reply was received nor any DAC meeting

was convened till the finalization of this Report despite issuance of reminders in October and November 2017.

Audit recommends that responsibility be fixed for unnecessary purchase without immediate requirement.

12.4.11 Non posting of regular teaching staff

As per Government of the Punjab Higher Education Department letter No.SO(A-1)1-47/2010 dated 29.11.2010, College Council shall have supervisory role and requires that to recommend postings/transfers of appropriate incumbents against sanctioned posts of the college.

During audit of Government Home Economics College Satellite Town, Gujranwala for the period 2015-16, it was observed that no regular teaching staff was posted in the college despite the fact that academic session was started in October 2014. Due to non posting of regular teaching staff, enrolment of students remained only 30 to 50 students per year which indicates that the students took least interest for admission in the college. Government had expended millions of rupees on establishment of Home Economics College in Gujranwala but only 130 students took admission in last three years.

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

The lapse was pointed out in March 2017. The management noted the observation.

The matter was further reported to the administrative department. In DAC meeting held on 07.12.2017, the para was kept pending for advice from administrative department. Further progress was reported by the department till the finalization of this Report.

Audit recommends that the matter be looked into at appropriate level besides posting of regular staff so that the students show interest in taking admission in the college.

(PDP No.19019-Govt.Home Economics College, Satellite, Gujranwala -2015-16)

Irregularity & non-compliance

12.4.12 Irregular expenditure in violation of procurement rules- Rs. 1,572.75 million

According to Rule 4 of the Punjab Procurement Rules 2014, a procuring agency, while making any procurement, shall ensure that the procurement is made in a fair and transparent manner, the object of procurement brings value for money to the procuring agency and the procurement process is efficient and economical. Moreover, as per Rule 9(2), the procuring agency shall advertise in advance annual requirements for procurement on the website of the Authority as well as on its website. Furthermore, as per Rule 12 (1) & (2) *ibid*, a procuring agency shall advertise procurement of more than one hundred thousand rupees and up to the limit of two million rupees on the website of the Authority. Any procurement exceeding two million rupees shall be advertised on the website of the Authority, the website of the procuring agency, if any, and in at least two national daily newspapers of wide circulation, one in English and one in Urdu.

During audit of Higher Education Department, it was observed that the procurements of lab equipment, furniture items and hiring of different services etc. Worth Rs.1,572,752,321 (Annexure-19) were made by splitting the indents to avoid open tendering process, without advertisement of advance annual requirements on the website of the authority and allowing inadequate response time in violation of Punjab Procurement Rules.

Audit was of the view that non-adherence to the procurement Rules resulted in irregular expenditure.

Audit pointed out the matter in November, 2016 and from January to September 2017. The formations at Sr. Nos. 1, 11, 14, 16, 18 to 20, 26, 28, 33, 31, 33, 39, 41, 43, 47, 49, 53, 56 to 61, 66, 69, 73, 78, 82 to 84, 93, 94, 111 to 113 offered no comments. The formations at Sr. Nos. 12, 15, 22, 23, 42, 54, 55, 67, 68, 71, 76, 79, 86 to 88, 90, 95, 97, 98, 102, 104 to 106, 110 & 114 noted the observations for compliance. The rest of the formations offered vague replies without any documentary evidence.

The matter was further reported to the administrative department. DAC meetings were held during November, December 2017 and January 2018. The paras at Sr. Nos. 5, 43, 55, 56, 57, 65, 69, 70, 73, 83, 85, 92, 102, 107, 109, 112, 116, 117 & 122 were kept pending for regularization from Finance Department; the para at Sr. No. 30 was kept pending for probe by Director Planning DPI office, the para at Sr. No. 36 was kept pending for production of vouched account; the para at Sr. No. 41 was kept pending for compliance; the para at Sr. No. 53 was kept pending for probe by administrative department; the amount of para at Sr. No 79 was reduced to the stated extent and the paras at Sr. Nos. 12, 15, 97 & 103 were kept pending for verification of record. No further progress was reported by the department. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends to fix the responsibility for non-adherence to Procurement Rules besides getting the irregularity condoned from competent authority and strengthening financial and supervisory controls to avoid recurrence of such lapses.

12.4.13 Unauthorized advance payments -Rs. 156.81 million

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 per Rule 17.2 *ibid*, the expenditure should be sanctioned by the competent authority.

During audit of Higher Education Department, it was observed that an amount of Rs. 156,805,878 was drawn from treasury as advance payments to different Higher Education Institutions for execution of different programs etc. without prior approval of the Finance Department. The funds were placed in different bank accounts to prevent lapse of funds. The vouched / adjustment account was also not obtained from the quarters concerned. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Brief description of irregularity	Amount (Rs)
1.	Punjab Higher Education Commission	2014-16	18815	Advance payments made to different Universities for execution of Foreign Post-Doctoral Fellowship Program without obtaining approval for the advance drawl and vouched account not obtained	70,000,000
2.	Islamia University of Bahawalpur	2015-16	19852	Amount was drawn in advance and placed in commercial bank account to avoid lapse of funds. Further vouched account was not submitted to quarter concerned.	35,000,000
3.	Punjab Higher Education Commission	2014-16	18808	Advance payment made to various contractors without obtaining	28,315,000

Sr. No.	Name of formation	Period of audit	PDP No.	Brief description of irregularity	Amount (Rs)
				approval from Finance Department	
4.	Punjab Higher Education Commission	2014-16	18814	Advance payments made to different Colleges for short term trainings without obtaining approval of the advance drawl and vouched account not obtained	11,983,000
5.	Punjab Higher Education Commission	2014-16	18810	Advance payments made to different Colleges for trainings without obtaining permission for the advance drawl and vouched account not obtained	8,461,875
6.	University of the Punjab	2014-16	19203	Advance payment made to supplier without approval of the competent authority	2,965,790
7.	Govt. Millat Degree College, Ghulam Muhammad Abad, Faisalabad	2016-17	21640	Advance payment made for different purposes without any authority	80,213
Total					156,805,878

Audit was of the view that non-observance of government rules resulted in irregular drawl of advances.

Audit pointed out the matter in February and March, 2017. The formations at Sr. Nos. 1, 3 to 6 replied that the funds were released as per approved SOPs to the universities. It is the responsibility of the quarter concerned to get the accounts audited. The replies were not satisfactory because the advance payments made without obtaining sanction from the

Finance Department. Further vouched account against the drawls was still awaited from quarter concerned. The management at Sr. No.2 replied that the detailed reply would be submitted in due course of time. The management at Sr. No. 7 noted the observation for compliance.

The matter was further reported to the administrative department. DAC meetings were held on 20.12.2017 and 25.01.2018. The para at Sr. No. 1 was kept pending for production of record; the para at Sr. No. 3 was kept pending for regularization from Finance Department; para at Sr. No. 5 was kept pending for compliance and para at Sr. No. 7 was reduced to the stated extent after verification of adjustment of advances. Further progress was not reported by the department. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report.

Audit recommends that matter should be looked into, vouched account be obtained, unspent balances be deposited into government account and irregularity got condoned form competent authority besides strengthening financial and supervisory controls to avoid recurrence of such lapses in future.

12.4.14 Irregular expenditure out of students funds without approval of college council -Rs. 105.01 million

As per Higher Education Department notification No.SO(CA01-44/2016 dated 16.05.2016 requires that Principal have full powers for incurrence of all the expenditure from student funds subject to approval from college council and through notified purchase committee and as per para no. (ii) & (iii) of Higher Education department notification issued vide No. SO(A-1)1-47/2010 dated 29.11.2010 College Council requires that;

- To be well aware of the available funds, their generation mode and further, utilization criteria, and prepare and recommended college budget, besides submitting an annual statement of accounts to the government.
- To prioritize the needs and assess the requirements for effective and useful funds utilization.

During audit of Higher Education Department, it was observed that expenditure to the tune of Rs.105,014,444 (Annexure-20) was incurred on purchase of different items out of students funds without approval from college council / constitution of college council in contravention to above mentioned government rules.

Audit was of the view that violations of above stated rules resulted in irregular utilization of students funds.

Audit pointed out the matter from February to May 2017 and August 2017. The formations at Sr. Nos. 1, 8, 10, 13, 16 offered no comments. The formations at Sr. Nos. 2, 14 & 15 noted the observations for compliance. The formations at Sr. Nos. 3 to 5, 7, 11 noted the para only. The formations at Sr. Nos. 6 & 9 replied that the matter was already under consideration. The formation at Sr. No. 12 replied that record of expenditure out of student funds is now available which may be verified. The replies were not tenable as documentary evidences to substantiate the claims were not produced.

The matter was further reported to the administrative department. DAC meetings were held during November & December 2017 and January 2018. The para at Sr. No. 1 was kept pending till revision of college council notification; the paras at Sr. Nos. 3, 4, 6 & 11 were kept pending for compliance; para at Sr. No. 12 was reduced to the stated

extent after verification of record, para at Sr. No. 14 was kept pending for ex-post facto approval of college council and para at Sr. No. 15 was kept pending for regularization from Finance Department. Further progress was not reported by the department. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the irregularity may be got regularized from the competent authority.

12.4.15 Irregular appointments / up-gradations-Rs. 93.09 million

As per respective Acts of the universities and the instructions of the Government of the Punjab Finance Department, certain conditions ancillary to appointments and up-gradations were set forth.

During audit of Higher Education Department, it was observed that the appointments and up-gradations of the posts were made in violation of the conditions set forth for the purpose. The details are given in annexure-21.

Audit was of the view that weak internal controls on appointments resulted in irregular appointments and up-gradations.

In response to the preliminary observations, the management at Sr. Nos. 2, 3, 6 & 7 did not offer reply. The management at Sr. No. 4 replied that matter would be rectified as per law. The management at Sr. No. 5 replied that appointment of retired professor was made through advertisement on the recommendations of the Selection Board. The reply was not tenable as University rules did not allow appointment of a retired person. The management at Sr. No. 8 replied that the appointment of Treasurer had been made by Governor/ Chancellor of the University. The reply was not tenable as it was silent about above observations. The management at Sr. No. 1 offered vague and evasive reply.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department should strengthen its internal controls on appointments, seek regularization of the appointments or having taken the corrective measures, effect recoveries of the inadmissible payments.

12.4.16 Irregular placement of funds in bank accounts other than Bank of Punjab-Rs.67.87 billion

Finance Department letter No. FD (W&M)1-1/70 (Vol-XI) dated 20.11.2013, requires that funds/accounts be placed with the Bank of Punjab. According to Higher Education Department letter No. SO (Univ.) Misc – 12/2013 dated 21.10.2013, addressed to Vice chancellors of all the Public Sector Universities of Punjab, funds/accounts of Public Sector Universities be placed with the Bank of Punjab.

During audit of the following formations of Higher Education Department, it was observed that the funds were placed in bank accounts other than the Bank of Punjab in violation of government instructions:

Sr. No.	Name of formation	Period of audit	PDP No	Brief description of Irregularity	Amount (Rs.)
1.	Lawrence College, Ghora Gali, Murree	2016-17	21721	Funds were placed at NBP instead of BoP	65,032,636,881
2.	University of Sargodha	2016-17	21412	Funds were placed at HBL instead of BoP	1,757,463,973
3.	Board of Intermediate and Secondary Education, Bahawalpur	2015-16	21891	Funds were placed at UBL instead of BoP	585,932,143

Sr. No.	Name of formation	Period of audit	PDP No	Brief description of Irregularity	Amount (Rs.)
4.	BISE, Bahawalpur	2015-16	21967	Funds were placed at UBL instead of BoP	217,876,784
5.	Fatima Jinnah Women University, Rawalpindi	2016-17	21286	Funds were placed at FWBL instead of BoP	204,447,760
6.	University of Sargodha	2016-17	21446	Funds were placed at HBL instead of BoP	67,495,577
7.	GPG Islamia College, Gujranwala	2015-16	21270	Funds were placed at NBP instead of BoP	7,766,708
8.	BISE, Bahawalpur	2015-16	21898	Opening of UBL Branch instead of BoP Branch	0
Total					67,873,619,826

Audit was of the view that non-adherence to government instructions resulted in irregular placement of funds.

Audit pointed out the matter in March to November 2017. The management for Sr. No. 1 replied that the nature of every account was different and the accounts were necessary for the smooth running of the college business. The management at Sr. No. 2 replied that the university is following government policy on investment. Opening of accounts in HBL was a separate matter. No investment (TDR) cases active at this stage. Compliance of government policy ensured since financial year 2015-16. The formations at Sr. Nos. 3 & 8 replied that the matter had already been taken up with Government of the Punjab and PBCC, Lahore. Action will be taken on receipt of decision. The management at Sr. No. 5 replied that the university is a female institute and due to this reason the first women bank limited had been opened to deal with female students (fee collection / any other services). And this branch is wholly solely

dealing and providing services to FJWU, Rawalpindi only. The management at Sr. No. 6 replied that HBL branch is working in University as per agreement and no investment however, was made against government policy. The formations at Sr. Nos. 4 & 7 noted the observations.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends condonation of irregularity from Finance Department besides adherence to government instructions.

12.4.17 Irregular investment of surplus funds without approval of the Finance Department-Rs.2,442.93 million

According to Finance Department letter No. FD (W&M) 1-1/70(VII) dated: 15.05.2009, interest rates of five major banks namely NBP, HBL, UBL, MCB, ABL should be compared with the interest rate of Bank of Punjab. The cases in which higher interest rates are offered by the above mentioned banks should be referred to the Finance Department for advice.

During audit of institutions of Higher Education Department, it was observed that an amount to the stated extent was invested in different banks without fulfilling the conditions stipulated in the above instructions:

Sr. No.	Name of formation	Period of audit	PDP No	Brief description of Irregularity	Amount (Rs.)
1.	Lawrence College, Ghora Gali, Murree	2016-17	21720	Investment in NSC	1275,017,500
2.	University of Engineering & Technology, Lahore	2014-16	20114	Investment in Allied bank instead of BoP	555,868,000

Sr. No.	Name of formation	Period of audit	PDP No	Brief description of Irregularity	Amount (Rs.)
3.	BISE, Bahawalpur	2016-17	21959	Investment in different Banks	349,000,000
4.	Fatima Jinnah Women University, Rawalpindi	2016-17	21277	Investment in NBP and NSC instead of BoP	263,045,000
5.	University of the Punjab, Lahore	2014-16	19252	Investment in HBL instead of BoP	0
Total					2,442,930,500

Audit was of the view that non-observance of rules and weak administrative controls resulted in unauthorized investments.

Audit pointed out the matter in August 2016, August 2017 and November 2017. The management at Sr. No. 1 replied that the Secretary Finance, Government of the Punjab had checked all the investments which were approved by him in Finance committee meeting. The formations at Sr. Nos. 2 & 3 noted the observation for compliance. The management at Sr. No. 4 replied that the investment has already been approved in 48th syndicate meeting held on February 10, 2017. The investment of Rs.97.945 million will be invested in BoP after maturity date on 31.12.2017 as per government instructions. Rs.165.100 million was invested in NSC as these are employee related funds. The Syndicate has approved the investment in its 42nd meeting held on April 17, 2015. The agenda for the investment for the financial year 2016-17 will be placed in the upcoming meeting of syndicate. The management at Sr. No. 5 replied that investments of the university funds are being made according to instructions issued by finance department.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till

the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends condonation of irregularity from the Finance Department besides strengthening of internal controls.

12.4.18 Irregular appointment of contingent paid staff-Rs. 28.74 million

As per Finance Department Letter No. FD. SO(GOODS)44-4/2011- DATED 6.7.2015 “no contingent paid staff shall be appointed without prior approval of Finance Department”. Moreover as per honorable Supreme Court of Pakistan ruling dated 19.01.1993, passed in Human Rights case No.104 (I to IV) 1992 read with S&GAD’s Notifications No. SOR-III-2-2/91 dated 05.01.1995 and No. DS(O&M)5-3/2004/Contract)(MF) dated 29.12.2004, no recruitment should be made against any post which is not advertised properly.

During audit of Higher Education Department, it was observed that appointments of contingent paid employees/ staff in board and colleges were made without advertisement and approval from the Finance Department in contravention of above instructions. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No	Brief description of Irregularity	Amount (Rs.)
1.	BISE, Sahiwal	2015-16	19055	Appointment of contingent paid staff	27,629,114
2.	GDC (W), Pind Dadan Khan	2012-16	18822	Appointment of contingent paid staff	854,291
3.	GDC (W), Dhok Kala Khan, Rawalpindi	2004-16	18850	Appointment of contingent paid staff	255,517
Total					28,738,922

Audit was of the view that non-adherence to above stated provisions resulted in irregular appointments and payment of salaries.

Audit pointed out the matter in March and April 2017. The formations at Sr. Nos. 1 & 2 noted the observation for compliance. The management at Sr. No. 3 offered no reply.

The matter was further reported to the administrative department. DAC meetings were held on 14.11.2017 and 28.12.2017. The para at Sr. No. 2 was kept pending for approval of college council and para at Sr. No. 3 was kept pending for probe by the administrative department. Further progress was not reported by the department. As regards remaining para, neither any reply was received nor any DAC meeting was convened till the finalization of this Report.

Audit recommends that irregularity be got condoned from the Finance Department. Further, the institutions should get their statutes approved from the Chancellor/concerned body.

12.4.19 Irregular payment of mobilization advance-Rs. 38.37 million

According to Finance Department Notification No. R.O (Tech) F.D 18-44/2006, dated 07.12.2007, the mobilization advance would be given to the contractor whose tendered amount in the acceptance letter exceeds 10 Million @ 10% and after its completion 5% more. The recovery of mobilization advance will be made after expiry of 20% period of completion or 20% of the work done whichever is earlier @ 25% of work done in each bill.

During audit of University of Sargodha for the period 2016-17, it was observed that mobilization advance was given to the contractors and

consultant without any admissibility and just to avoid lapse of funds. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No	Brief description of Irregularity	Amount (Rs.)
1	University of Sargodha	2016-17	21402	15 % of mobilization advance was sanctioned / allowed to contractors without keeping in view the above criteria.	36,585,000
2	University of Sargodha	2016-17	21400	Mobilization advance was given to the consultant without any admissibility.	1,785,000
Total					38,370,000

Audit was of the view that non-adherence to above stated provisions resulted in irregular payment of mobilization advance.

Audit pointed out the matter in September 2017. The management for Sr. No. 1 replied that recovery along with interest factor shall be effected due verification of record. The management for Sr. No. 2 replied that the payment made as per agreement. However, the condition of advance in agreement shall be probed and responsibility shall be fixed accordingly.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the matter of undue financial benefit to the contractor be probed to fix the responsibility besides strengthening the internal controls.

12.4.20 Irregular placement of Group Insurance Fund-Rs. 4.33 million

As per letter No. Secretary (Funds)S&GAD/WR1/1-2/2016 dated 20.07.2016 of Service & General Administration Department (Provincial Welfare Board), Government. of the Punjab has contracted a Group Term Insurance agreement for its employees with Postal Life Insurance for a period of three years from 01.07.2016 to 30.06.2019.

During audit of Higher Education Department, it was observed that the Government instructions were not being followed by the managements and insurance premium valuing Rs.4,327,425 was paid to M/s State Life Insurance Corporation of Pakistan instead of M/s Postal Life Insurance in violation of above directions. Moreover, annual insurance premium was paid at higher rates than the government rates resulted into loss to universities. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No	Brief description of Irregularity	Amount (Rs.)
1.	University of Sargodha	2016-17	21391	Insurance premium Rs.3,409,225 was paid vide cheque No.10318503 dated 29-6-2017 for the period 27-10-2016 to 26-10-2017 to M/s State Life Insurance of Pakistan instead of M/s Postal Life which is irregularly in violation of rules. Annual insurance premium was paid at higher rates than the govt. rates resulted into loss to university to the extent of Rs.340,444	3,409,225

Sr. No.	Name of formation	Period of audit	PDP No	Brief description of Irregularity	Amount (Rs.)
2.	Fatima Jinnah Women University	2016-17	21293	Insurance premium Rs.918,200 was paid vide cheque No.180346 dated 14-12-2016 for the period 2016-17 to M/s State Life Insurance of Pakistan instead of M/s Postal Life which is irregularly in violation of rules. Annual insurance premium was paid at higher/lesser rates than the govt. rates resulted into less payment of Rs.21,998.	918,200
Total					4,327,425

Audit was of the view that non-adherence to above stated provisions resulted in irregular placement of group insurance.

Audit pointed out the matter in September and November 2017. The management at Sr. Nos. 1 replied that probe report shall be provided later on. The management at Sr. No. 2 replied that the letter No. Secy. (Funds) S& GAD/WRI/1-2/2016 dated 20.07.2016 mentioned by the audit team is not officially addressed and communicated to this institute. The reply was not accepted being evasive.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the matter be inquired, responsibility fixed for non-adhering to Government instructions and recover the loss either from the firm or the staff held responsible besides strengthening of supervisory, financial and internal controls.

12.4.21 Irregular payment to Punjab Boards Committee of Chairmen (PBCC)/Inter Boards Committee of Chairmen (IBCC)- Rs.1.30 million

According to Rule 15 (2) under Chapter-I of the Board calendar, it shall be the duty of the Chairman to ensure that the provisions of this Act and the regulations and rules and directions of the Controlling Authority are faithfully observed and carried out, and he shall exercise all powers necessary for this purpose.

During audit of Higher Education Department, it was observed that a sum of Rs. 1,300,000 was paid to the Secretary Punjab Boards Committee of Chairmen and Inter Boards Committee of Chairmen out of Boards' fund without any provision in Board Act 1976. Neither a plausible reason was offered nor any vouched account was shown to audit to verify the genuineness of the expenditure. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	BISE, Bahawalpur	2016-17	21969	750,000
2.	BISE, Lahore	2015-16	19833	550,000
Total				1,300,000

Audit was of the view that non-adherence to the provision of Board's Calendar resulted in an irregular payment of Rs.1,300,000.

Audit pointed out the matter during March and September 2017. The management at Sr. No. 1 noted the observation for compliance. The management at Sr. No. 2 replied that the PBCC was constituted by the Government of the Punjab to keep the unification / consistency among the rules of business of work to Boards of Punjab. For the purpose, PBCC needs funds to run the day to day business of committee. Accordingly, every Board contributes its share which is decided by the PBCC. The

amount paid to PBCC was released on the request of Secretary PBCC after meeting codal formalities. The reply was not accepted being evasive.

The matter was further reported to the administrative department. In DAC meeting held on 27.12.2017, the para at Sr. No. 2 was kept pending for clarification from Finance Department. Further progress was not reported by the department. As regards remaining para, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends stoppage of illegal practice besides providing vouched account for audit inspection.

***12.4.22 Irregular payment of honorarium / late sitting charges-
Rs. 48.65 million***

As per Government of Punjab Education Department letter No. S.O (Boards) 1-132/89 dated 23.04.1990, grant of honorarium to the Board employees shall be subject to the following conditions:

- Each and every employee will not be entitled to it with disregard to his merit.
- Merit will depend on the degree of commendability.
- Work and conduct will include Efficiency, Accuracy, Performance, Responsibility, Devotion, Regularity, Punctuality, Integrity, Reliability, Discipline and Ability of supervision.
- An employee cannot merit on leave, without work and under disciplinary proceedings.

During audit of Higher Education Department, it was observed that as per instructions of Government of Punjab late sitting allowance honorarium was required to be paid to such employees who fulfill the above mentioned criteria. But late sitting charges / honorarium amounting to Rs.48,645,583 was paid in contravention of above criteria. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	BISE, Bahawalpur	2016-17	21961	21,774,874
2.	BISE, Bahawalpur	2015-16	21892	18,585,847
3.	BISE, Sahiwal	2015-16	19045	8,284,862
Total				48,645,583

Audit was of the view that weak internal and supervisory controls resulted into irregular payment of late sitting charges /honorarium to the stated extent.

Audit pointed out the matter in March, April and September 2017. The managements noted the observation for compliance.

The matter was further reported to the administrative department. In DAC meeting held on 14.11.2017, the para at Sr. No. 3 was kept pending for clarification from Finance Department. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends to fix the responsibility besides strengthening financial and supervisory controls.

12.4.23 Release of funds to PHEC without clearance of Constitutional status from Council of Common Interests (CCI)- Rs.200 million

According to a Summary, moved for the Chief Minister by the Secretary Higher Education Department (HED) on 22.05.2015, requiring therein approval of funds of Rs.4250 million for PHEC for the financial year 2015-16, a reservation was raised on 05.08.2015 by the Special Secretary of the Finance Department (vide Para-18/n of said Summary) regarding disputed status of PHEC, which is still pending with the Council of Common Interests, and the HED was also required to explain the correct constitutional position of the Punjab Higher Education Commission (PHEC) before the release of funds from FD.

During audit of Punjab Higher Education Commission (PHEC) Lahore for the period 2014-16, it was observed that Rs. 200 million was released to PHEC during 2015-16 without getting status & fate of the PHEC cleared from the Council of Common Interests (CCI), notified by the Cabinet Secretariat (Government of Pakistan).

Audit was of the view that funds were released due to weak financial and supervisory controls

Audit pointed out the matter in February 2017. The management replied that funds were released without any deviation in rules and regulations. The reply was not satisfactory because funds were released without getting cleared the status of PHEC from the Council of Common Interests.

The matter was further reported to the administrative department. In DAC meeting held on 20.12.2017, the para was kept pending for verification by HED with consultation of Council of Common Interests.

Further progress was not reported by the department till the finalization of this Report.

Audit recommends that to address the issue, matter should be probed besides strengthening financial and supervisory controls.

(PDP No.18811- Punjab Higher Education Commission, Lahore-2014-16)

12.4.24 Expenditure on pay and allowances without receipt of salary funds from the HEC - Rs. 109.56 million

The Governor / Chancellor has approved salary package for Public Sector Universities in Punjab equivalent to Professors at Tenure Track System subject to provision of funds by the Higher Education Commission with immediate effect vide Higher Education Department Notification No.SO(Univ)11-1/2002 dated 12.03.2012.

During audit of University of Engineering & Technology, Lahore for the period 2014-16, it was observed that Professors of different departments were paid salary equivalent to Professor at Tenure Track System amounting to Rs.109,557,284 out of the university funds without getting funds allocated from the Higher Education Commission.

Audit was of the view that weak financial controls resulted in payment of pay and allowances without receipt of salary funds from the HEC.

The matter was pointed out in August 2016. The management did not offer any reply.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that budget may be obtained from HEC and adjusted in accounts of the university besides strengthening financial and supervisory controls.

(PDP No.20117- UET, Lahore-2014-16)

12.4.25 Irregular purchase of medicines without DTL-Rs.43.39 million

According to Clause-I of letter No. S.O.(P-4)44/3-44/2008 dated 18/08/2008 Government of the Punjab Health Department, a sample from all regular purchases except for emergency and day to day must be submitted to Drug Testing Laboratories, Punjab, Lahore for test / analysis by the respective institution.

During audit of University of Sargodha for the period 2016-17, it was observed that the university was operating Medical and Diagnostic Center (UMDC) for university employees and general public, for this purpose UMDC had purchased medicines worth Rs.43,390,818 which were sold to university employees and general public without getting the medicines tested from Punjab Drug Test Laboratories (DTL).

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

The matter was pointed out in September 2017. The management stated that detailed reply would be furnished later.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that matter being serious in nature be probed for fixing responsibility besides regularization of irregular expenditure from competent authority.

(PDP No.21419- University of Sargodha-2016-17)

12.4.26 Irregular expenditure on hiring of foreign faculty without provision in Statutes-Rs.42.89 million

The Higher Education Commission Government of Pakistan discontinued the "Project Foreign Faculty Hiring Program" w.e.f 01.07.2013. As per Section 10 (8) of the School of Mathematical Sciences Statutes 2003, the authorities competent to make appointments to various grades shall be as follows:

Sr. No.	Grade	Appointing Authority
1	MP-1 or such salary /scale as may be decided by the Board	Chancellor on the recommendation of Board
2	BS-17 & above including MP-11 and MP-III or such salary / scale as may be decided by the Board	Board on the recommendations of the Selection Committee
3	BS-1 to BS-16	Director General on the recommendations of the Appointment Committee constituted by the Director General

During the audit of Abdus Salam School of Mathematical Sciences Lahore for the period 2011-16, it was observed that Higher Education Commission, Government of Pakistan discontinued the Project Foreign Faculty Hiring Program w.e.f 01.07.2013 but despite discontinuation, the foreign faculty was allowed to continue work and paid heavy amount of Rs. 42,885,989. It is also worth mentioning to point out here that neither the posts (Foreign Professors) exist in Schedule of the School Statutes nor any procedure for selection/ appointments of Foreign Professors exist in

the Section 10 (8) or any other Section of the Statutes. This resulted into irregular expenditure of Rs 42,885,989 on hiring of foreign faculty.

Audit pointed out the matter in May 2017. The management replied that the Higher Education Commission (HEC) vide letter dated 17.07.2012 given the extension to the Development Project "Foreign Faculty Hiring Program" up to 30.06.2013. The authorities at HEC level recommended that after 30.06.2013, HEIs may consider to absorb Foreign Faculty from their own budget. In the light of direction, the BOG in its 22nd meeting dated 03.09.2013, approved the hiring of foreign faculty as per need of the School on short term basis for the period 1 to 6 months and foreign faculty would be paid from the school's own budget.

The reply was not satisfactory because as per Section 2(ii) of the School of Mathematical Sciences Statutes 2003, one of the objective of the school was to pursue excellence in mathematical sciences through the focused research by attracting active Pakistani researchers as permanent or visiting faculty. No provision for hiring of Foreign Professors exist in Schedule of the School's Statutes nor any procedure for their selection/appointments exist in the Statutes. Hence hiring without any provision and procedure was not in line with the Statutes of the organization.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that matter should be looked into and irregularity be got condoned with the sanction of the competent authority besides strengthening financial and supervisory controls to avoid recurrence of such lapses in future.

(PDP No.19275-Abdus Salam School of Mathematical Sciences, Lahore -2011-16)

12.4.27 Irregular printing of answer books- Rs.17.76 million

According to Rule 4 of the Punjab Procurement Rules 2014, a procuring agency, while making any procurement, shall ensure that the procurement is made in a fair and transparent manner, the object of procurement brings value for money to the procuring agency and the procurement process is efficient and economical.

During audit of University of Sargodha for the period 2016-17, it was observed that Rs.17,758,850 was paid to M/s Saad Enterprises Faisalabad for printing of 1,000,000 nos. external answer books (44 pages) and 100,000 nos. practical answer books (16 pages). The printing work was held irregular on the following grounds:

- Specification of the paper was not got tested from any of the recognized Govt. lab (for example BISE Bahawalpur got its answer book paper test from Pakistan Council of Scientific & Industrial Research Laboratories Complex Lahore)
- Criteria for evaluation of technical bid was neither formulated nor circulated among the bidders.
- Weight of paper of answer sheets was not checked and compared with the specification given in tender document (70 GM) by the Inspection Committee/ Central Purchase Committee using weight scale as evident from inspection report and sample papers/answer sheets checked by the inspection committee also not available in record.

Audit was of the view that irregular printing of answer books was due to weak financial and supervisory controls.

The matter was pointed out in September 2017. The management stated that detailed reply would be furnished later on.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that matter should be inquired, responsibility fixed besides regularization of the irregular expenditure.

(PDP No.21435-University of Sargodha -2016-17)

12.4.28 Unjustified payment to security services-Rs.16.60 million

As per clause p (i) of agreement between University of Engineering & Technology and Guardian Security Services (Pvt.) Limited w.e.f. 10.11.2015, the Guardian Security Services (Pvt.) Limited shall deploy only such ex-armed forces personnel as guards and supervisors who are physically fit possessing the age between 35 to 50 years. Moreover, as per clause (a) of agreement between University of Engineering & Technology and Guardian Security Services (Pvt.) Limited w.e.f. 01.07.2014, the Guardian Security Services (Pvt.) Limited will provide security cover on 12 hours shift basis on all week days of engaging young and healthy ex-servicemen armed guards.

During audit of University of Engineering and Technology, Lahore for the period 2014-16, scrutiny of the copies of CNICs of 50 security guards provided by the company revealed that 35 security guards belonged to ages ranging between 50 to 70 years, 7 security guards belonged to ages ranging between 20 to 31 years, whereas the age of 1 security guard was not given by the department. Only 7 security guards were upto the mark as per agreement.

Audit was of the view that unjustified payments of Rs.16,602,516 were made to Guardian Security Services due to weak supervisory and financial controls.

Audit pointed out the matter in August 2016. The management replied that the necessary instructions have been issued to concerned company for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends matter should be investigated at appropriate level, responsibility fixed besides condonation of irregularity and strengthening controls to avoid any unpleasant happening.

(PDP No.20124-University of Engineering & Technology, Lahore -2014-16)

12.4.29 Irregular procurement of generators -Rs. 8.43 million

As per Rule 10 (1) of Punjab Procurement Rules 2014, a procuring agency shall determine specifications in a manner to allow the widest possible competition which shall not favour any single contractor nor put others at disadvantage and the specifications shall be generic and shall not include references to brand names, model numbers, catalogue numbers or similar other classifications.

During audit of the University of the Punjab for the period 2014-16, it was observed that an amount to the stated extent was incurred on purchase of generators. The expenditure was held irregular on the ground that the specification of the generators to be procured was altered after calling tender enquiry. The new specifications were neither advertised nor communicated to any bidder and favour was made to single bidder.

Audit pointed out the matter in November 2016. The management replied that the procurement of Generators was made in accordance with the Punjab Procurement Rules after press advertisement in the national dailies as well as on the websites of PPRA and the University.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the responsibility be fixed for not adhering to the government instructions and condonation of irregularity be sought from the competent authority.

(PDP No.19218-University of the Punjab, Lahore -2014-16)

12.4.30 Unlawful payment of pay and allowances against posts not included in the schedule of Statute-Rs. 7.44 million

As per Sr. No. 10(7) of the School of Mathematical Sciences Statute, 2003, the qualification and the mode of appointment to various posts shall be as mentioned in the schedule of statute.

During audit of Abdus Salam School of Mathematical Sciences Lahore for the period 2011-16, it was observed that pay and allowances for the following posts were drawn and paid which were not included in schedule of the Statutes.

Sr. No.	Designation of the post	BS	Period	Pay and allowances paid (Rs.)
1.	Associate Professor	20	Sep 2015 to June 2016	1,479,755
2.	Associate Professor	20	Oct, 2015 to June 2016	1,034,527
3.	Director Admin and Finance	19	July 2011 to March 2014	2,905,811
4.	Assistant Admin Officer	16	July 2011 to Aug 2014	1,231,343
5.	Audit and Accounts Assistant	16	July 2011 to Aug 2013	536,694
6.	Security Assistant	11	July 2011 to Aug 2012	250,978
Total				7,439,108

Audit was of the view that weak supervisory and financial controls resulted in unlawful payment of pay allowances Rs. 7,439,108.

Audit pointed out the matter in May, 2017. The management replied that the Board of Governors in its 22nd meeting held on 03.09.2013 decided to hire the local faculty in the light of Clause 22 of approved Service Statutes since it was a dire need to appoint faculty to run the school. The reply was not satisfactory because officers and officials were appointed against those posts which were not included in the Schedule of Statutes of School.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that matter should be looked into and irregularity got condoned with the sanction of the competent authority.

(PDP No.19279-Abdus Salam School of Mathematical Sciences, Lahore -2011-16)

12.4.31 Irregular opening of the LC - Rs. 6.03 million

As per Bid Documents clause No. 18, no advance payment will be made in favor of tender awarded firm. Moreover, as per clause 31, in case of bid on C&F basis, the university will only provide a request letter to the concerned tax authorities for exemption of taxes at the import stage.

During Audit of the University of the Punjab for the Year 2014-16, it was observed that an amount to the stated extent was incurred on purchase machinery and equipment through LC. The expenditure was held irregular on the following grounds:

- The university taken bids on C&F basis for the goods/machines to be imported but the successful asked the

university to directly executive the contract with the foreign manufacturer (Principal) through “Irrevocable LC” and payment condition was “LC at sight”. LC was opened by the University itself in violation of the bid documents above clauses.

- Moreover, it was noticed that in many cases the LC opened by the university with the foreign manufacturer (Principal) after lapse of considerable time form one month to four months of purchase order date given to successful vendor.
- Furthermore, LC final adjustment account was not shown to audit to calculate the exact loss/gain to the university on account of the irregular opening of the LC. LC contingent bill was also not signed by the relevant head of the Department/Project Manager.

Audit was of the view that non-observance of bidding documents clauses resulted in irregular opening of the LC.

Audit pointed out the matter in November 2016. The management replied that procurement through L/C on C&F basis was made, no advance payment is made to the tender awarded firm, only letter of credit was opened with the Bank and payment is made to the principal after the receipt of shipment and not to the firm and same procedure has been adopted in the procurement process through L/Cs. The reply of the management was not tenable as the bidding documents clauses were not observed.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till

the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends implementation of Punjab Procurement Rules in true spirit and recovery of the loss from the concerned besides condonation of irregularity of the advance payments from the chancellor.

(PDP No.19250-University of the Punjab, Lahore -2014-16)

12.4.32 Irregular distribution of share money - Rs.4.96 million

As per Section 26(i) of University of Sargodha Ordinance 2002, Statutes may be made to provide for and regulate scales of pay and other terms and conditions of service of officers, teachers and other employees of the University. Sub-section 2(ii) *ibid* provides that the statutes for sub section (1) (i) shall not be effective until these have been approved by the Chancellor.

During audit of University of Sargodha for the period 2016-17, scrutiny of the University Medical Diagnostic Centre record revealed that an amount of Rs.4,957,685 was paid to UMDC staff as share but approval of the chancellor was not shown to audit. The details are as under:

Sr. No.	Detail	Amount (Rs.)
1.	Share of Doctors (Evening & Morning Doctors)	3,329,864
2.	Share out of Pharmacy Shop	1,499,351
3.	Share of Doctors (Morning Doctors)	128,470
Total		4,957,685

Audit was of the view that non-observance of instructions resulted in irregular distribution of share money.

The matter was pointed out in September 2017. The management stated that the detailed reply would be submitted after scrutiny of record.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department should either seek approval of the Chancellor with retrospective effect or effect recovery of the stated amount from the persons held responsible.

(PDP No.21425, 21427-University of Sargodha -2016-17)

12.4.33 Irrational charging of fine and burqa funds from the students- Rs. 1.61 million

Government of the Punjab Higher Education Department has created student funds with notified objects. The funding of these funds is made from the collection of students at a prescribed rate and further each fund has its own objects. The funds can be spent on these objects only. The rules of these funds do not provide the payment other than its objects.

During audit of Government Degree College for Women Marghzar, Lahore for the period 2014-16, it was observed that an amounting to Rs. 1,806,094 was charged from the students on account of fine fund, out of which an amount of Rs. 1,206,441 was incurred on different purposes instead of students for welfare. It seemed irrational charging of fine and extra financial burden on parents belonging to poor family. It is responsibility of the government to provide the education on low cost but this aim was not kept in mind at the time imposing of fine on unreasonable basis, as no policy for imposing of fine was approved by the authority. Therefore, the charging of fine was held unjustified.

The details are as under:

Year	O. B	Income	Total Income	Exp.	C. B
2014-15	166,805	116,900	283,705	196,667	87,038
2015-16	87,038	124,500	211,538	154,110	57,428
2014-15	537,328	412,974	950,302	350,777	732,334
2015-16	732,334	953,720	1,686,054	504,887	472,165
	Total Income	1,608,094	Total Expenditure	1,206,441	

It was also observed that burqa fund @ Rs.100 per student was charged from the students and an amount of Rs. 350,777 was incurred during the period under audit but no space for burqa room and its custodian was provided for save custody of students belongings. Moreover, library security was not refunded to the students after completion of their session.

Audit was of the view that non-observance of government instructions resulted in irrational charging of fine and burqa funds from the students.

Audit pointed out the matter in February 2017. The management replied that funds were collected as per direction of the department.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

The audit recommends to take up the matter with higher authorities for reconsideration of the matter.

(PDP No.19268-Government Degree College for Women, Murghzar Colony, Lahore -2014-16)

12.4.34 Irregular payment of remuneration to PDC faculty (IBM) - Rs.1.58 million

As per Sub section 2(ii) of section 29 of UET Act 1974, the draft of statutes concerning any of the matters mentioned in clauses (a) and (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”. Moreover, as per clause ‘b’ of sub section 1 of section 29, the scales of pay any other terms and conditions of service of officers, teachers and other employees of the University.

During audit of University of Engineering & Technology, Lahore for the period 2014-16, it was observed that IBM was running Professional Development Centre (PDC) and offering various professional development courses. It was noticed that the management is running the center on profit sharing basis that is against the university constitution i.e. section 29 (2)(ii). Moreover, income was not being calculated accurately because the management was not deducting the expenditures from the receipts in order to get maximize profit. In this regards, an amount of Rs.1,577,098 was distributed to the teachers and the Director without approval of the Chancellor.

Audit was of the view that weak supervisory and financial controls resulted in irregular payment of remuneration to staff.

Audit pointed out the matter in August 2016. The management replied that no payment was made to resource person in respect of PDC after 22.11.2014, which is not tenable as the department paid a sum of Rs.1,577,098 to the staff as remuneration.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till

the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the profit sharing formula should be stopped at once and affairs of the PDC should be managed as per law, and amount be recovered.

(PDP No.20141-University of Engineering & Technology, Lahore -2014-16)

12.4.35 Unauthorized collection of student funds - Rs. 11.63 million

Purpose/scope of fund, utilization and expenditure sanctioning authority issued by Higher Education department vide letter No.SO(CA)1-44/2016 dated 16.05.2016 were required to be followed by the college administration. Only rates of funds were revised but the purpose of funds remained the same.

During audit of Government Murray College, Sialkot for the period 2016-17, it was observed that unauthorized collection of funds was made from students despite the fact that government had not allowed to collect of these funds. The rates of funds were also decided by the college administration at own level. The expenditure incurred from these funds was thus also held unauthorized. The details are as under:

Name of fund	O. B as on 01.07.2016	Collection during 2016-17	Expenditure	C. B as on 30.06.2017
Security fund	1,336,471	7,215,451	4,335,524	4,216,398
POL fund	590,029	333,660	73,550	850,139
Development fund	142,575	3,866,700	2,297,094	1,732,965
Masjid fund	1,159,600	214,435	171,560	1,202,476
Total		11,630,246	6,877,728	8,001,978

Audit was of the view that weak financial controls led to unauthorized collection of funds.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that unauthorized collection of funds from students be immediately stopped besides irregularity be got condoned from the competent authority and balances available be transferred to student welfare fund.

(PDP No.21988-Murry College, Sialkot-2016-17)

12.4.36 Irregular award of tender on higher rates -Rs. 146.44 million

As per para 1(ii) and 3 of Finance Department letter No. RO(TECH) FD-2-3/85 Vol-IV dated 07.01.1992, the tender shall quoted the rates and or amount tendered are such that total cost of the project will not exceed the amount for which technical sanction has been accorded by more than 4.5%.

During audit of Government College University, Faisalabad for the period 2015-16, it was observed that the work “Construction of Social Science Block at GC University, Faisalabad” executed by the Project Director. The Project Director was awarded the work to “Campaigner Associates (Pvt.) Ltd.” Lahore on 36.979% above the estimated cost in violation of above stated instructions.

Audit was of the view that weak financial and supervisory controls resulted in overpayment of Rs. 146.437 million.

Audit pointed out irregularity in April 2017. The management did not offer any reply.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends to probe the matter and fix the responsibly.

(PDP No.21952-Government College University, Faisalabad-2015-16)

12.4.37 Irregular purchase of low quality paper - Rs. 25.07 million

As per Rule 15 (2) under chapter-I of the Board calendar, “it shall be the duty of chairman to ensure that the provision of this act and the regulations and rules and directions of the controlling authority are faithfully observed and carried out”. Moreover, as per Sr. No.7 of Terms of Tender “Imported, Local Paper Cloth and Bags”, if the supplied material found of any deficit, the whole material will be rejected, reasonable deduction may be made from payment if recommended by the inspection committee duly approved by the competent authority.

During audit of Board of Intermediate and Secondary Education Bahawalpur for the period 2015-16, it was noticed that procurement of paper sheets (“17 x 27”, 68 gram) amounting to Rs.25,065,000 was made from M/s ASR Enterprises Lahore. As per Lab report paper was of 64.29 gram instead of 68 gram, which is 5.5% less weight, but neither material was rejected nor deduction was made, which is undue favour to the firm.

Audit was of the view that weak supervisory and financial controls resulted in irregular purchase of low quality paper.

When audit pointed out the matter in April 2017, the management replied that recovery would be made.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the matter may be investigated at appropriate level for fixing responsibility besides recovery.

(PDP No.21894-BISE, Bahawalpur-2015-16)

12.4.38 Non investment of surplus funds-Rs. 3,272.14 million

As per Section 15(i) of the University of Sargodha (amendment) Act 2004, the Treasurer shall manage the property, the finances and the investment of the University.

As per Finance Department letter No. FD (W&M) 1-1/70 (Vol. XI) dated 20.11.2013, and 24.12.2013, all departments, autonomous bodies, semi autonomous bodies, Boards, foundations to take immediate steps and, arrangements be made to transfer funds /accounts/long term/short term investments of the institutions of the Government of Punjab to the bank of Punjab under this policy.

During audit of Higher Education Department, it was observed that surplus funds were not reinvested. Resultantly, loss to the tune of Rs.319,785,959 was sustained by the institutions. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No	Loss due to Non Investment	Amount not invested (Rs.)
1.	University of Sargodha	2016-17	21442	80,055,375	1,312,383,203
2.	UET, Lahore	2014-15	20116	159,658,560	997,865,996
3.	Islamia University of Bahawalpur.	2015-16	19853	0	74,362,612
4.	BISE Sahiwal	2015-16	19050	41,075,600	505,143,916
5.	BISE Sahiwal	2015-16	19052	23,112,193	288,902,408

Sr. No.	Name of formation	Period of audit	PDP No	Loss due to Non Investment	Amount not invested (Rs.)
6.	Fatima Jinnah Women University, Rawalpindi	2016-17	21287	5,572,141	83,166,298
7.	Lawrence College, Ghora Gali, Murree	2016-17	21722	3,626,000	3,626,000
8.	BISE Bahawalpur	2016-17	21960	5,577,152	5,577,152
9.	UET Lahore	2014-16	20145	1,108,938	1,108,938
Total				319,785,959	3,272,136,523

Audit was of the view that non-adherence to government instructions and inexplicable slackness on the part of management resulted in loss to the institutions.

Audit pointed out the matter during March, April and September 2017. The management at Sr. No. 1 replied that keeping in the view the government policy investment decision was made by the investment committee considering expense trends. The management at Sr. No. 3 stated that detailed reply would be submitted later on. The formations at Sr. Nos. 2, 4, 5, 7 & 8 noted the observations for compliance. The management at Sr. No. 6 replied that the funds relating to the development projects could not be invested. The management at Sr. No. 9 replied that the amount would be invested. The replies were not convincing.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends to fix the responsibility after conducting an inquiry and get the irregularity condoned from competent authority.

12.4.39 Irregular expenditure out of irrelevant heads of accounts- Rs. 76.91 million

According to Para 4.2.9.2 of the Accounting Policies and Procedures Manual (A.P.P.M), all expenditures must be classified in accordance with the Chart of Account, under the appropriate expenditure head.

During audit of Higher Education Department, it was observed that Rs. 76,912,441 (Annexure-22) was dawn for different purposes i.e. construction of building, payment to College Teaching Internees (CTIs), purchases of vehicle etc. Expenditure was held irregular because expenditure was made from irrelevant heads of accounts.

Audit was of the view that weak financial controls resulted in misclassification of expenditure.

The matter was pointed out from February to May, August and November 2017. The formations at Sr. Nos. 1, 2 to 4, 5 & 6 noted the observations for compliance and rest of the formations did not offer relevant reply.

The matter was further reported to the administrative department. In DAC meeting held on 20.12.2017, the para at Sr. No. 5 was kept pending for regularization from Finance Department. Further progress was not reported by the department. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report.

Audit recommends that matter should be looked into, irregularity got condoned with the sanction of the competent authority besides strengthening financial and supervisory controls to avoid recurrence of such lapses in future.

12.4.40 Irregular payment of allowances without approval of the Chancellor/Competent authority-Rs. 506.85 million

Acts of Universities of Higher Education Department, stipulate that statutes regulating pay and allowances have to be approved by the Chancellor. Moreover, section 10 (4) of Board Act states that “except where the controlling authority directs otherwise a board shall not make any rule or allow any concession, benefit, privileges or allowance to any person which is not in conformity with the rules enforced by the government on similar matter”.

During audit of Higher Education Department, it was observed that various pay and allowances were being paid to the University and Board employees without the approval of Chancellor/competent authority. The details are as under:

Sr. No	Name of formation	Period of audit	PDP No.	Nature of pay & allowances	Amount (Rs.)
1.	University of the Punjab, Lahore	2014-16	19240	Honorarium	335,231,085
2.	University of Sargodha	2016-17	21403	Medical Allowance @ 40% of Basic pay	158,082,786
3.	University of Sargodha	2016-17	21408	Honorarium	4,514,000
4.	Islamia University of Bahawalpur	2015-16	19845	Campus Allowance	3,213,811
5.	GC University Lahore	2015-16	19283	Pay and Allowances	3,107,000
6.	University of Sargodha	2016-17	21411	Special Incentive Allowance	1,350,023
7.	University of Sargodha	2016-17	21405	Hard Ship Allowance	1,215,282
8.	University of Sargodha	2016-17	21441	Dean/warden/chairman allowances	131,000
Total					506,844,987

Audit was of the view that weak internal controls on payroll and disregard to provisions of the Acts resulted in irregular payment of pay & allowances.

The matter was pointed out in January and September 2017. The management at Sr. No. 1 did not offer any reply. The formations at Sr. Nos. 2 & 4 stated that the detailed reply would be submitted later on. The management at Sr. No.3 stated that the payment was made as per rules. The management at Sr. No.5 stated that the case for regularization was under process. The management at Sr. No.6 stated that recovery would be effected. The management at Sr. No. 8 stated that the payment had been discontinued. The replies were not acceptable as the payments were made without approval of the Chancellor/government.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department should strengthen its internal controls, stop payment of the irregular allowances and effect recovery.

12.4.41 Irregular appointments without advertisement-Rs.322.77 million

As per honorable Supreme Court of Pakistan ruling dated 19.01.1993, passed in Human Rights case No.104 (I to IV) 1992 read with S&GAD's Notifications No. SOR-III-2-2/91 dated 05.01.1995 and No. DS(O&M)5-3/2004/Contract)(MF) dated 29.12.2004, no recruitment should be made against any post which is not advertised properly. Moreover, as per Finance Department Letter No. FD. SO(GOODS)44-4/2011- DATED 06.07.2015, "no contingent paid staff shall be appointed without prior approval of Finance Department".

During audit of Higher Education Department, it was observed that appointments of lecturers on adhoc basis, in universities and teachers/staff in colleges were made without advertisement and approval from the Finance Department in contravention of the above instructions.

Audit was of the view that non-adherence to above stated provisions resulted in irregular appointments and payment of salaries amounting to Rs. 322,771,478 (Annexure-23).

The matter was pointed out from January to May 2017, August, September and November 2017. The formations at Sr. Nos. 7, 8, 16, 19 & 22 replied that all the appointments were made by the competent authority after observing all codal formalities. The management at Sr. No. 1 did not offer any reply. The formations at Sr. Nos. 2, 3 & 5 replied that the requirement was advertised on department's website. The formations at Sr. Nos. 4, 6, 11, 12, 15, 27 & 28 stated that detailed reply would be submitted in due course of time. The formations at Sr. Nos. 10, 13, 14, 17, 18, 20, 24 & 25 noted the observations for compliance. The rest of the managements offered vague replies without any documentary evidences.

The matter was further reported to the administrative department. DAC meetings were held during November and December 2017. The paras at Sr. Nos. 12 & 27 were kept pending for probe by Director of Education (Colleges), Lahore; para at Sr. No. 20 was kept pending for compliance and para at Sr. No. 25 was kept pending for verification of record. Further progress was not reported by the department. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that irregularity be got condoned from the Finance Department. Further, the institutions should get their statutes approved from the Chancellor/concerned body.

12.4.42 Non adjustment of temporary advances-Rs. 327.71 million

According to direction of PAC-II issued vide no PAP./PAC/PAC-II/SC-Vii/2005/4157 through Government of the Punjab, Higher Education Department letter No.So. (Audit)4-20/2006(Prov.) dated 09.01.2007, various advances lying unadjusted for long periods should have been timely adjusted/recovered from the concerned officials/Officers.

During audit of Higher Education Department, it was observed that temporary advances amounting to Rs.327,706,703 were given to different staff to meet urgent expenses. Vouched accounts of the expenditure had to be submitted within stipulated time. But, the advances had not been got adjusted after the lapse stipulated time period. The details of non-adjusted advances are as under:

Sr. No.	Name of Formation	PDP No.	Period of audit	Amount (Rs.)
1.	UET, Lahore	20118	2014-16	72,000,000
2.	University of the Punjab, Lahore	19230	2014-16	71,786,285
3.	BISE Bahawalpur	21958	2016-17	47,661,300
4.	University of Sargodha	21418	2016-17	37,705,211
5.	BZU Multan	21322	2015-16	18,378,524
6.	UET, Lahore	20123	2014-16	16,718,929
7.	GC University Faisalabad	21910	2015-16	16,169,311
8.	BZU Multan	21323	2015-16	15,177,542
9.	BISE Bahawalpur	21890	2015-16	12,954,748
10.	University of Sargodha	21443	2016-17	10,881,031
11.	UET, Lahore	20138	2014-16	2,022,706
12.	Government College for Boys Gulberg, Lahore	21340	2015-17	1,343,387
13.	Marry College Saikot	21996	2016-17	1,279,431
14.	Government College for women Model Town, Lahore	22021	2016-17	911,306
15.	Govt. Postgraduate Islamia College, Gujranwala	21272	2015-16	897,340

Sr. No.	Name of Formation	PDP No.	Period of audit	Amount (Rs.)
16.	Govt. Postgraduate College, Pattoki	19784	2014-16	543,000
17.	Govt. Postgraduate College, Bhakkar	22061	2011-16	502,623
18.	Govt. Mian Rehmat Ali Memorial Home Economics College, Gujranwala	22011	2016-17	339,269
19.	Govt. FMF Post Graduate College, Gujranwala	21678	2014-16	267,886
20.	Government College for Boys Kotmomin, Sargodha	21268	2015-16	166,874
Total				327,706,703

Audit was of the view that weak internal controls on advances resulted in non-adjustment.

The matter was pointed out from July to December 2017. The managements did not provide any cogent reply.

The matter was further reported to the administrative department. In DAC meeting held on 25.01.2018, the amount of para at Sr. No. 16 was reduced to the stated extent after verification of adjustment of advances and para at Sr. No. 18 was kept pending for compliance. Further progress was not reported by the department. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends to fix the responsibility for delayed adjustment and take effective measures to avoid recurrence of such lapses.

12.4.43 Non Surrendering of Funds -Rs.501.39 million

Para 14.3 of the Punjab Budget Manual Requires that all the anticipated saving should be surrendered in the 1st statement of excess and surrenders by 1st January and 2nd statement by 31st March, so that it could be utilized where it actually needed. Moreover, Government of the

Punjab, Finance Department vide letter No. FD(M-11) 1-21820, dated 09-05-2012 stated notwithstanding the provisions of para 16.8 of the Punjab Budget Manual (7th Edition) the Public Accounts Committee has directed that henceforth there will be Zero tolerance so far as the savings reported in the Appropriation Accounts are concerned and all departments shall ensure that no savings are depicted in their respective Appropriation Accounts and no percentage cushion shall be available with regard to savings therein.

During audit of following formation of the Higher Education Department, it was observed that savings of budget grant amounting to Rs. 501,388,260 were not surrendered and thus lapsed at the close of financial year. Had the amount surrendered well in time the same could have been utilized for other useful purposes.

Sr. No.	Name of formation	PDP No.	Period of audit	Amount (Rs.)
1.	Secretary Higher Education Lahore	21935	2016-17	405,604,620
2.	Govt. Post Graduate College Bhakkar	22067	2011-16	45,465,094
3.	Punjab Higher Education Commission, Lahore	18813	2014-16	29,503,717
4.	Govt. College for boys Kot Momin Sargodha	21636	2009-16	14,226,278
5.	Secretary Higher Education Lahore	21939	2016-17	4,959,028
6.	Govt. Kulliyatul Banat College, Lahore	21668	2016-17	1,629,523
Total:				501,388,260

Audit was of the view that weak budgetary controls resulted in non-surrendering of funds

The matter was pointed out from April to November 2017. The managements did not provide any cogent reply.

The matter was further reported to the administrative department. DAC meetings were held on 20.12.2017 and 25.01.2018. The paras at Sr. Nos. 3 & 6 were kept pending for regularization from Finance Department. Further progress was not reported by the department. As

regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report.

Audit recommends that responsibility be fixed for irregularity and budgetary controls be strengthened.

12.4.44 Excess expenditure than budget allocation -Rs.116.90 million

According to Rule 17.15 of Punjab Financial Rules Vol-I, no Government servant may, without previously obtaining an extra appropriation, incur expenditure in excess of the amount provided for expenditure under the head concerned and when a Government servant exceeds the annual appropriation he may be held responsible for the excess.

During audit of Higher Education Department, it was observed that savings of budget grant amounting to Rs. 116,894,859 was incurred in excess than the budget allocation under various heads of accounts which is a serious financial irregularity on the part of the department. The details are as under:

Sr. No.	Name of formation	PDP No.	Period of audit	Amount (Rs.)
1.	Govt. College for women Model Town Lahore	22028	2016-17	35,999,321
2.	Govt. Post Graduate College Bhakkar	22066	2011-16	35,119,647
3.	Govt. Post Graduate College for women Mandi Bahauddin	19809	2006-16	11,847,028
4.	Govt. Post Graduate College for women Wapda Town, Lahore	21656	2016-17	11,260,787
5.	Govt. College for women Model Town Lahore	22031	2016-17	7,005,749
6.	Govt. Millat Degree College, Ghulam Muhammad Abad, Faisal	21638	2016-17	5,409,098
7.	Govt. Kulliyatul Banat College, Lahore	21669	2016-17	5,099,618
8.	Govt. College for boys Kotmomin Sargodha	21637	2009-16	2,664,343
9.	Govt. Mian Rehmat Ali Memorial Home Economics College, Gujranwala	22012	2016-17	1,415,313
10.	Secretary Higher Education Lahore	21944	2016-17	1,073,955
Total:				116,894,859

Audit was of the opinion that negligence of the management resulted in the excess use of funds than budget allocation.

The matter was pointed out from April to November 2015. The managements noted the observations for compliance.

The matter was further reported to the administrative department. DAC meetings were held on 28.12.2017 and 25.01.2018. The para at Sr. No. 3 was kept pending for verification of record and paras at Sr. 4, 6, 7 & 9 were kept pending for regularization from Finance Department. Further progress was not reported by the department. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that responsibility be fixed for irregularity and budgetary controls be strengthened.

12.4.45 Irregular mode of payment through cash-Rs.9.49 million

As per Rule 4.49 of STR Punjab, the payment excess than 1 Lac (Rs.100,000) should be paid through cross check instead of net payment.

During audit of Higher Education Department, it was observed that the following payments were made through cash instead of cross cheque as per rule mentioned above.

Sr. No.	Name of Formation	PDP No.	Period of audit	Amount (Rs.)
1.	Govt. Muslim Degree College 41 J.B Faisalabad	19793	2012-16	4,965,883
2.	Govt. Muslim Degree College 41 J.B Faisalabad	19790	2012-16	1,847,918
3.	Govt. College for Boys Railway Road, Lahore	21648	2015-16	1,236,161
4.	Govt. College for women, Model Town Lahore	22030	2016-17	770,093
Total				9,493,601

Audit was of the view that weak supervisory and financial controls resulted in irregular mode of payment through cash.

The matter was pointed out during April, May and August 2017. The formations at Sr. Nos. 1, 3 & 4 noted the observations for compliance. The management at Sr. No.2 replied that the DAO did not open the vander numbers of the payees.

The matter was further reported to the administrative department. In DAC meeting held on 27.12.2017, the para at Sr. No. 1 was kept pending for compliance. The para at Sr. No. 2 was reduced to the stated extent and kept pending for regularization from Finance Department. Further progress was not reported by the department. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report.

Audit recommends to fix the responsibility for irregularity and to seek condonation of irregularity.

12.4.46 Irregular shifting of headquarter -Rs. 1.33 million

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.

During audit of Higher Education Department, it was observed that staff of the following colleges was performing their duties in the other offices since long without sanction of the Finance Department.

Sr. No.	Name of formation	PDP No.	Period of audit	Amount (Rs.)
1.	Govt. College for Science wahdat Road, Lahore	20181	2015-16	897,108
2.	Govt. College for women Jaranwala, Faisalabad	20155	2012-16	437,523
Total				1,334,631

Audit was of the view that weak supervisory and financial controls resulted in irregular expenditure incurred on account of pay and allowances.

The matter was pointed out in May and September 2017. The management at Sr. No. 1 replied that the officer was working on order of the secretary HED. The management at Sr. No. 2 stated that detailed reply would be submitted later on.

The matter was further reported to the administrative department. In DAC meeting held on 20.12.2017, the para at Sr. No. 2 was kept pending for regularization. Further progress was not reported by the department. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends to fix the responsibility for irregularity and to seek condonation of irregularity.

12.4.47 Irregular commencement of second shift classes-Rs. 7.97 million

As per Government of the Punjab, Higher Education Department notification No. S.O.(Personnel)15-12/2008 dated 25.11.2009, following criteria/guidelines were approved for starting 2nd shift classes in the government colleges of Punjab:

- The classes of 2nd shift should be started after regular classes.
- 2nd shift should have a separate time table and a copy of time table should be submitted to DEO (Colleges).

- Faculty of 2nd shift should be hired by the Selection Board through Advertisement.
- 2nd shift students should not be allowed to sit in the morning classes.
- The remuneration of the faculty of the 2nd shift should not exceed Rs.500 per period keeping in view of the qualification/experience.

During audit of Higher Education Department, it was observed that below mentioned colleges started the 2nd Shift classes:

Sr. No.	Name of formation	PDP No.	Period of audit	Amount (Rs.)
1.	Govt. College of Home Economics Gulberg, Lahore	21695	2016-17	4,439,500
2.	Govt. Islamia College for Boys Railway Road, Lahore	21649	2015-16	1,626,512
3.	Govt. Post Graduate College for women cooper Road, Lahore	22033	2016-17	1,104,000
4.	Govt. College Commerce, Attock	18794	2013-16	799,240
Total				7,969,252

The expenditure was held irregular on the following grounds:

1. The classes of 2nd shift were started with morning/regular classes and 2nd shift students were allowed to sit in the morning classes in violation of above rule;
2. Neither separate time table was prepared for 2nd shift classes nor submitted to DEO (Colleges) in violation of above rule;
3. Neither the faculty of 2nd shift was hired by the Selection Board nor advertised in violation of above rule;

4. Remuneration was paid in lump sum basis to 2nd shift teaching staff instead of per period calculation basis in violation of above rule;
5. Remuneration to non-teaching staff was paid irrationally without any criteria;
6. Income tax @ 10% was not deducted from the payment to 2nd shift staff in violation of section 153 of Income Tax Ordinance 2001.

Audit was of the view that non-observance of government instructions resulted into irregular operation of 2nd shift in the said colleges causing an irregular expenditure amounting to Rs. 3,460,672 as payments to the staff 2nd shift.

The matter was pointed out in March, May and August 2017. The management at Sr. No.1 replied that all appointments were made on daily basis while rest of the managements noted the observations for compliance.

The matter was further reported to the administrative department. In DAC meeting held on 20.12.2017, the para at Sr. No. 4 was kept pending for compliance. Further progress was not reported by the department. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends to fix the responsibility for irregularity and get the same condoned by Finance Department.

Recoveries and overpayments

12.4.48 Non deduction of taxes-Rs. 76.25 million

According to Section 153 (1) of Income Tax Ordinance 2001, income tax is required to be deducted at source @ 8% from filer and 12% from non-filers on services rendered by the companies. Income tax is required to be deducted at source @ 10% from filer and 15% from non filers on services rendered by the persons other than companies. Further, as per Government of the Punjab Finance Department (Tax Section) Lahore notification No. SO (Tax)1-2/97 (withholding) dated 18.07.2014, 16% PST is to be deducted at source from contractors while making payments to them. As per Schedule-1 of Section 22(A)(b) of Stamp Act, 1899 read with Finance Act 1995 (Act-Vi of 1995), stamp duty is levied on the contracts entered into with the Government corporation, local bodies, agencies or organizations set up or controlled by the Federal, Provincial Governments as per specified rates.

During audit of Higher Education Department, it was observed that authorities made payments to the firms for provision of services without deducting PST, Income Tax, GST and Stamp Duty.

Audit was of the view that weak internal controls resulted in non-deduction of taxes amounting to Rs.76,245,042 (Annexure-24).

The matter was pointed out from February to March 2017. The management of the almost all formations noted the observations for compliance.

The matter was further reported to the administrative department. DAC meetings were held during November, December 2017 and January 2018. The para at Sr. No. 19 was kept pending for verification of record;

the amounts of paras at Sr. Nos. 27, 29, 37, 47 & 59 were reduced to the stated extent after verification of partial recovery/record and the paras at Sr. Nos. 14, 17, 24, 33, 34, 42 & 51 were kept pending for compliance/recovery. Further progress was not reported by the department. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends recovery of the Govt. taxes besides fixing responsibility for non-deduction at source.

***12.4.49 Non recovery of government and institutional dues-
Rs. 101.02 million***

According to Rule 4.1 of PFR Vol-I, it is primary 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 Higher Education Department, it was observed that government dues from contractors and temporary advances granted to the staff to the tune of Rs.101,024,906 (Annexure-25) were not recovered.

Audit was of the view that weak supervisory and financial controls resulted in non-recovery of government and institutional dues.

The matter was pointed out from March to April and July to November 2017. The managements noted the observations for compliance.

The matter was further reported to the administrative department. In DAC meeting held on 22.11.2017, the para at Sr. No.11 was reduced to Rs.46,690 after verification of deposit of 725,470. As regards remaining

paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends early recovery of the stated amounts besides fixing the responsibility for non-recovery.

12.4.50 Non recovery of outstanding dues from students - Rs.65.95 million

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 checked against the demands and they are paid into government treasury accordingly.

During audit of Higher Education Department, it was noticed that university/ college dues amounting to Rs. 65,954,209 were not recovered from the students of certain campuses/departments. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	Lawrence College, Ghora Gali, Murree	2016-17	21727	34,616,389
2.	UET Lahore	2014-16	20121	28,530,523
3.	G C Women University, Sialkot	2015-17	22118	2,807,297
Total				65,954,209

Audit was of the view that weak financial controls led to non-realization of outstanding dues from students.

The matter was pointed out from August 2016 and July to November 2017. The management at Sr. No. 2 replied that an amount of Rs. 3,860,828 had been recovered. Efforts would be made to recover the balance amount. The department could not produce any evidence in

support of its contention. The remaining managements noted the observations for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends early recovery of all outstanding dues from the students besides fixing responsibility.

12.4.51 Non receipt of share from BISE Lahore-Rs. 50.00 million

As per Rule 15(2) under chapter-1, of the Board calendar provides that it shall be the duty of the Chairman to ensure that the provision of this Act and the Regulation & Rules and directions of the controlling authority are faithfully observed and carried out, and he shall exercise all powers necessary for this purpose. Further, as per minutes of the meeting held on 03.11.2012, it was decided that 10% of the students proportionate ratio of the remaining amount will be paid to BISE Sahiwal by the BISE Lahore.

During audit of BISE Sahiwal for the period 2016-17, it was noticed that receivable share of Rs 50,000,000 worked out by the management as appearing in the Income Statement was not yet transferred to the Board account even after lapse of six years.

Audit was of the view that weak supervisory and financial controls resulted in non receipt of share from BISE Lahore.

The matter was pointed out in August 2017. The management replied that matter had already been taken up with the concerned and was in the process of settlement.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that internal control be strengthened besides expediting the recovery.

(PDP No.22130-BISE Sahiwal-2016-17)

12.4.52 Overpayments due to application of incorrect rates- Rs.38.20 million

According to Government of the Punjab Finance Department Notification issued, vide No. RO (Tech) FD 2-3/2004 dated 02-08-2004, rate analysis of non-scheduled items should be prepared by applying in put rates notified by the Finance Department for the relevant quarter.

During audit of Higher Education Department, it was observed that a sum of Rs. 38,197,379 (Annexure-26) was overpaid to the contractors for non-scheduled items as rate analysis was not made for non-scheduled items by applying input rates of concerned quarter.

Audit was of the view that weak financial controls resulted in overpayment of amounts.

The matter was pointed out in November 2016 and April 2017. The formations at Sr. Nos. 1, 3, 7, 9, 14, 17, 19, 22, 23, 35 & 36 did not offer any reply. The formations at Sr. Nos. 2, 6 & 11 replied that double glazed window with 5 mm glass was used instead of single glaze. The formations at Sr. Nos. 5, 12, 15, 18, 24, 32, 33 & 39 replied that no input rates were available in MRS. The formations at Sr. Nos. 4, 13, 16, 20, 21, 27, 30, 31, 34, 38, 41 & 42 replied that no overpayment was made as rate analysis was based on input rates of applicable bi-annual and actual mean of labour

rate. The formations at Sr. Nos. 28 & 40 replied that 85% gray and 15% red tiles were used at site. The formations at Sr. No. 37 replied that rate paid included specials items like T- bend, sockets etc. whereas the MRS of Rs230/Rft is only for pipe. The formations at Sr. Nos.8, 10 & 26 replied that recovery would be effected after re-verification of record. The formations at Sr. Nos. 25 & 29 replied that recovery would be effected. The replies being evasive without documentary evidence were not acceptable as higher rates were paid than input rates.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

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

12.4.53 Loss due to unauthorized payments of dual benefit of financial assistance- Rs. 28.70 million

According to the terms & conditions of Higher Education Commission, Pakistan, for the award of indigenous Ph.D fellowship, an awardee is not to hold any other scholarship/stipend under the fellowship period of his/her study.

During audit of Abdus Salam School of Mathematical Sciences (ASSMS), Lahore, the management paid Indigenous Fellowship Awards through HEC program to 64 students of Ph.D fellowship during 2011-16. The stipend/ financial assistance was also paid from the budget of ASSMS for same award resulting in loss due to dual financial benefit of Rs. 28,702,122 as detailed below:

Period	Stipend/Financial Assistance paid through ASSMS budget (Rs.)	Indigenous Fellowship paid through HEC Program (Rs.)
2011-16	28,702,122	18,008,195

Audit was of the view that weak financial controls resulted in dual payments of financial assistance to the Ph.D Fellowship students.

The matter was pointed out in May 2017. The management replied that Finance & Planning Committee had discontinued the dual stipend/scholarship in its 16th meeting held on 21.09.2016. The reply was not tenable as the department could not produce any evidence of recovery.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends recovery of the amount pointed out be effected besides strengthening internal controls over pay related payments.

(PDP No.19280-Abdus Salam School of Mathematical Sciences, Lahore-2011-16)

12.4.54 Non recovery of scholarship fee with 25% penalty -Rs. 22.78 million

Section 15(a) of Fatima Jinnah Women University, Rawalpindi (amended and updated) Act-IX of 2012 provides that Treasurer shall manage the property, finances and investments of the University.

During audit of the Fatima Jinnah Women University Rawalpindi, it was noticed that HRD Scholarships were granted to two staff members during 2013-15. The scholarship holders did not return to the duties after completion of the courses. The management failed to recover the scholarship fee with 25% penalty amounting to Rs 22,777,029 as per terms & conditions of the contract.

Audit was of the view that weak supervisory and financial controls resulted in non-recovery of amounts from the defaulted scholarship holders.

The matter was pointed out in November 2016. The management replied that both the employees had been dismissed from service under PEEDA Act by the competent authority. The case for recovery of the outstanding dues is in the civil court.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the case may be pursued in the civil court vigorously.

(PDP No 21282- Fatima Jinnah Women University Rawalpindi-)

12.4.55 Short realization/deposit of tuition, hostel & admission fee- Rs. 3.77 million

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 checked against the demands and they are paid into government treasury accordingly.

During audit of Higher Education Department, it was observed that tuition, hostel and admission fee amounting to Rs.3,767,860 was not collected/short realized and deposited into government treasury from the students.

The details are as under:

Sr. No.	Name of Formation	Period of audit	PDP No.	Amount short realized (Rs.)
1.	Govt. College for Women, Gulshan-e-Ravi, Lahore	2014-17	21663	2,567,490
2.	GC Shalimar College, Lahore	2015-16	20161	489,040
3.	Govt. College for Women, Kharian	2012-16	19001	426,670
4.	Govt. Post Graduate College for Women, Mandi Baha-ud-Din	2006-16	19804	284,660
Total				3,767,860

Audit was of the view that weak internal controls resulted into short collection of stated amount.

The matter was pointed out in February to November 2017. The formations at Sr. Nos. 2 to 4 did not offer any reply. The formation at Sr. No. 3 replied that record of classified cash book and treasury challans were not handed over by the ex-head clerk.

The matter was further reported to the administrative department. In DAC meeting held on 28.12.2017, the para at Sr. No. 4 was kept pending for verification of record and probe by The Director of Education (Colleges), Gujranwala. Further progress was not reported by the department. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends fixing responsibility for short realization/ deposit of tuition fee besides recovery from defaulters.

12.4.56 Overpayments due to non-reduction of rates-Rs.17.58 million

As per remarks against item No. 06 Chapter 06 “Concrete” of MRS District Lahore, composite rate is to be reduced by Rs. 5.50 p.cft and Rs. 12 p.cft at the time of payments in case Chenab or local sand is used

respectively. Further, composite rates should be reduced by 7% and 14% if 2nd or 3rd class bricks are used for items No 4,5 & 7(i).

During audit of Higher Education Department for the period 2014-17, it was observed that payments were made to the contractors for execution of different works for the items “Reinforcement cement concrete” and pacca brickwork in F&P and in ground floor. The department used local sand and 2nd & 3rd class bricks, but rates were not reduced resulting in overpayments of Rs. 17,581,171. The details are as under:

Sr. No	Name of formation	Period of audit	PDP No	Amount Recoverable (Rs.)
1.	GC University, Faisalabad	2015-16	21900	8,096,685
2.	University of Punjab, Lahore	2014-16	19235	4,478,308
3.	GC University, Faisalabad	2015-16	21905	2,095,754
4.	University of Punjab, Lahore	2014-16	19226	1,407,027
5.	University of Sargodha	2016-17	21370	683,258
6.	University of Sargodha	2016-17	21371	584,447
7.	Fatima Jinnah Women University, R/Pindi	2016-17	21308	235,692
Total				17,581,171

Audit was of the view that weak internal controls resulted in overpayments due to non-reduction of rates.

The matter was pointed out in November 2016, from March to April 2017 and from July to November 2017. The management at Sr. No. 4 replied that contractor used Chenab sand to achieve cubical compressive strength of 3000 & 3750 PSI of concrete type C&B as per specifications of MRS. As against Sr. Nos. 2 & 7, it was replied that 1st class bricks were used. The managements at Sr. Nos. 1, 3, 5 & 6 did not offer any reply. Replies were not acceptable as documentary evidence was not produced in support of replies.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends fixing responsibility on person(s) at fault besides effecting recovery of the amount pointed out.

12.4.57 Non/less credit of profit on investment-Rs. 17.03 million

According to Rule 4.1(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 Higher Education Department, it was observed that following institutions made investments in commercial banks. The profit was not deposited to their respective accounts in accordance with the rates settled between the institutions and banks.

Sr. No.	Name of formation	Period of audit	PDP No.	Description	Amount (Rs.)
1.	University of Sargodha	2016-17	21404	Short credit of profits by the banks on investments	16,842,815
2.	Murray College, Sialkot	2016-17	21993	Non credit of profit of bank accounts	189,091
Total					17,031,906

Audit was of the view that weak financial controls resulted in less realization of profit and loss to the tune of Rs.17,031,906.

The matter was pointed out in April 2017. The management at Sr. No. 1 replied that case is in process with HBL/SBP and Mohtasib. The management at S. No. 2 did not offer any reply.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that efforts be made for an early recovery of the amounts due from the concerned banks.

12.4.58 Short realization of funds-Rs. 7.08 million

Government of Punjab, Higher Education Department had revised the rates for collection of college funds vide letter No.S.O. (CA)1-44/2016 dated 16.05.2016.

During audit of Higher Education Department, it was observed that certain heads of institutions have short realized college/ university funds to the tune of Rs.7,080,236. The details are as under:

Sr. No.	Name of Formation	Period of audit	PDP No.	Amount of short realized College funds (Rs.)
1.	Govt. College for Women, Kharian	2012-16	19002	1,464,192
3.	Govt. Post Graduate College Asghar Mall, Rawalpindi	2015-16	18784	1,156,035
4.	Govt. Post Graduate College, Satellite Town, Rawalpindi	2014-16	18991	1,116,144
5.	University of Sargodha	2016-17	21417	1,103,600
7.	Govt. College for Women Township, Lahore	2015-17	22080	761,820
8.	Govt. Post Graduate College of Science, Faisalabad	2014-16	19099	705,522
9.	Govt. Shalimar College, Lahore	2015-16	20162	407,676
10.	Govt. College For Boys, Kot Momin, Sargodha	2009-16	21262	365,247
Total				7,080,236

Audit was of the view that weak managerial controls resulted in short realization of funds.

The matter was pointed out from February to May and July to November 2017. The formations at Sr. Nos. 1 to 6 noted the observations for compliance. As against Sr. Nos. 7 & 8, the management did not offer any reply.

The matter was further reported to the administrative department. DAC meetings were held on 20.12.2017 and 28.12.2017. The paras at Sr. Nos. 3 & 6 were kept pending for verification of record. Further progress was not reported by the department. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends early recovery of the stated amount besides fixing responsibility for non recovery.

12.4.59 Non Recovery of amounts due to price variation - Rs.15.94 million

As per clause 55 of contract agreement, where price (increase or decrease) to the extent of 5% or more, in the price of any item takes place after the acceptance of tender and before the completion of contract, the amount payable / recoverable shall be adjustable to the extent of actual variation in the cost of the item concerned.

During audit of Higher Education Department, it was observed that price of certain items like steel & diesel was reduced during the execution of works but price variation of Rs. 15,936,783 was not recovered from contractors. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Name of Work	Price variation of Item	Amount of price variation (Rs.)
1.	GC University, Faisalabad	2015-16	21889	Different works	Diesel	8,169,679

Sr. No.	Name of formation	Period of audit	PDP No.	Name of Work	Price variation of Item	Amount of price variation (Rs.)
2.	GC University, Faisalabad	2015-16	21978	Different works	Steel grade-60	4,359,015
3.	University of Punjab	2014-16	19258	Extension of main library at Quid-e-Azam Campus	Diesel	1,737,296
4.	University of Punjab	2014-16	19234	Extension of Main Library at Quid-e-Azam Campus	Diesel	461,000
5.	University of Punjab	2014-16	19095	Construction of Electrical Engineering Deptt at Quid-e-Azam Campus	Diesel	290,393
6.	University of Punjab	2014-16	19100	Construction of two bed apartments for teachers block C at Quid-e-Azam Campus	Steel grade 40 and 60	219,592
7.	University of Punjab	2014-16	19101	Construction of employees apartments (J-type) block H&J at Quid-e-Azam Campus	Steel grade 40 and 60	187,023
8.	University of Punjab	2014-16	19092	Construction of additional class rooms for Economics Deptt. at Quid-e-Azam Campus	Diesel	183,659
9.	University of Punjab	2014-16	19075	Construction of two bed apartments for teachers block C at Quid-e-Azam Campus	Diesel	172,795
10.	University of Punjab	2014-16	19207	Construction of two bed apartments for teachers block C at Quid-e-Azam Campus	Diesel	156,331
Total						15,936,783

Audit was of the view that weak supervisory controls on payments resulted in non-recovery of price escalation.

The matter was pointed out from November 2016, March to April and July to November 2017. Formations at Sr. Nos. 1 & 2 did not offer any reply. All the remaining formations at Sr. Nos. 3 to 10 noted the observations for recovery.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

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

12.4.60 Non-receipt of scholarship portion from the sponsors - Rs. 13.99 million

Rule 6 (c) (2) of the Lawrence College Board of Governors Regulations states that “the Board shall administer through the Principal all the funds of the College received from any source”.

During audit of Lawrence College GhoraGali, Murree for the period 2016-17, the management did not realize the scholarships fee amounting to Rs. 13,992,280 from the sponsoring agencies on account of admission of students made on scholarship basis. The details as under:

Sr. No.	Program/School	Amount (Rs.)
1.	PM S.SHIP	10,282,951
2.	CBEP	3,239,697
3.	Saindak	366,561
4.	FC	103,071
Total		13,992,280

Audit was of the view that lapse occurred due to weak supervisory and financial controls on fee collection.

The matter was pointed out in August 2017. The management replied that the efforts were being made to realize the dues.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till

the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends strengthening of internal controls and effect recovery of the scholarship portion from the sponsors.

(PDP No. 21726- Lawrence College Ghora Gali, Murree-2016-17)

12.4.61 Overpayments due to allowing higher rates than approved rates-Rs. 11.31 million

As per Para 1 of Government College University, Faisalabad letter No. GCU/PMU/716 dated 03.12.2007, the work “Construction of Social Sciences Block” was awarded to M/S Campaigner Associates (Pvt.) Ltd. Lahore at 36.979% above the estimated cost of MRS items.

During audit of Government College University, Faisalabad for the period 2015-16, the management of University made payments to the contractor for said work at 62.789% above the estimated cost which resulted in overpayments of Rs. 11.311 million during 2015-16.

Audit was of the view that weak supervisory and financial controls resulted in overpayment of amounts.

The matter was pointed out in April. 2017. The management did not offer any reply.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

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

(PDP No. 21953- Government College University, Faisalabad-2015-16)

12.4.62 Excess payments due to charging excess quantities of work than technically sanctioned estimates-Rs. 9.70 million

According to Para 2.7, 2.12 and 2.86 of B&R code, the cost, scope and specifications of a scheme involving material deviations from the original proposals once approved, cannot be modified without approval of the authority competent to grant administrative approval. No anticipated or actual savings on approved estimates can be utilized to carry out additional work not contemplated in the original estimates.

During audit of the Higher Education Department, it was observed that managements has paid the quantities of various items of work more than what was provided in BOQ/technical sanctioned estimates which resulted in overpayments of Rs. 9,700,428 as detailed below:

Sr. No.	Name of Formation	Period of audit	PDP No.	Amount (Rs.)
1.	Fatima Jinnah Women University, Rawalpindi	2016-17	21305	4,619,544
2.	Fatima Jinnah Women University, Rawalpindi	2016-17	21307	3,927,218
3.	UET, Lahore	2014-16	20140	1,645,524
4.	Bahauddin Zakariya University, Multan	2015-16	21312	1,153,666
Total				9,700,428

Audit was of the view that weak supervisory and financial controls resulted in overpayments for excess quantities of items of work.

The matter was pointed out from March to April and July to November 2017. The formations at Sr. Nos. 1 & 2 replied that quantities given in the BOQ are tentative and the payments were made for actual works at site approved by the Engineer as per clause 55-1 of contract agreement. The excess in the project cost is assessed on overall completion cost. Excess on individual items in civil work of this scope was not taken into consideration. The Government of the Punjab has

allowed up to 15% excess expenditure for the excess work. Further, the FJWU has its own works rules and B&R code is not applicable to the university. As against Sr. No.3, it was replied that project cost was well within TS amount. The management at Sr. No.4 replied that the project is in running position; excess quantities would be regularized at the time of final bill. The reply was not tenable as no documentary evidence was provided. No payments can be made in excess of quantities mentioned in the technical sanction.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends fixing responsibility on person(s) at fault besides effecting recovery of the amount pointed out.

12.4.63 Non deduction of liquidated damage charges for late supply of goods -Rs. 9.37 million

According to clause 7 of the contract/bid documents, the amount of liquidated damages would be charged from the contractor @ 2% per month subject to a maximum of 10 % of the total value of stores ordered.

During audit of the Higher Education Department, it was observed that liquidated damages of Rs. 9,365,683 were not deducted from the suppliers for late supply of goods. The details are as under:

Sr. No.	Name of Formation	Period of audit	PDP No.	Amount Recoverable (Rs.)
1.	University of Punjab, Lahore	2014-16	19251	9,164,235
2.	BISE, Sahiwal	2016-17	22139	201,448
Total				9,365,683

Audit was of the view that due to weak controls regarding contract management L.D charges were not recovered which resulted in loss to the department.

The matter was pointed out in November 2016 and August 2017. The management at Sr. No. 1 replied that procurement was made according to the Punjab Procurement Rules 2014. The procurements were to be processed through letter of credit, therefore, the supply time was to be reckoned from the opening of L/C as per terms & conditions of purchase order and not from the date of issue of purchase order. No L/D charges were applicable as all the items were supplied within stipulated time. The reply being evasive was not accepted. The clause 7 of the bid document clearly stated that the purchase order should be executed promptly within delivery period mentioned in the purchase order. The management at Sr. No. 2 stated that detailed reply would be submitted later on.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that internal control be strengthened besides fixing of responsibility for non-imposition of liquidated alongwith recovery of the amount pointed out.

12.4.64 Non collection of annual subscription fee of affiliated institutes- Rs. 7.26 million

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 checked against the demands and they are paid into government treasury accordingly.

During audit of Higher Education Department, it was observed that endowment fund and affiliation fee/share amounting to Rs. 7,260,200 was not collected from affiliated institutions. The details are as under:

Sr. No.	Name of Formation	Period of audit	PDP No.	Amount recoverable (Rs.)
1.	University of Sargodha	2016-17	21406	3,790,200
2.	GC University, Faisalabad	2015-16	21886	1,800,000
3.	BISE, Sahiwal	2015-16	19040	1,670,000
Total				7,260,200

Audit was of the view that weak internal controls resulted in non-collection of stated amount.

The matter was pointed out in March and September 2017. The managements noted the observations for compliance.

The matter was further reported to the administrative department. In DAC meeting held on 14.11.2017, the para at Sr. No. 3 was kept pending for verification of record. Further progress was not reported by the department. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this report.

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

12.4.65 Non Recovery of excess payments to tour operators-Rs. 4.13 million

The Board of Intermediate & Secondary Education (BISE), Lahore made contract with M/S DH Travels vide letter No 231/stores dated 16.05.2016 for making arrangements for the visit of toppers to foreign universities.

During audit of BISE Lahore for the period 2015-16, the management paid an advance amount of Rs. 65,913,078 to M/S DH

Travels for arranging one month foreign tour of 45 persons including 41 topper students from 04.06.2016 to 04.07.2016. One student did not proceed on foreign tour whereas 15 persons out of 44 proceeded on 12.06.2016 i.e. 8 days after the departure of first batch and remained on tour for 22 days only. Three faculty members returned early without spending full tour abroad. The excess paid amount of Rs. 4,129,780 for air tickets and hotel charges was not recovered from the tour operator.

Audit was of the view that weak supervisory and financial controls resulted in excess payment.

The matter was pointed out in February 2017. The management replied that the payments were made to the tour operator as per agreement. The reply being evasive was not tenable.

The matter was further reported to the administrative department. In DAC meeting held on 27.12.2017, the para was kept pending for compliance. Further progress was not reported by the department till the finalization of this Report.

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

(PDP No.19839-BISE, Lahore-2015-16)

12.4.66 Non recovery of 30% social security benefit-Rs. 2.89 million

As per Government of the Punjab, S&GAD Notification No. DS(O&M)5-3/2004/ Contract (MF) dated 14.10.2009, salaries of contract employees on their regular appointments shall be fixed in accordance with the pay scales plus the usual allowances prescribed for the posts against which they are being appointed. They will, however, not be entitled to the payment of 30% social security benefit in lieu of pension or any other pay package being drawn by them.

Scrutiny of HR record and payrolls at various formations under Higher Education Department revealed that the services of contractual employees were regularized. Accordingly, the payment of the 30% social security benefit in lieu of pension was required to be stopped forthwith. It was observed that the needful was not done by the respective managements due to non-fixation of pay, which resulted in accumulation of recoverables. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	Govt. Degree College for Women Marghzar, Lahore	2014-16	18835	873,430
2	Dyal Singh College, Lahore	2015-16	18989	415,185
3	Govt. PG College (Boys), Sahiwal	2016-17	21689	546,660
4	GC Women, Gulsha-e-Ravi, Lahore	2014-17	21665	325,956
5	Govt. Islamia College for Boys, Railway Road, Lahore	2015-16	21650	299,720
6	Murray College, Sialkot	2016-17	21983	246,634
7	Govt. PG College (Boys), Bhakkar	2011-16	22068	187,200
Total				2,894,785

Audit was of the view that weak financial and administrative controls resulted in an over payment of Rs. 2,894,785.

The matter was pointed out in February 2017. The managements of at Sr. Nos. 1 to 5 & 7 noted the observations for compliance. The management at Sr. No. 6 did not offer any reply.

The matter was further reported to the administrative department. In DAC meeting held on 14.11.2017, the amounts of paras at Sr. Nos. 1 & 2 were reduced to the stated extent after verification of partial recoveries. Further progress was not reported by the department. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this report.

Audit recommends recovery of overpayment besides fixing responsibility for non-deduction of 30% social security benefit.

12.4.67 Non recovery of embezzled amount-Rs.955,631

As per Section 15(i) of Government College University Faisalabad, Act 2004, the treasurer shall manage the property, the finances and investment of the University.

During audit of Government College University, Faisalabad for the period 2015-16, it was noticed that embezzlement of Rs. 955,631 was proved against official as per departmental enquiry but recovery was not yet made.

Audit was of the view that weak administrative and internal controls resulted in embezzlement of the stated amount.

The matter was pointed out in April 2017. The management replied that the competent authority has approved recovery in monthly installments of Rs. 15000 per month from the salary of the official.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends early recovery of the amount from person at fault besides fixing responsibility.

(PDP No.21888- Government College University, Faisalabad-2015-16)

12.4.68 Dual payments for same item of work- Rs.394,858

According to Rule 4.7(1) of PFR Vol-1, 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 University of the Punjab for the period 2014-16, it was observed that payments of Rs. 394,858 were made for dismantling of certain items whereas cost of such dismantling work was already included in the rate analysis as detailed below:

Sr. No.	Name of formation	Period of audit	PDP No.	Name of work	Item of work	Amount Recoverable (Rs.)
1.	University of Punjab, Lahore	2014-16	19088	Raising of boundary wall from Campus Bridge to Building Research Centre	Dismantling of cement concrete 1:2:4	223,858
2.			19089		Removal of trees and bushes for removing of steel fence	171,000
Total						394,858

Audit was of the view that weak internal controls resulted in overpayments of stated amount.

The matter was pointed out in November 2016. The management replied that the quantity of PCC (1:2:4) was dismantled at site and payment was made accordingly. The reply was not tenable as dismantling was already included in the rate analysis.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

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

Internal controls weakness

12.4.69 Irregular award of sanctions of expenditure without valid appointment orders-Rs. 133.03 million

As per Rule 17.2 of PFR Vol-I, there must be an act of sanction of an authority competent to sanction before public-money can be spent on any object or work.

During audit of Abdus Salam School of Mathematical Sciences Lahore for the period 2011-16, it was observed that the contract period of the Director General was expired on 29.08.2011 but he continued his service without any authority up to 28.08.2014. The issuance of sanction orders of expenditure amounting to Rs. 133,032,318 during the period 29.08.2011 to 28.08.2014 are held without any legal authority.

Audit was of the view that weak supervisory and financial controls resulted in irregular expenditure without valid sanctions.

Audit pointed out the lapse in May 2017. The management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October and November 2017.

Audit recommends fixing responsibility against person(s) at fault besides regularization of the expenditure with the sanction of competent authority.

(PDP No.19277-Abdus Salam School of Mathematical Sciences Lahore -2011-16)

12.4.70 Unauthorized drawl of salaries by the absent scholars-Rs.118.71 million

As per Section 39-A of the Islamia University of Bahawalpur amended Act 2012, the University may apply to the Collector for recovery

of any sum due to the University under any bond as an arrear of land revenue.

During audit of Islamia University, Bahawalpur for the period 2015-16, it was observed that the management did not recover the expenditure of Rs.118.706 million incurred on the pay & allowances and other remunerations of 18 HEC Scholars who did not join back the duties due to non/completion of Ph. D within maximum period of 5 years and remained absent for more than 6 to 8 years.

Audit was of the view that due to weak supervisory and mis-management, the services of absent scholars was not dismissed resulting in unauthorized drawl of salaries.

The matter was pointed out in March, 2017. The management stated that the detailed reply would be submitted in due course of time.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends disciplinary action against the person(s) at fault besides effecting recovery of all expenditure incurred during the period.

(PDP No.19850-Islamia University, Bahawalpur-2015-16)

***12.4.71 Non imposition of penalty on late completion of works-
Rs. 52.40 million***

According to the clause 39 of contract agreement, if a contractor fails to complete the work within stipulated period, he is liable to pay compensation @ 1% to 10% of amount of the agreement or any smaller amount as decided by the engineer in charge to be worked out per day

exceeding maximum of 10% of the cost of contract. The contractor shall have to apply, within one month, for extension in time limit before the expiry of schedule time of completion.

During audit of Higher Education Department, it was observed that different civil works were allotted to the contractors. The works were neither completed within stipulated time nor was penalty amounting to Rs.52,402,723 @ 10% of the contractual amount imposed for delay in completion of works. The details are as under:

Sr. No.	Name of formation	Period of Audit	PDP No	Amount (Rs.)
1.	University of the Punjab, Lahore	2014-16	21632	30,067,064
2.	University of Sargodha	2016-17	21374	20,850,000
3.	UET, Lahore	2014-16	20148	752,673
4.	UET, Lahore	2014-16	20149	451,051
5.	UET, Lahore	2014-16	20150	281,935
Total				52,402,723

Audit was of the view that weak internal controls on contractual agreements resulted in non-imposition of penalty for delayed completion of works.

The matter was pointed out from March to April and September 2017. The management at Sr. No.1 replied that extension was granted on the application of contractor. As against at Sr. No.2, it was stated that detailed reply would be submitted after scrutiny of record. The management at Sr. Nos. 3, 4 & 5 replied that extension was granted to the contractor on reasonable grounds, as works could not be completed within time limit due to various grounds. The reply was not tenable, extension in time limit for more than 6 to 8 years was granted without imposition of penalty for non-completion of works within stipulated period.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends recovery of penalty on late completion of works besides fixing responsibility.

12.4.72 Excess collection of college funds- Rs. 1.46 million

Higher Education Department vides notification No. SO (CA) 1-44/2016 dated 16-05-2016, issued revise rates for collection of student fund. The Principal of the colleges are responsible for proper collection and utilization of college fund at rates mentioned in the notification.

During audit of Higher Education Department, it was observed that some institutions have realized college funds amounting to Rs. 1,461,113 at higher rates than notified by the department. The detail is as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	GC (W), Township, Lahore	2015-17	22079	1,061,792
2	Govt. Post Graduate College for Boys Sahiwal	2016-17	21693	399,321
Total				1,461,113

Audit was of the view that financial indiscipline and weak internal controls resulted in over charging of college funds which put undue financial burden on students and parents.

Audit pointed out the lapse in February and August 2017. The management at Sr. No. 1 noted the observation for compliance. The management at Sr. No. 2 replied that approval would be obtained from Director of Education (Colleges). The replies were not accepted as no documentary evidence were produced in support of the replies.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends fixing responsibility against person(s) at fault for overcharging of college funds besides deposit of the excess collected amount into Government treasury.

12.4.73 Irregular expenditure on sub-campus Sahiwal after its up-gradation as independent university-Rs. 25.01 million

According to Commissioner, Sahiwal letter No. C-20/Dir(D&F) Comm (Sw1)/2016/69 dated 16.02.16, the sub-campus Sahiwal of Bahauddin Zakariya University was upgraded to an independent university and its Act was promulgated by the Provincial Assembly on 16th June, 2015. Further, the syndicate of BZU in its meeting dated 25 & 26.03.2016 also adopted Govt. of the Punjab, Higher Education Department letter No. SO(Univ.)29-2/2014 dated 24.02.2016 wherein up gradation of BZU Sub-Campus Sahiwal was notified as an Independent University.

During audit of Bahauddin Zakariya University, Multan for the period 2015-16, the management incurred an expenditure of Rs.25,008,955 from its sources on the M&R and renovation of residences at Sahiwal Sub-Campus which was already notified as an independent university. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	Bahauddin Zakariya University, Multan	2015-16	22154	19,590,820
2.	Bahauddin Zakariya University, Multan	2015-16	22157	5,418,135
Total				25,008,955

Audit was of the view that due to weak administrative and internal controls unauthorized expenditure was incurred resulting in loss to the University.

The matter was pointed out in April 2017. The management replied that although the Sub-Campus was declared as an independent university but all the expenditure on the Sahiwal University was being met from BZU budget. The reply being self explanatory was not admitted by audit. The expenditure on an independent university being out of the resources of BZU was held unauthorized.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the matter be examined at appropriate level and corrective measures be taken to enable the Sub-Campus to run as an independent university.

12.4.74 Un-authorized draws of pay & allowances without any appointment orders- Rs. 16.35 million

As per Section 10 (8) of the Act of Abdus Salam School of Mathematical Sciences, Lahore, the Chancellor on the recommendation of the Board has the authority to make appointments in grade MP-1.

During audit of Abdus Salam School of Mathematical Sciences Lahore, for the period 2011-16, it was noticed that the competent authority had appointed the Director General in MP-1 vide order No. Reg-2-132/03/EA-1 dated 14.02.2003. His services were terminated w.e.f. 29.08,2011 after refusal in extension of his contract by the Higher Education Department vide letter dated 08.05.2012. The officer continued

working as DG and drew salaries of Rs. 16,345,883 unlawfully during the period up to 28.08.2014.

Audit was of the view that due to weak administrative and internal controls, the officer was paid salaries as DG ASSMS without any legal authority resulting in loss to public exchequer.

Audit pointed out the lapse in May 2017. The management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends fixing responsibility against person(s) at fault besides effecting recovery of the amount pointed out.

(PDP No.19278-Abdus Salam School of Mathematical Sciences Lahore- 2011-16)

12.4.75 Short deposit of college funds-Rs. 6.10 million

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

During audit of Higher Education Department, it was noticed that various college amounting to Rs.6,101,396 funds realized from students were short deposited into relevant funds account as detailed below:

Sr. No.	Name of formation	Period of audit	PDP No.	Short deposited Amount (Rs.)
1.	GC of Science, Multan	2014-16	22053	5,651,231
2.	Government Post Graduate College, Jauharabad	2014-16	22100	354,840
3.	Government College of Commerce, Gujranwala	2012-16	21644	42,000
4.	Government Muslim Degree College 41 J.B, Faisalabad	2002-16	19796	53,325
Total				6,101,396

Audit was of the view that lapse was due to weak financial and internal controls which resulted in short deposit of the stated amount.

The matter was pointed out from March to April 2017. The formations at Sr. Nos. 1, 2 & 3 noted the observations for compliance. The management at Sr. No.4 replied that accounts were being reconciled with the banks and results of reconciliation would be intimated to audit.

The matter was further reported to the administrative department. DAC meetings were held on 27.12.2017 and 18.01.2018. The para at Sr. No. 2 was kept pending for verification of record and the amounts of para at Sr. Nos. 3 & 4 were reduced to the stated extent after verification of record. Further progress was not reported by the department. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report.

Audit recommends fixing responsibility against person(s) at fault besides early recover of the amount pointed out for deposit into relevant fund account.

12.4.76 Irregular expenditure on renovation of sub-campus Vehari- Rs. 3.50 million

The Executive District Officer, Education Vehari vide letter No.62-86/Admn authorize the management of the Bahaudin Zakariya University, Multan to establish its sub-campus in the primary portion of Government Model High School. In Clause-iv of above referred letter, it was decided between the District Government Vehari and the management of BZU that it will be the liability of University for the maintenance of the building till its usage as sub campus.

During audit of Bahauddin Zakariya University, Multan for the period 2015-16, it was observed that an expenditure of Rs. 3,500,000 was

incurred on the renovation of school building, construction of new rooms, bathrooms and raising of boundary walls before start of the sub campus.

Audit was of the view that due to weak administrative and internal controls unauthorized expenditure was made on the sub campus.

The matter was pointed out in April 2017. The management replied that borrowed building was without rent. Necessary expenditure was made to make it functional after observing all codal formalities. The reply was not accepted being not tenable, as expenditure on construction of new class rooms etc. was not a valid expenditure on a borrowed building except on routine M&R.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends early recovery of all outstanding dues from the students besides fixing responsibility.

(PDP No.22155- Bahauddin Zakariya University, Multan-2015-16)

12.4.77 Recovery for fake consumption of POL and purchase of coolant at higher rates-Rs. 2.09 million

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 BISE, Lahore for the period 2015-16, it was observed that the management made fake consumption of POL amounting to Rs. 1,898,590 during the period 2015-16 in 250 KVA generator installed in examination halls at Lawrence Road without holding any event

as per record of the estate office. Further, local coolant (water) without company brand name & seal was being used in generators instead of original brand “Coolant”. Excess amounts of Rs.189,750 were made in purchase of 345 liters coolant as rate of Rs. 700/liter was paid as compare to the market rate of Rs150/liter.

Audit was of the view that due to weak administrative and internal controls POL was pilfered resulting in loss to the board.

Audit pointed out the matter in February 2017. The management replied that events like examinations of BISE, University of Punjab and seminars, workshops & trainings of examiners etc. were conducted/arranged at the examination halls. The Board purchased the coolant in sealed packing. The sealed coolant was never used in its original capacity but it was mixed with water in a big plastic cane. The solution so prepared was used in the generators. Reply of the formation being evasive was not accepted. All the events stated by the management in reply were recorded in the record of estate office. Audit pointed out the recovery for the period of non-booking of halls for any event during the period. Further, usage of local coolant was noticed during physical inspection undertaken in the presence of Secretary Board & Deputy Secretary (Finance) who witnessed all this state of affairs.

The matter was further reported to the administrative department. In DAC meeting held on 27.12.2017, the para was kept pending for probe by administrative department. Further progress was not reported till the finalization of this Report.

Audit recommends probe of the matter at administrative level for fixing responsibility besides recovery of the amount pointed out by audit.

(PDP Nos.19836 & 19837- BISE, Lahore-2015-16)

12.4.78 Irregular grant of loan to Directorate of Education (Colleges) from students funds-Rs.2.04 million and Recovery of Rs. 633,622

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

During audit of Government Post Graduate Islamia College (W), Cooper Road Lahore for the period 2016-17, it was observed that the management granted loan of Rs. 2,041,000 to the Directorate of Education (Colleges) out of student funds without any authority. The amount was drawn in cash instead of issuing cross cheque. The amount of Rs. 600,000 was not yet refunded along-with interest of Rs. 33,622.

Audit was of the view that violation of rules resulted in irregular payment of loan and non refund of the balance amount.

The matter was pointed out in August 2017. The management replied that the Directorate demanded the loan of Rs. 600,000 for the payments of utility bills, therefore, amount was handed over in cash. The management did not reply to the remaining loan of Rs. 1,441,000. The reply was not tenable as no documentary evidence was produced in support of their claim.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends recovery of the balance amount besides fixing responsibility for irregular grant of loans.

(PDP No. 22038- Government Post Graduate Islamia College (W), Cooper Road Lahore-2016-17)

12.4.79 Irregular auction of leases-Rs. 1.95 million and non-recovery of income tax-Rs. 923,900

As per Sr. No 19(b) of Delegation of Financial Powers Rules 2016, officers in category-II have full powers subject to leases being openly auctioned for a period not exceeding one year. Further, as per Section 236A of Income Tax Ordinance 2001, rate of collection of shall be 10% of the gross sale price of any property or goods sold by auction.

During audit of University of Sargodha for the period 2016-17, it was observed that the management auctioned the leases of canteen, book shop and cycle stand at Mianwali Campus during 2016-17 for Rs. 1,949,000 without floating tender through newspapers and without obtaining security of Rs. 175,000. Further, income tax and lease amount was short realized to the tune of Rs. 923,900 as detailed below:

Sr. No	Lease of	Leased amount	Amount recovered	Balance recovery	I.T recoverable	Total recoverable amount (Rs)
1.	Canteen & Book Shop	1,540,000	1,220,000	320,000	154,000	474,000
2.	Cycle Stand	409,000	0	409,000	40,900	449,900
Total				729,000	194,900	923,900

Audit was of the view that non-observance of rules resulted in loss to public exchequer.

The matter was reported in September 2017. The management replied that reply in detail would be submitted after scrutiny of record.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends fixing responsibility against person(s) at fault besides effecting recovery of the amount pointed out.

(PDP No.21423- University of Sargodha-2016-17)

12.4.80 Non deposit of receipts into university account- Rs. 855,000

Section 18 (a) of Bahauddin Zakariya University Multan Act 1975, states that treasurer shall manage the property, the finance and investment of the University.

During audit of Bahauddin Zakariya University, Multan for the period 2015-16, it was observed that rent charges amounting to Rs.855,000 received from different organizations/ persons on account of use of auditorium hall were not deposited into the university account.

Audit was of the view that weak internal controls led to in non-deposit of receipts.

The matter was pointed out in April 2017. The management did not offer any reply.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends recovery of penalty on late completion of works besides fixing responsibility.

(PDP No. 22153- Bahauddin Zakariya University, Multan-2015-16)

Others

12.4.81 Difference in departmental figures and AG figures- Rs.5.62 million

As per Rules 12.19 and 12.20 of PFR Vol-1, it is the duty of Administrator of Personal Ledger Account to maintain a pass book, in PF Form 25, for each PLA separately; and to reconcile the receipts into and

payments there from with the treasury officer at least once in a month with a view to ensuring that entries in the pass book are correctly made and these are totaled and the balance struck is agreed with the treasury. Further, as per paragraph 5 of Finance Department letter No. PS/FS/808/78 dated 26-02-1978, the Principal Accounting Officer should issue instruction to the controlling and Disbursing Officer under him that all payments are correctly classified under the appropriate heads of accounts.

During audit of Higher Education Department, it was observed that following formations did not make reconciliation of their expenditure figures with the treasury. There was a difference of Rs.5,619,731 between the figures appearing in the expenditure statements of the department and those booked by the Accountant General Punjab.

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	Govt. College (W) Gulsha-e-Ravi Lahore	2014-17	21659	1,899,075
2.	Govt. P.G. College for Boys, Bhakkar	2011-16	22064	2,210,255
3.	Govt. Islamia College for boys, Railway Road, Lahore	2015-16	21651	1,510,401
Total				5,619,731

Audit was of the view that weak supervisory controls resulted into non-reconciliation of expenditure statement with the AG Office.

The matter was pointed out from April to May and July to November 2017. The managements noted the observations for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends for reconciliation with the AG at the earliest besides strengthening financial and supervisory controls to avoid recurrence of such lapses in future.

12.4.82 Irregular payment for sub-standard work-Rs. 27.78 million

As per Para2.33 of PFR Vol-1, every government servant should realize fully that he would be personally held responsible for any loss sustained by government through any fraud or negligence on his part. The work is required to be executed as per specification.

The University of Punjab, Lahore made payment of Rs. 27.778 million for work “Construction of Cluster class rooms for Social Science Department at QAC”. The inquiry committee constituted by the Registrar of the University reported certain lapses in the sub standard construction work and recommended some test for material compressive strength of bricks, rebound hammer test, RCC scanning, check the strength of concrete and slab panels of structure tested in order to check the flexural strength. Thus final payment made to the contractor without any test report was irregular and needs fixing the responsibility.

Audit was of the view that weak supervisory and financial controls resulted in irregular payment to the contractor for substandard work.

The matter was pointed in November 2016. The department replied that the inquiry report was still waiting. Reply being evasive was not accepted. No test was conducted by the department besides the committee also showed serious concern over the inefficiency and negligence of the concerned.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends probing the matter at administrative level and fixing the responsibility for substandard construction.

(PDP No.19096-University of Punjab, Lahore-2014-16)

12.4.83 Loss due to fire, leakage and theft -Rs.21.02 million

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

During audit of Higher Education Department, it was observed that the heavy loss of Rs.21,023,980 was sustained due to fire, leakage and theft in the following formations due to negligence of the management.

Sr. No.	Name of formation	Period of Audit	PDP No.	Brief description of Irregularity	Amount (Rs.)
1.	BZU Multan	2015-16	21315	Loss due to theft of coils and oil from 37 electric Transformer	18,500,000
2.	Islamia University Bahawalpur	2015-16	19860	Loss of 300 Laptop (damaged / burnt) due to fire	2,400,000
3	University of Sargodha	2016-17	21388	Loss due to leakage of water bottle	123,980
Total					21,023,980

Audit was of the view that negligence of the management resulted in loss to the stated amount.

The matter was pointed out in March, April and September 2017. The management at Sr. No. 1 replied that transformers were about 35 years old and case was sent for auction. The management at Sr. Nos. 2 stated that detailed reply would be submitted after consultation with the authorities of that time. The management at Sr. No. 3 replied that matter would be probed. The replies were not tenable. The out of order transformers were not short of coils and oils when received in store.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends to probe the matter and fixing the responsibility against the defaulters besides effecting recovery of loss sustained.

12.4.84 Loss due to non-auction of used answer sheets and miscellaneous wastes- Rs.12.71 million

Rule 15.3 of PFR Vol-I requires that a competent authority may sanction the sale or disposal of stores regarded as surplus, obsolete or unserviceable.

During audit of Higher Education Department, it was observed that following formations did not auction the used examination material and miscellaneous waste, which resulted in loss of Rs. 12,714,002 as detailed below:

Sr. No.	Name of formation	Period of audit	PDP No.	Used Answer Sheets etc.	Amount (Rs.)
1.	BISE, Bahawalpur	2016-17	21962	2,159,662 No	6,000,000
2.	BISE, Sahiwal	2016-17	22136	116,600 kg	3,391,196
3.	BISE, Sahiwal	2015-16	19053	116,280 kg	3,322,806
Total					12,714,002

Audit was of the view that lapse occurred due to weak supervisory, financial and internal controls which resulted in non disposal of waste of examination material.

The matter was pointed out in March and July to November 2017. The management of both the formation noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that auction be made at the earliest and sale proceeds be deposited into board account.

12.4.85 Irregular payment due to non-maintenance of measurement book- Rs. 10.37 million

As per preface of measurement book all measurements should be recorded in measurement book.

During audit of University of Sargodha for the period 2016-17, it was observed that the work “Providing and fixing brand new security equipment along with all necessities/auxiliaries for all campuses UOS” was awarded by the Project Director, University of Sargodha to M/s MESI Enterprises vide work order no.UOS/PD(W)/2381-16 dated 17.02.2016 for Rs. 15.240 million but the items of the work executed as per 2nd running bill were not recorded in measurement books in violation of above government instructions.

Audit was of the view that weak supervisory and financial controls resulted in irregular payment of Rs.10,370,468.

The matter was pointed out in September 2017. The management stated that the work was done to meet security requirements after Charsaddha university incident. Detail reply will be submitted after proper scrutiny of record.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends inquiry against undue financial benefit to the contractor; fix the responsibility besides strengthening the financial and supervisory internal controls.

(PDP No.21401- University of Sargodha-2016-17)

12.4.86 Irregular sale of “Khush-Aab Water” on credits instead on cash-Rs. 8.43 million

According to Rule 4.7(1) of PFR VOL-I, audit will see that no amounts due to Government are left outstanding on its books without sufficient reasons.

During audit of University of Sargodha for the period 2016-17, the management sold “Khush-Aab Water” worth Rs. 8,431,937 on credit to the distributors, UMDC & Pharmacy and various departments without approval of the authority.

Audit was of the view that due to weak financial controls handsome amounts were kept out of the university account resulting in loss to the university.

The matter was pointed out in September 2017. The management replied that matter was under investigation in anti corruption.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends recovery of the stated amount besides fixing responsibility for credit sales on person(s) at fault.

(PDP No.21384-University of Sargodha-2016-17)

12.4.87 Non remittance of funds recovered from defaulters of Foreign Post-Doctoral Fellowships - Rs.8.00 million

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 the Government through fraud or negligence on his part.

During audit of Punjab Higher Education Commission (PHEC) for the period 2015-16, it was observed that an amount of Rs. 8,000,000 was recovered from four candidates who could not undergo the program “Foreign Post-Doctoral Fellowship 2015-16”. The amount so recovered, was kept in private bank account maintained in the Bank of Punjab TP Branch Lahore instead of depositing the same into govt. treasury.

Audit pointed out the matter in February 2017. The management replied that funds were recovered and were kept in Bank of Punjab. The reply was not accepted as the Finance Department has released the funds.

The matter was further reported to the administrative department. In DAC meeting held on 20.12.2017, the para was kept pending for deposit of stated amount into government treasury. Further progress was not reported till the finalization of this Report.

Audit recommends depositing of the amount into government treasury.

(PDP No.18817- Punjab Higher Education Commission (PHEC)- 2015-16)

12.4.88 Irregular expenditure on construction/repair works-Rs. 7.97 million

As per Section 18 (1) of the Punjab Government Educational and Training Institutions Ordinance 2002, the Board may, subject to the approval of the Government, frame regulations not inconsistent with the provisions of this Ordinance and the rules made there under to carry out the purposes of this Ordinance.

During audit of Lawrence College Ghora Gali, Murree for the period 2016-17, it was observed that the an expenditure of Rs. 7,968,641 was incurred on construction / repair works without frame of rules regarding repair / construction works. Technical Sanction was not

obtained. The Engineering Department of the institute was not properly established as a sub-engineer was doing the job of the engineer in the institute. The details are as under:

Sr. No.	Month	Name of contractor	Work	Amount (Rs)
1	Jul-16	Mr. Mumtaz Amed Abbasi	Washroom maint.	508,750
2	Jul-16	Mr. Mumtaz Amed Abbasi	Washroom Repair	391,608
3	Jul-16	M/s Paristan Klhan& Co	Bachelor Suits	444,000
4	Aug-16	Paristan Khan	Bachelor Suits	508,750
5	Aug-16	M/s Paristan Klhan& Co	Bachelor Suits	119,778
6	Aug-16	M/ Pirstan Khan	Bachelor Suits	925,000
7	Aug-16	M/s Paristan Klhan& Co	Development Work	356,321
8	Nov-16	Mr. Mumtaz Ahmed	Part payment for Approach Road	740,000
9	Nov-16	Mr. Mumtaz Ahmed	Toilet Work	126,173
10	Dec-16	Mr. Mumtaz Ahmed Contractor	Servant Blocks-Dev. work	462,500
11	Dec-16	Mr. Munir Ahmed P.A	Bachelor Suits	1,090,665
12	Dec-16	Mr. Mumtaz Ahmed Contractor	Part Payment Approach Road	900,000
13	Mar-17	Mumtaz Ahmed, Cont	Approach Road Work	62,826
14	Mar-17	Mumtaz Ahmed, Cont	Repair of Roof	477,500
15	Apr-17	Contractor	Approach road	641,040
16	May-17	Mumtaz Ahmed	Roof Work	213,730
Total				7,968,641

Audit was of the view that in the absence of the Engineering Department and its regulations, the quality of the construction/ repair works could not be ensured.

Audit pointed out the matter in August 2017. The management replied that consultancy was sought from NESPAK. The reply of the management was not acceptable as the above requirements were not fulfilled.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department should organize the Engineering Department and frame its regulations so as to cater for the needs of construction/repair works.

(PDP No.21724- Lawrence College Ghora Gali Murree for the period 2016-17)

12.4.89 Non-auction of leases of canteen/shops-Rs. 3.69 million

According to Rule 4.5(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 Higher Education Department, it was observed that following formations did not auction the leases of canteen and shops during the audited period, which resulted in loss of Rs.3,690,581.

Sr. No.	Name of formation	Period of Audit	PDP No.	Brief description of Irregularity	Amount (Rs.)
1.	G.C for women Kharian	2012-16	18999	Non auction of Canteen	1,524,293
2.	Govt. College (W) Township Lahore	2015-17	22082	Non Auction of College Canteen	660,000
3.	Govt. P.G. Islamia College Gujranwala	2015-16	21271	Non auction of Canteen	560,000
4.	Govt. College for Science,	2015-16	20175	Non Auction hostel Canteen and Khoka	550,288
5.	Govt. Degree college for boys Chunian	2011-16	21713	Non Auction of Canteen	216,000

Sr. No.	Name of formation	Period of Audit	PDP No.	Brief description of Irregularity	Amount (Rs.)
6.	Govt. P.G. College Samanabad, Faisalabad	2015-16	22163	Non Auction of Books Shop/Photostat	180,000
7.	UET Lahore	2014-16	20153	Non Auction of Shops and canteen	0
Total					3,690,581

Audit was of the view that the loss occurred due to the negligence on part of the management.

The matter was pointed out from March to April and July to November 2017. The formations did not offer any cogent reply.

The matter was further reported to the administrative department. In DAC meeting held on 18.01.2018, the para at Sr. No. 6 was kept pending for probe by administrative department. Further progress was not reported by the department. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends probing the matter and fixing the responsibility against the defaulters besides strengthening of internal controls.

12.4.90 Irregular expenditure directly made from receipt account-Rs. 2.43 million

Sub-section 2 (a), of the Section 39 of UET Act, 1974 states that no expenditure shall be made from the funds of the university unless the expenditure is included in the approved budget of the university. Section 38 provides that the university shall have a fund to which shall be credited its income from fee, donations, trusts, bequests, endowments, contribution, grants and all other sources.

The UET, Lahore, Sub Campus Faisalabad incurred expenditure of Rs. 2,425,027 directly from the receipt account during 01.01.2016 to 12.06.2016 without making it a part of university budget. The estimated receipts from the college were shown in the budget for the year 2015-16 but receipts of the sub campus were not deposited / transferred to the UET and were lying in college account in violation of Section 38 of UET Act, 1974.

Audit was of the view that due to weak administrative and internal controls sub campus receipts were not watched for deposit into university account.

The matter was pointed out in August 2016. The management did not offer any reply.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends expenditure be regularized from the competent authority besides fixing the responsibility for non credit of receipts into university account.

(PDP No.20136-UET Lahore-2014-16)

12.4.91 Irregular expenditure on salaries of an Audit Officer of Local Fund Audit, posted on deputation, as Resident Auditor - Rs. 1.56 million

As per Section (A) of the Auditor General of Pakistan Ordinance 2001, the University of Punjab comes under the ambit of that office.

The University of Punjab, Lahore hired the services of the auditor of Local Fund Audit department for posting as Resident Auditor in the University instead of requisitioning the services of an audit officer from Auditor General of Pakistan. This resulted in irregular expenditure of Rs.1,559,014 on pay & allowances of the post of resident auditor during the period 2014-16.

Audit was of the view that weak financial controls resulted into irregular drawl of pay and allowances.

The matter was pointed out in April 2017. The management replied that resident auditor was assigned the duties of pre-audit under Section 41 of the University Act. No Section of AGP Ordinance 2001 specifies that pre-audit of the Universities will be performed by the AGP. The reply of the department was not tenable as Ordinance of AGP & CGA clearly states that pr-audit is to be conducted by the AGP.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends fixing responsibility for non adherence to the AGP powers regarding pre-audit besides regularization of expenditure from Finance Department.

(PDP No.19233-University of the Punjab, Lahore-2014-16)

12.4.92 Non deposit of accreditation fee into treasury - Rs.1.29 million

As per 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 Punjab Higher Education Commission (PHEC) for the period 2014-16, it was observed that PHEC charged & realized the accreditation fee amounting to Rs. 1,285,000 during 2014-16 from various private sector degree awarding institutions but did not deposit it into government treasury as departmental receipt.

The matter was pointed out in February 2017. The management replied that the commission in its 5th meeting held on 28.03.2016 decided that the revenue generated from accreditation fee would be utilized for overhead expenses of the accreditation committee. Therefore, it was not required to deposit these receipts into Government Treasury because otherwise PHEC could not fulfill its liabilities related to accreditation. The reply of the department was not tenable, as it was not covered under any government rule.

The matter was further reported to the administrative department. In DAC meeting held on 20.12.2017, the para was kept pending for clarification from Finance Department regarding deposit of accreditation fee into government treasury or into DDO accounts. Further progress was not reported till the finalization of this Report.

Audit recommends either obtaining clarification from Finance Department or the amount remitted into Govt. Treasury.

(PDP No.19023- Punjab Higher Education Commission (PHEC)-2014-16)

12.4.93 Illegal encroachment of Government land valuing in 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 Higher Education Department, it was observed that precious land of the department was in the hands of illegal encroachers. No efforts were made to vacate the land as in some cases even FIR was not lodged against the culprits.

The details are as under:

Sr. No.	Name of formation	Period of Audit	PDP No.	Brief description of Irregularity
1.	G.C.(W). Model Town Lahore	2015-16	19036	Land of 6 kanal at 80-E Model Town
2.	G.G.D. College (W) Chunian	2005-16	19813	Encroachment of College Land by the adjacent private residents
3	G.C.W.Sari Alamgir, Gujrat	2006-16	19005	Encroachment of College Land
4	Govt. College of Science Lahore	2015-16	20174	Encroachment of 40 kanal 18 Marla Land under LDA
5	Govt. P.G. Islamia College Gujranwala	2015-16	22032	71 kanal land was under encroachment

Audit was of the view that due to weak administrative controls the land was not be vacated and interests of government could not be watched.

The matter was pointed out in March, April & May 2017. The managements did not offer any reply.

The matter was further reported to the administrative department. DAC meetings were held on 21.11.2017, 07.12.2017 and 28.12.2017. The para at Sr. No. 1 was kept pending for verification of record; para at Sr. No. 2 was kept pending for compliance and para at Sr. No. 3 was kept pending for probe by Director of Education (Colleges) Gujranwala. Further progress was not reported by the department. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends vacation of illegal occupied government land from culprits at the earliest.

CHAPTER 13

HOME DEPARTMENT

13.1 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 there under 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.

13.2 Comments on Budget & Accounts (Variance Analysis)

Introduction

The Appropriation Accounts for the year 2016-17 of Home Department indicate expenditure on various specified services vis-à-vis appropriation authorized by Government of the Punjab.

Summary of Appropriation Accounts

The summarized position of actual expenditure during 2016-17 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	9,874.162	(5,688.359)	4,185.803	4,172.777	(13.026)
PC21012	9,935.995	0.001	9,935.996	6,597.942	(3,338.054)
PC21013	88,630.669	1,601.635	90,232.304	83,579.820	(6,652.484)
PC21031	4,305.189	882.647	5,187.836	3,919.519	(1,268.317)
PC22032	68.979	338.179	407.158	93.817	(313.341)
PC22036	13,031.752	(727.819)	12,303.933	6,018.709	(6,285.224)
Total	125,846.746	(3,593.716)	122,253.03	104,382.584	(17,870.446)

Overview of Expenditure

The final budget of Home Department for the year ended 30 June, 2017 was Rs. 122,253.03 million. Out of this, actual expenditure was Rs. 104,382.584 million. 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	112,814,994,000	98,621,167,438	(14,193,826,562)	12.58
Development	13,031,752,000	6,018,709,441	(7,013,042,559)	53.82
Total	125,846,746,000	104,639,876,879	(21,206,869,121)	16.85

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	109,949,097,000	98,621,167,438	(11,327,929,562)	10.30
Development	12,303,933,000	6,018,709,441	(6,285,223,559)	51.08
Total	122,253,030,000	104,639,876,879	(17,613,153,121)	14.41

Anticipated savings not surrendered

As per para 14.3 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. (17,870.446) million at the close of the year 2016-17 under grants PC21012, PC21013, PC21010 & PC21031, PC22032 & PC22036 were not surrendered in time by the Department.

13.3 *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	1984-85	28	22	6	79
2	1985-86	35	32	3	91
3	1986-87	25	21	4	84
4	1987-88	22	16	6	73
5	1988-89	96	76	20	79
6	1989-90	10	2	8	20
7	1990-91	29	15	14	52
8	1991-92	27	14	13	52
9	1992-93	19	7	12	37
10	1993-94	11	6	5	55
11	1994-95	21	4	17	19
12	1995-96	16	0	16	0
13	1996-97	38	13	25	34
14	1997-98	122	47	75	39
15	1998-99	190	118	72	62
16	1999-00	323	183	140	57
17	2000-01	577	493	84	85
18	2001-02	345	238	107	69
19	2003-04	121	0	121	0
20	2005-06	140	11	129	8
21	2006-07	123	12	111	10
22	2009-10	229	17	212	7
23	2010-11	150	19	131	13
24	2011-12	246	48	198	20
25	2012-13	178	13	165	7
26	2013-14	149	41	108	28
Total		3270	1468	1802	45

The downward trend in the status of compliance with PAC directives in Home Department is continuing since 2005-06. As regards previous years, the same is prevailing for the years 1989-90, 1994-95 and 1995-96.

13.4 AUDIT PARAS

Fraud/Misappropriation

13.4.1 Likely misappropriation of funds due to doubtful maintenance of Accounts-Rs. 34.02 million

Rule 2.31 of PFR Vol-I states, a drawer of bill for pay, allowances, contingent and other expenses will be held personally responsible for any overcharges, frauds and misappropriation. He should, therefore make himself thoroughly acquainted with the meanings of various financial checks. The accounts of an organization should be prepared true, fair and complete in every respect.

During audit of Central Jail, Lahore for the period 2015-16, a comparison between amount drawn through computerized payroll/ manual pay bills was made with the expenditure booked by the department in their expenditure statements under pay & allowances for the period under audit, duly verified by the Accountant General Punjab Lahore. Resultantly, a difference of Rs. 34,020,194 was found to have been less booked by the DDO under establishment charges against their DDO code /Cost Center LO-4413 as evident from the record of the department.

Audit was of the view that the difference between payroll and expenditure booked was due to non reconciliation and could be due to misappropriation.

Audit pointed out the matter in January 2017. The management did not offer any reply.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that matter be investigated to dig out the actual facts and responsibility be fixed on persons at fault besides strengthening of internal controls.

(PDP No. 18932 –Superintendent Central Jail , Lahore- 2015-16)

13.4.2 *Likely misappropriation of POL in the vehicles-Rs. 16.52 million*

Appendix 14 Sr. No. 49 provides that full particulars of journey and distances between two places should be correctly exhibited. The matters of the vehicles should always be kept in order. All transactions of money received from the bank/ treasury should be entered in the cash book as soon as they occur and attested in token of check as required under rule 2.2 of PFR vol-1. Further, Rule 2.33 of PFR volume-I provides that 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, and that he will also be held personally responsible for any loss, arising from fraud or negligence on.

During audit of District Police Officer, Toba Tek Singh for the financial year 2015-16, it was noticed that cheques were made in the name of the DDO rather than Police Welfare Petrol Pump. Further, Police Welfare Petrol Pump diesel supplied bills amounting to Rs. 55,078,359 were drawn in cash from the DDO account and not deposited in the Police Welfare Petrol Pump account & not accounted for in its Cash book which may result into embezzlement of the said amount and fake consumption of POL in vehicles & entries in the log books thereof amounting to Rs.16,520,312. Moreover, it was observed that diesel purchased by the Police Welfare Petrol Pump from PSO was less than the diesel sold by the pump to District Police Officer T.T Singh vehicles.

It was also observed that cheque No. 2205326 dated 15.10.2015 of amounting to Rs. 2,124,580 and cheque No. 2597542 dated 14.11.2015 amounting to Rs. 4,366,308 were made on the name of Police Welfare Petrol Pump but it was deposited into DDO account rather than in Police Welfare Petrol Pump account than encashed by the DDO and payment made in cash to MT police line but that amount was also not accounted for in the cash book of Police Welfare Petrol Pump and in the account of the Police Welfare Petrol Pump maintained in HBL bank.

Audit was of the view that weak supervisory and financial controls resulted in likely misappropriation of POL.

When pointed out the matter, the management did not offer any reply.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit lays emphasis upon probe of the matter to fix responsibility besides recovery of the amount from the concerned and its deposit into government treasury.

(PDP No. 18418 –DPO T.T. Singh- 2015-16)

13.4.3 Likely Misappropriation of amount drawn for vehicles- Rs. 22.64 million

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 misappropriations. He should, therefore make himself thoroughly acquainted with the meaning of various financial checks which he is expected to exercise so that he can be in a position to

detect immediately any attempt at defalcation and should pay special care to those points in financial processes at which leakage is likely to occur.

During audit of Home Department, it was observed that an amount of Rs. 22,644,983 was drawn from government exchequer which seems to be misappropriated on the grounds mentioned as detail below.

Sr. No.	Name of formation	Period of audit	PDP No.	Audit Remarks	Amount (Rs.)
1	S.S.P Motor Transport Punjab Lahore	2015-16	18463	Amount was drawn for repair of vehicles which were not available in list of vehicles provided and seem to be private vehicles.	8,503,330
2	S.S.P Motor Transport Punjab Lahore	2015-16	18502	Amount of POL was drawn for vehicles which were not available in list of vehicles provided by the department and seem to be private vehicles. Amount calculated on 27 vouchers out of total 70 vouchers.	5,129,223
3	S.S.P Motor Transport Punjab Lahore	2015-16	18473	Excess Drawl of amount as per vehicle wise expenditure incurred on repair of vehicles and actual expenditure as per expenditure statement.	2,766,959

Sr. No.	Name of formation	Period of audit	PDP No.	Audit Remarks	Amount (Rs.)
4	CPO Rawalpindi	2016-17	20786	POL was drawn for vehicles which were not registered/ available in MTMIS website of Excise Department and seem to be private vehicles.	2,508,800
5	S.S.P Motor Transport Punjab Lahore	2015-16	17912	Excess POL was drawn as per Expenditure statement of the department and Vehicle wise POL drawn statement provided by MTO	2,087,047
6	S.S.P Motor Transport Punjab Lahore	2015-16	18471	Amount was drawn for repair of vehicles which were not got registered in Excise & Taxation Department since long and seems to be doubtful payment.	1,649,624
Total					22,644,983

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

The matter was pointed out in April 2017 and September 2017. The managements noted observations for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that matter be got inquired at department level and responsibility be fixed on persons at fault besides recovery of government loss.

13.4.4 Suspected Misappropriation due to missing bills of Dietary articles-Rs. 4.30 million

According to Rule 2.33 of PFR Vol-I, every Government servant should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will 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 Central Jail, Lahore for the period 2015-16, a comparison of expenditure statement and contingent bills of diet revealed that paid vouchers of dietary articles amounting to Rs. 4,301,072 were missing in the record. In the absence of valid record associated with said bills, the authenticity of procurement, validity of stock entry in grain godown register/ in gate book and true consumption of dietary articles in kitchen of the Jail could not be verified by audit.

Audit was of the view that the record was not shown to avoid audit checks. The amount in question seems to have been misappropriated.

Head of Account	Expenditure up to June 2015-16 (as per expenditure statement)	Bills provided during audit	Missing Bills in record of Jail
A03942-002 -Dietary Charges	90,353,602	86,052,530	4,301,072

Audit pointed out the matter in January 2017. The management did not offer any reply.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that matter may be inquired into, responsibility fixed and recovery effected from the staff held responsible and amount be deposited into government treasury.

(PDP No. 18670 –Superintendent Central Jail, Lahore- 2015-16)

13.4.5 Suspected misappropriation due to pilferage of POL-Rs. 2.19 million

According to Rule 2.33 of PFR Vol-I, every government servant should realize fully and clearly that he will be held personally responsible for any loss sustained by the Govt. through fraud or negligence on his part. Further, all matters of vehicles running with the Govt. organizations should always be kept in order as required in appendix-14 of PFR VOL-II.

During audit of accounts of the Senior Superintendent of Police Special Branch (LR) Lahore for the period 2016-17, a physical verification of milometer of vehicles parked at formation was carried out by the audit team in the presence of authorized staff (MTO) of MT branch. The meter reading was compared with the readings recorded in the log books of the said vehicles and it was observed that actual reading, shown on milometer of vehicles was far behind that recorded in the log books. In this way, a difference of 274199 KMs was noticed between reading actually shown on milometer and journey recorded in log books of the vehicles. This state of affairs indicated that said vehicles did not perform journey for 274,199 K.M against POL costing Rs. 2,193,520 approximately. POL at an average of 10 km per liter was neither filled in

tanks nor actually consumed in said vehicles and fake readings were marked in the log books against said POL.

Audit was of the view that had the petrol / diesel under discussion (27419 liters costing to Rs.2,193,520 approx. was filled in the tanks of said vehicles, then milometer would have moved ahead and distance covered by the vehicles could have not been recorded in log books on notional basis. Thus reading recorded in log books was found greater than the meter reading actually shown in milometer of the vehicles due to pilferage/theft of POL.

When pointed out during audit in July 2017, no reply was given by the DDO, which indicates that the management had nothing to say in their defense in response to aforesaid audit queries.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that difference of journeys (274199 Km), which has been excess recorded in the log book on notional basis than actual reading shown on the milometer of said vehicles, may be justified, matter investigated at higher level, responsibility fixed and the cost of said POL (Rs. 2,193,520 approx.) be recovered from the defaulters and deposited into government treasury besides strengthening of supervisory and financial internal controls.

(PDP No. 19667 – SSP Special Branch Lahore Region Lahore- 2016-17)

13.4.6 Double Drawl of Pay & Allowances for Rs. 3.41 million

Rule 2.31 of PFR Vol-I states as, a drawer of bill for pay, allowances, contingent and other expenses will be held personally

responsible for any overcharges, frauds and misappropriation. He should, therefore make himself thoroughly acquainted with the meanings of various financial checks. The accounts of an organization should be prepared true, fair and complete in every respect.

During examination of accounts of District Police Officer, Vehari for the financial year 2015-16, it was observed that a Sub-Inspector, having Personal No.30136742 was on deputation in National Highway & Motorway Police N-5, Lahore since 15.03.2002. The official was drawing double salary against said personal number from two cost centers i.e. VR-4019 (District Police Officer, Vehari) and LO0413 (National Highway & Motorway Police N-5, Lahore) simultaneously since 2010. This resulted into double payment amounting to Rs.3,406,852. Further, the official was repatriated from deputation on 01.01.2016 and posted in district Vehari on 27.05.2016. The official remained absent up to 27.05.2016 but drew salary for the said period amounting to Rs. 262,110 without settlement of absent period.

When pointed out in February 2017, the management did not reply the observation.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that a detailed inquiry be conducted to bring out the actual recoverable amount and recovery be effected and deposited into government treasury besides strengthening of financial and internal control system.

(PDP No. 18637 – DPO Vehari- 2015-16)

13.4.7 Fraudulent payment in procurement of pipe - Rs.491,400

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 misappropriations. He should, therefore make himself thoroughly acquainted with the meaning of various financial checks which he is expected to exercise so that he can be in a position to detect immediately any attempt at defalcation and should pay special care to those points in financial processes at which leakage is likely to occur.

During audit of Commandant, Police College, Sihala, Rawalpindi for the financial year 2015-16, it was noticed that a trading company offered rate of Rs. 30 per meter for supply of HDPE vide bid dated 25.05.2016. The same rate was recommended by the procurement committee and approved by the Commandant. But in the comparative statement somebody added digit "1" on left side and made it "130". Resultantly an amount of Rs. 491,400 was fraudulently excess drawn. It is also pertinent to mention here that all amount was drawn in the name of DDO.

Audit was of the view that weak supervisory and financial controls resulted in fraudulent drawl of amount.

The matter was pointed out in November 2016. The management stated that due to clerical mistake the amount of HDPE was written as Rs.30 instead of Rs.130. The reply of the management was not based on facts because the rate of Rs. 30 was quoted by the bidder on his financial proposal and it cannot be termed as clerical. The same rate was rightly printed in the comparative statement. Hence addition of digit "1" was due to mala fide intention.

The matter was further reported to the administrative department. In DAC meeting held on 17.10.2017, the para was kept pending for

inquiry. Further progress was not reported by the department till the finalization of this Report.

Audit recommends investigation into the matter at departmental level to dig out the facts regarding manipulation in the accounts and fraudulent drawl of amounts besides recovery and strengthening of internal controls to avoid such lapses in future.

(PDP No. 17561 –Commandant Sihala College Rawalpindi- 2015-16)

13.4.8 Double Drawl of Fixed Daily Allowances-Rs.175,700

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 misappropriations.

During audit of Chief Traffic Officer (CTO), Lahore for the period 2016-17, it was observed that Fixed Daily Allowance of Rs.175,700 was paid double to various officers / officials which were not allowed.

Audit was of the view that irregularity was occurred due to weak supervisory, financial & internal controls.

The matter was pointed out in October 2017. The management simply noted the observation.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends responsibility be fixed for non adherence to government instructions and amount be recovered from the concerned under intimation to audit besides strengthening of supervisory, financial and internal controls to avoid such recurrences in future.

(PDP No. 20886 – Chief Traffic Officer Lahore- 2016-17)

13.4.9 Doubtful drawl of transfer TA/DA-Rs. 906,120

Addl. Inspector General of Police, Establishment CPO, Punjab, Lahore vide letter No.33930-33/EA-II, dated 27.08.2015 made posting transfers of ASIs and disallowed TA/DA to them.

During audit of Superintendent of Police, Punjab Highway Patrol, DG Khan for the financial year 2015-16, it was noticed that 39 ASIs of DG Khan Region were transferred to Punjab Highway Patrol, DG Khan vide Addl. Inspector General of Police, Establishment CPO, Punjab, Lahore order No.9678-74/AD/E-II/VII dated 25.08.2015. It was clearly mentioned in 2nd para of the orders that no TA/DA would be admissible to them. Audit observed that an amount of Rs. 906,120 was drawn unlawfully and shown to have been paid to the concerned. But signatures on acquaintance rolls of the concerned officials did not tally with the signature in their service rolls. Moreover, bills were not prepared on prescribed TA bill forms and also not signed by the concerned officials. Bills were not countersigned by the competent authority.

Audit was of the view that fake drawl occurred due to mala fide intention.

When audit pointed out the matter, the management did not offer any reply.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit lays emphasis upon fixing responsibility for fake drawl besides recovery of the amount from the responsible and its deposit into government treasury.

(PDP No. 17552 –SP PHP DG Khan- 2015-16)

**13.4.10 Fraudulent drawl of arrears of pay & allowances-
Rs.168.29 million (approx.)**

Rule 2.33 of PFR Vol-I states that 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, and that he will also be held personally responsible for any loss, arising from fraud or negligence on. Moreover, 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 provided record for audit inspection and comply with requests for information. Any person or authority hindering the auditoria functions of the Auditor General regarding inspection of accounts shall be subject to disciplinary action under relevant Efficiency and Discipline Rules.

As per para 2 (appendix II) PFR Vol-II, it is of the greatest importance to avoid delay in the investigation of any loss due to fraud, negligence, financial irregularity, etc. If the irregularity is detected by audit in the first instance, it will be the duty of the Audit Officer to report immediately to the administrative authority concerned. If the irregularity is detected by tins administrative authority, in the first instance and if it is one which should be reported to the audit officer in terms of Punjab Financial Rules 2.34 and 2.35, he must make that report immediately. Every important case should be brought to the notice of superior authority as soon as possible the administrative authority should report to his superior and the audit authority to his superior. Should the administrative authority require the assistance of the Audit Officer in pursuing the investigation, he may call on that officer for all vouchers and other documents that may be relevant to the investigation; and if the investigation is complex and he needs the assistance of an expert audit officer to unravel it, he should apply forthwith for that assistance to Government who will then negotiate with the audit officer for the services

of an investigating staff. Thereafter the administrative authority and the audit-authority will be personally responsible, within their respective spheres for the expeditious conduct of the enquiry.

The scrutiny of the record of the Battalion Commander, PC Battalion-3 Multan for the financial year 2016-17 revealed that a case No. 23/17 dated 30.08.17 was got registered by Battalion Commander in the Police Station Anti-Corruption Establishment, Headquarter Multan regarding fraudulent drawl of arrears of pay and allowances by the employees of the organization with the connivance of staff of District Accounts Office, Multan. In the light of FIR, audit worked on three years HR data of SAP system of AG Punjab and separated year wise list of employees who had drawn arrears of pay and allowances amounting to Rs.168,288,676 during last three years (2014-15, 2015-16 and 2016-17). It was noticed that there was an abnormal increase in the drawl of arrears i.e. Rs. 31,844,377 in 2014-15, Rs.59,494,603 in 2015-16 and Rs.76,949,696 in 2016-17, which was doubtful.

Further, it was noticed that there were number of employees who only drew arrears but they had not drawn salary from the payroll of the organization.

Financial Year	2014-15	2015-16	2016-17	Total
No. of employees drawing pay	1758	1856	1573	5187
No. of employees drawing arrears	782	1225	932	2939
Amount of arrears in millions	31.844	59.495	76.95	168.289

Audit requisitioned record regarding the employees drawing arrears and pay during 01.07.2014 to 30.06.2017 vide requisitions dated 05.09.2017 and 08.09.2017. The authorities of the organization neither produced the requisite record nor provided any justification in this regard till the closing date of audit i.e. 14.09.2017.

Audit was of the view that the lapse occurred due to weak financial/ administrative controls.

The matter was pointed out in September 2017. The management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

The matter may be investigated at highest level to fix responsibility against those at fault besides recovery of the amount so assessed (amount may increase after investigation) after detail scrutiny and after forensic verification of the signatures of the D.D.O (SSP) & Head of organization (Commandant Punjab Constabulary) along with strengthening the internal control of the organization under intimation to audit.

(PDP No. 21540 –PC Battalion-3 Multan- 2016-17)

13.4.11 Likely misappropriation of government receipt-Rs. 2.08 million

As per Para 4.7(i) of PFR-I, it is primarily the responsibility of the department 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 an amount of Rs. 2,078,240 was earned/ received but no record regarding their deposit into government treasury was found available to verify the genuineness of deposits. Detail is as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Nature of Receipts	Amount (Rs.)
1	S.P Batalion No. 5 Lahore.	2015-16	17826	Receipts of Canteen Rent and Police Band neither deposited into treasury nor appearing in cash book	352,110

Sr. No.	Name of formation	Period of audit	PDP No.	Nature of Receipts	Amount (Rs.)
2	Superintendent Central Jail Multan	2015-16	17898	Amount received on account of sale of jail manufactured goods. But the same was not appearing in reconciled statement of receipts with District Accounts Office.	327,997
3	Superintendent Central Jail Mianwali.	2014-16	18712	Amount received on account of sale of manufactured goods from other jail. But whereabouts of deposit was not made know to audit.	1,398,133
Total					2,078,240

Audit was of the view that the lapse was occurred due to weak financial / administrative control.

The matter was pointed out in January and April 2017 and it was simply acknowledged.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that matter may kindly be got investigate at department level besides deposit of amount into government treasury.

13.4.12 Doubtful expenditure on transportation of vehicles-Rs. 5.68 million

As per Rule 2.33 of PFR Vol-I provides that every Government servant should realize fully and clearly that he will be held personally

responsible for any loss sustained by Government through fraud or negligence on his part, and that he will also be held personally responsible for any loss, arising from fraud or negligence on. Moreover, as per note 2 below rule 4.49 of Subsidiary Treasury Rules, no payment in excess of Rs.10,000 can be made in cash to contractors. As per Finance Department letter No. F.D. (FR) v-6/75 (P) dated 20.06.2007, the limit was further enhanced to Rs. 100,000.

During audit of Senior Superintendent of Police, Motor Transport, Lahore for the financial year 2015-16 it was observed that an amount of Rs. 5,676,200 was drawn and paid by the department under the head of account "Transportation of Goods". Following are audit observations:

1. Various vehicles were transferred to other districts through private transporters but no vehicle/ chassis number were found recorded on bill to verify the genuineness of claims.
2. Total Budget of Rs. 5,807,000 was allocated for the financial year 2015-16 and the amount of Rs. 5,676,200 was drawn in last two months of the financial year i.e May and June 2016 through cash.
3. Amount was drawn from government treasury in cash keeping the amount intentionally below one lac. Rs.3,640,000 was paid to M/s Al Waris Goods and M/s Car Carrier Services, Karachi by making forty transactions.
4. Following payments of above one lac were also paid through cash instead through cheque to concerned firms in contravention to above mentioned instructions of Finance Department.

5. Acknowledgments of payment (Actual Payee Receipt) were not found attached with bills to verify the genuineness of payment.

Sr. No.	Cheque No.	Date	Firm Name	Amount (Rs.)
1.	2744116	22.06.2016	Azad Waziristan Trailer services	129,500
2.	2744116	22.06.2016	Azad Waziristan Trailer services	139,200
3.	2744833	25.06.2016	Khalid Enterprises	120,000
4.	2744833	25.06.2016	Khalid Enterprises	120,000
5.	2744833	25.06.2016	Al haram traders	120,000
6.	2744833	25.06.2016	Al haram traders	120,000
7.	2744833	25.06.2016	Al haram traders	120,000
8.	2745336	27.06.2016	Al haram traders	120,000
Total				988,700

Audit was of the view that lapse was occurred due to weak supervisory and financial control.

Matter was reported in April 2017 and it was noted for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that matter may kindly be investigated at department level to dig out the actual facts regarding genuineness of expenditure besides recovery from the concerned.

(PDP No.18468 -SSP Motor Transport Punjab, Lahore, 2015-16)

13.4.13 Non existence of structure - Rs.731,000

Rule 2.33 of PFR Vol-I provides that 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, and that he will also be held personally responsible for any loss, arising from fraud or negligence on.

During audit of Commandant, Police College, Sihala, Rawalpindi for the year 2015-16, it was observed that the entity claimed and drew the amount of Rs. 731,000 for having constructed a generator's shed of 280 sft. size alongwith two platforms for Rs. 232,800 and inner and outer side roads at gate No.2 for Rs. 498,200. However, during physical verification in accompany with the departmental representative, these structures were found non-existent at site.

Audit was of the view that the lapse was due to failure of supervisory and financial controls.

When pointed out the matter, the management did not offer any reply.

The matter was further reported to the administrative department. In DAC meeting held on 17.10.2017, the para was kept pending for probe. Further progress was not reported till the finalization of this report despite issuance of reminders in October, November and December 2017.

Audit recommends probe of the matter at an appropriate level to fix responsibility besides recovery of the amount.

(PDP No.17578 &17579- Commandant Police College Sihala Rawalpindi, 2015-16)

13.4.14 Doubtful payment on purchase of hand cuffs- Rs.235,815

Rule 17.17 and 17.17.(A) of PFR Vol-1 describes that notwithstanding the provisions of rule 17.2 to 17.6 and 17.13 to 17.15 the want of provision in the estimates does not operate to prevent payment of any sum really due by Government. It is no economy to postpone

inevitable payment. It is very important to ascertain, provide for in the budget estimates, liquidate and record the payment of all actual obligations at the earliest possible date.

The scrutiny of accounts of the Superintendent District Jail, Shahpur, Sargodha for the financial year 2014-16 revealed that payment of Rs. 235,815 has been made to a company vide cheque No. 2740816 dated 24.06.2016. The expenditure relates to the purchase of 199 Nos. @ Rs.1185 per Hand cuff during 2009-10 under head A03970- others. The withdrawal was not admitted and seemed doubtful on the grounds that entry of said purchase was found in register dated 02.02.2012 against supply order placed dated 17.12.2009. Hence, a payment was made amounting to Rs. 235,815 after a lapse of 6 years and 6 months. The above quoted facts create doubts of pilferage of public funds. The doubts of double claim cannot be ruled out. It would appropriate to mention here that rates approved for one iron cuff @ Rs.1,185 also seems much higher and therefore creates doubts.

Audit was of the view that weak supervisory and financial controls resulted in doubtful payment on purchase.

The matter was pointed out in April 2017, The management did not offer any reply.

The matter was further reported to the administrative department. In DAC meeting held on 14.11.2017, the para was kept pending for compliance. Further progress was not reported by the department till the finalization of this Report.

Audit recommends that the department should probe the matter to dig out the facts to fix the responsibility. Administrative and financial controls may be strengthened to avoid such recurrence in future.

(PDP No.18760-Superintendent District Jail Shahpur, Sargodha-2014-16)

Non production of Record

13.4.15 Non production of record-Rs.2,816.12 million

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, the auditable record relating to receipts and payments made to various organizations/ personnel was not produced for audit scrutiny despite repeated requests. The details are given in Annexure-27.

Audit was of the view that due to non- production of record, the veracity of the accounts could not be verified.

The lapses were pointed out to concerned formations from February to November 2017. The formation at Sr. No. 1 stated that reply will be submitted later on. The formation at Sr. Nos. 3 & 8 stated that record was available and formations at Sr. Nos. 4, 18, 22, 24 & 36 offered no comments. The formations at Sr. 2, 5 to 7, 9 to 17, 20, 21, 23, 25, 27, 28, 29, 30, 31, 33, 34, 35 & 37 noted the observation for compliance. The remaining formations did not provide any cogent reply.

The matter was further reported to the administrative department. In DAC meeting held on 17.10.2017, the para at Sr. No. 2 was kept pending for inquiry and para at Sr. No. 3 was kept pending for verification of record. Further progress was not reported by the department. As regards remaining paras, neither any reply was received nor any DAC meeting

was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that a thorough probe may be held in the matter to take disciplinary action against the persons held responsible for non-production of record besides production of record for examination.

Irregularities & non-compliance

13.4.16 Irregular expenditure due to violation of Punjab Procurement Rules-Rs. 2,118.55 million

As per Rule 4 of Punjab Procurement Rules 2014, a procuring agency, while making any procurement, shall ensure that the procurement is made in a fair and transparent manner, the object of procurement brings value for money to the procuring agency and the procurement process is efficient and economical. As per Rule 9 of Punjab Procurement Rules 2014, a procuring agency shall announce in an appropriate manner all proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements so planned. The procuring agency shall advertise in advance annual requirements for procurement on the website of the Authority as well as on its website. Further, as per Rule 12 of Punjab Procurement Rules 2014, a procuring agency shall advertise procurement of more than one hundred thousand rupees and up to the limit of two million rupees on the website of the Authority in the manner and format specified by regulations.

During audit of Home Department, it was observed that expenditure to the extent of Rs.2,118,553,598 (Annexure-28) was incurred on purchase of stationery items, store articles, dietary articles, printed material, repairs of building, machinery, transport etc. without observing above stated rules.

Audit was of the view that non observance of PPR 2014 led to a non transparent process of procurement.

The matter was pointed out to concerned formations from February to December 2017. Most of the formations either noted the observations for compliance or did not offer any reply. While some formations did not provide any cogent reply.

The matter was further reported to the administrative department. DAC meetings were held on 17.10.2017, 14.11.2017 and 16.11.2017. The para at Sr. No. 19 was kept pending for probe by the Inspector General of Police; the paras at Sr. Nos. 15, 77, 110, 116, 175, 246 & 255 were kept pending for regularization from Finance Department; para at Sr. No. 56 was kept pending for verification of record and para at Sr. No. 149 was kept pending for inquiry. Further progress was not reported by the department. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that matter be probed to fix the responsibility besides regularization of the expenditure.

***13.4.17 Lapse of funds due to non surrendering of savings-
Rs. 212.12 million***

According to Para No.14.3 of Punjab Budget Manual, the Heads of Departments should submit, to the Finance Department, the first statement of excesses and surrenders by 1st January and the 2nd statement of excesses and surrenders by 31st March.

During audit of Home Department it was observed that first and second statements of excesses and surrenders were not submitted to

Finance Department through Principal Accounting Officer due to which an amount of Rs. 212,120,573 got lapsed.

The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	CPO Gujranwala	2016-17	21045	71,383,435
2	Forensic Science Agency Lahore	2016-17	20839	27,534,164
3	Police School of Information and Analysis	2016-17	18417	20,359,204
4	DPO Mianwali	2016-17	20755	16,306,538
5	DPO Layyah	2016-17	20861	15,196,858
6	CTO Gujranwala	2016-17	20966	15,193,871
7	DPO Jhang	2016-17	20223	14,220,248
8	DPO Jehlum	2016-17	19751	8,950,843
9	Battalion-3 Multan	2015-16	18620	8,412,833
10	CTO Faisalabad	2016-17	20924	7,659,212
11	Battalion-7 Lahore	2016-17	18325	2,400,000
12	Additional IG PHP Lahore	2016-17	20993	2,123,766
13	DPO Sargodha	2016-17	20947	1,600,022
14	Battalion-3 Multan	2016-17	21546	779,579
Total				212,120,573

Audit was of the view that weak management and financial controls resulted in non surrendering of savings.

The matter was pointed out to concerned formations from February to November 2017. Some of the managements noted the observations for compliance and some did not offer cogent replies.

The matter was further reported to the administrative department. In DAC meeting held on 08 & 09.01.2018, the amount of para at Sr. No. 2 was reduced after verification of record. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department should adhere to the government instructions and seek condonation of irregularity from the Finance Department.

***13.4.18 Excess expenditure over and above budget allocation-
Rs.733.70 million***

As per Rule 17.15 of PFR Vol-I, no government servant may, without previously obtaining an extra appropriation, incur expenditure in excess, of the amount provided for expenditure, under the heads concerned, and when a Government servant exceeds the annual appropriation he may be held responsible for the excess.

During audit of Home Department, it was observed that an expenditure of Rs. 733,702,268 (Annexure-29) was incurred in excess of the budget allocations. The details are as under:

Audit was of the view that weak internal controls on “Appropriations” resulted in excess expenditure than budget allocation.

The matter was pointed out to concerned formations from February to November 2017. Some of the managements noted the observations for compliance and some did not offer cogent replies.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department should adhere to the rules and seek regularization of the expenditure from the Finance Department.

13.4.19 Irregular mode of disbursement of pay and allowances - Rs. 105.57 million

As per Finance Department's 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 an amount of Rs.105,571,655 (Annexure-30) was disbursed as pay & allowances to the officials through cash instead of through bank accounts of the employees in contravention of the above mentioned instructions.

Audit was of the view that weak management and financial internal controls resulted in irregular mode of payment.

The matter was pointed out to concerned formations from February to November 2017. The formations noted the observations for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department should adhere to the government instructions and seek condonation of irregularity from the Finance Department.

13.4.20 Irregular Payment through Cash-Rs. 200.33 million

As per note 2 below rule 4.49 of Subsidiary Treasury Rules, no payment in excess of Rs. 10,000 can be made in cash to contractors. As per Finance Department letter No. F.D. (FR) v-6/75 (P) dated 20.06.2007, the limit was further enhanced to Rs. 100,000.

During audit of Home Department, it was observed that a sum of Rs. 200,333,911 (Annexure-31) was drawn for payment to various contractors/ suppliers. The payments were held irregular as the same were made in cash.

Audit was of the view that disregard to rules and government instructions resulted in irregular payment through cash.

The matter was pointed out concerned formations from February to November 2017. Some of the managements noted the observations for compliance and some did not offer cogent replies.

The matter was further reported to the administrative department. In DAC meeting held on 17.10.2017, the para at Sr. No. 12 was kept pending for regularization from Finance Department. Further progress was not reported by the department. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department should adhere to the rules and instructions while making payments and seek regularization of irregularity from the Finance Department.

13.4.21 Irregular expenditure beyond competency-Rs. 307.52 million

As per Rule 2 (b) of Punjab Delegation of Financial Powers Rules 2006, category-I, II & III officers are empowered to sanction expenditure on purchase of stationery and computer stationery upto Rs. 400,000, Rs. 300,000 & Rs.200,000 respectively during one financial year. Further, Rule 4(ii) of Delegation of Financial Powers Rules 2006 stated that the officer in category-I is competent to sanction expenditure upto Rs.200,000

or 50% of the un-depreciated book value (cost of purchase) of in each case. Moreover, as per Rule 2 (b) (xxv) (a) of Delegation of Financial Powers Rules 2006, (non recurring), the Category-I, II & III officers were competent to sanction expenditure upto Rs. 200,000, Rs.100,000 and Rs. 100,000 respectively for non recurring expenditure in each case. Furthermore, as per Rule 2 (b) (vii) (ii), category-I officers are empowered to sanction expenditure on printing upto Rs. 400,000 in each case.

During audit of Home Department, it was observed that an expenditure of Rs. 307,523,159 (Annexure-32) was incurred on purchase of stationery and other items. The expenditure was held irregular as the sanctioning authorities exceeded their respective limits for sanctioning expenditure.

Audit was of the view that weak internal controls on Punjab Delegation of Financial Powers Rules resulted in expenditure beyond competency.

The matter was pointed out to concerned formations from February to November 2017. Most of the formations noted the observations for compliance, while some did not offer any cogent reply.

The matter was further reported to the administrative department. In DAC meeting held on 16.11.2017, the paras at Sr. Nos. 7 & 10 were kept pending for regularization from Finance Department. Further progress was not reported by the department. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report.

Audit recommends that the department should fix the responsibility for the irregularity and seek regularization of the expenditure from the Finance Department.

13.4.22 Irregular expenditure on secret services-Rs. 605.57 million

Supreme Court in its judgment dated July 16, 2012 decided that after the 18th Amendment under Article 170 (2) of the constitution, the AGP enjoyed a strong constitutional mandate to audit of each rupee spent from the Consolidated Fund and the Public Accounts without exception. Moreover, the funds which have been declared as secret either by an executive order or ordinary legislation do not fall outside this purview. Furthermore, autonomous public bodies which do not receive any government funding but are established by the government or are under its control are also not beyond the AGP's duty and power to audit.

During audit of Home Department, it was observed that an amount of Rs. 605,574,000 (Annexure-33) was expended under the head "A03914-secret services expenditure". The cheques were drawn in the name of DDO. The record of expenditure was not available in office for authentication of expenditure and validity of payments.

Audit was of the view that weak management and financial controls resulted in irregular expenditure on secret services.

The irregularity was pointed out to concerned formations from February to December 2017. Most of the formations either noted the observations for compliance or did not reply. While some formations did not provide any cogent reply.

The matter was further reported to the administrative department. In DAC meeting held on 27.12.2017, 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 any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that relevant record be immediately provided to audit for verification of payment and authenticity of expenditure.

13.4.23 Irregular drawl of pay &allowances of staff due to shifting of headquarter-Rs. 25.30 million

As per Finance Department letter No.FD/SRIV-8-1/76(Prov) dated 20.03.1988, in case of 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.

During audit of Home Department, it was observed that some officials were temporarily posted from the actual place of duty to other stations for the periods in excess of three months and an amount Rs. 25,299,155 was paid to them. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	Superintendent Borstal Institute and Juvenile Jail Bahawalpur	2015-17	19706	5,294,749
2.	SSP Special branch Lahore	2016-17	19677	3,671,244
3.	DPO Chiniot	2015-16	17909	2,940,549
4.	SSP Special branch Lahore	2016-17	19669	2,612,820
5.	PHP Sargodha	2015-16	19967	2,523,744
6.	central jail Lahore	2015-16	18934	2,481,996
7.	Borstal jail Bahawalpur	2015-17	19709	2,040,344
8.	CTO Faisalabad	2016-17	20928	1,588,350
9.	Central Jail Rawalpindi	2016-17	19919	1,112,381
10.	Borstal Jail Faisalabad	2015-16	18442	565,835
11.	DPO Sialkot	2016-17	19699	467,143
12.	District Jail Jhelum	2016-17	19869	-
Total				25,299,155

Audit was of the view that the posting of the officials at other stations for long periods indicated that the services of these officials were not required at the places where they were posted but were required at other stations.

The irregularity was pointed out to concerned formations from February to November 2017. Most of the formations noted the observations for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department should adhere to the government instructions and seek sanction strength of the staff where the services of the officials are actually required and surrender the posts where the services of the staff are not required besides the department should seek condonation of irregularity from the Finance Department.

13.4.24 Unjustified payment of pending liabilities-Rs. 240.23 million

Rule 17.18 of PFR Vol-I states that the under no circumstances may charges incurred be allowed to stand over to be paid from the grant of another year. If possible, expenditure should be postponed till the preparation of a new budget has given opportunity of making provision and till the sanction of that budget has supplied means; but no account may charges be actually incurred in one year and thrown on the grant of another year.

During audit of Home Department, it was observed that in contravention to above mentioned instructions payments of

Rs.240,225,758 pertaining to previous years was made from the budget of current financial year. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	Secretary Home	2016-17	21080	179,208,000
2	DPO Okara	2016-17	20027	16,482,270
3	Central Jail Rawalpindi	2015-16	18376	11,705,993
4	CPO Rawalpindi	2016-17	20800	7,855,949
5	DPO Okara	2016-17	20021	5,761,211
6	Central Jail Faisalabad	2015-16	18395	4,600,621
7	AIG logistics Lahore	2014-16	18706	3,330,382
8	SSP Tele Lahore	2015-16	17587	1,608,000
9	District Jail Vehari	2015-16	18532	237,000
10	Battalion-3 Multan	2016-17	21551	192,622
11	SSP PHP Faisalabad	2016-17	21459	1,038,510
12	AIG Logistics Lahore	2014-16	20634	771,699
13	Superintendent Central Jail Lahore	2015-16	18452	7,433,501
Total				240,225,758

Audit was of the view that weak management and financial internal controls resulted in payment of pending liabilities and due to non-observance of rules, the chances of double payment could not be ruled out.

The matter was pointed out to concerned formations from February to November 2017. The formations noted the observations for compliance.

The matter was further reported to the administrative department. In DAC meeting held on 27.12.2017, the para at Sr. No. 1 was kept pending for regularization from Finance Department. Further progress was not reported by the department. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department should adhere to the government instructions and seek regularization of the expenditure from the Finance Department.

13.4.25 Irregular / unauthorized consumption of POL over and above prescribed limit-Rs. 405.09 million

According to Chief Secretary Punjab's Circular letter No.PA/DG(G) 1.57/90 dated 03.07.1991, the officers/officials using patrolling/operational & Others vehicles in Police Department will adhere to the prescribed ceiling of POL for 250 liters & 120 liters respectively. Further, as per time to time limit of POL fixed by the department authority.

During audit of Home Department, it was observed that in contravention to above mentioned instructions POL of Rs.405,088,368 (Annexure-34) was consumed over and above the prescribed limits specified by the competent authority.

Audit was of the view that weak management and financial internal controls resulted in excess consumption of POL than prescribed limit.

The matter was pointed out to concerned formations from February to November 2017. Most of the formations noted the observations for compliance or did not provide cogent reply.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department should adhere to the government instructions and seek condonation of irregularity from the Finance Department.

13.4.26 Un-justified expenditure on diet charges beyond approved cost-Rs. 187.49 million

According to Government instructions, regarding Scale & Menu of daily diet for Prisoners, issued by the Home Department (Govt. of the Punjab) vide their Notification No. SO(R&P)1-9/99 VOL-III Dated.22-3-2014, the dietary charges @ Rs.59.61 per prisoner per day were approved by the Government.

During audit of jails under the administrative control of Home Department, it was observed that the above criteria approved for the menu of daily diet of prisoners, was not strictly followed by the management and an expenditure of Rs. 187,487,930 was excess incurred than approved cost and thus government sustained loss. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	District Jail Jehlum	2014-16	17919	46,989,305
2	Central Jail DG Khan	2014-17	20995	22,239,329
3	Central Jail Rawalpindi	2015-16	18370	18,688,442
4	District Jail Shahpur	2014-16	18755	17,590,467
5	Central Jail Rawalpindi	2016-17	19922	16,216,451
6	Central Jail Faisalabad	2015-16	18908	15,352,872
7	Central Jail Multan	2015-16	17890	12,151,677
8	Central Jail Multan	2016-17	19904	11,326,930
9	Central Jail Mianwali	2014-16	18686	10,321,242
10	District Jail Sargodha	2014-16	17966	7,713,581
11	District Jail Attock	2015-16	17810	4,041,210
12	District Jail Vehari	2015-16	18527	3,344,219
13	District Jail Chakwal	2012-16	18446	1,512,205
Total				187,487,930

Audit was of the view that weak management and financial internal controls resulted in excess expenditure on dietary charges.

The matter was pointed out to concerned formations from February to November 2017. Some of the managements noted the observations for compliance and some did not offer cogent replies.

The matter was further reported to the administrative department. DAC meetings were held on 17.10.2017 and 14.11.2017. The para at Sr. No. 1 was kept pending for probe by I.G. prisons and para at Sr. No. 4 was kept pending for regularization from Finance Department. Further progress was not reported by the department. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department should adhere to the government instructions and seek condonation of irregularity from the Finance Department.

13.4.27 Irregular expenditure due to charging irrelevant head of account-Rs. 95.27 million

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. Further, the paragraph 5 of Finance Department letter No.PS/FS/808/78 dated 26.08.1978 states that the Principal Accounting Officers should issue instructions to the controlling and disbursing officers that all payment are correctly classified under the appropriate heads of accounts.

During audit of Home Department it was noticed that amount of Rs.95,269,638 (Annexure-35) was drawn against irrelevant head of account in contravention to above mentioned instructions of the government.

Audit was of the view that weak internal controls on “Appropriations” resulted in misclassification of expenditure.

The matter was pointed out to concerned formations from February to November 2017. Some of the managements noted the observations for compliance and some did not offer cogent replies.

The matter was further reported to the administrative department. In DAC meeting held on 16.11.2017, the para at Sr. No. 14 was kept pending for regularization from Finance Department. Further progress was not reported by the department. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department should adhere to the government instructions and seek regularization of the expenditure from the Finance Department.

13.4.28 Unjustified incurrence of Expenditure- Rs. 8.88 million

According to Rule 2.32 of PFR Vol-I, it is not sufficient that a Government servant accounts should be correct to his own satisfaction. He has to satisfy not only himself but also the Accountant-General that a claim which has been accepted is valid, that a voucher is a complete proof of the payment which it supports, and that an amount is correct in all respects.

During audit of Home Department it was noticed that amount of Rs. 8,875,189 was drawn by the following Drawing & Disbursing Officers

for the expenditure pertaining to other offices/ cost centers. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Remarks	Amount (Rs.)
1	CPO Gujranwala	2016-17	21047	RPO Gujranwala Office vehicle were drawing POL from CPO Gujranwala	4,758,778
2	DPO Sargodha	2016-17	20940	POL of other offices were drawn from DPO Sargodha.	1,876,560
3	CPO Rawalpindi	2016-17	20776	POL was drawn for vehicles of other districts from the cost centre of CPO Rawalpindi.	1,363,320
4	RPO Bahawalpur	2014-16	18593	Payment of Electricity of residence / camp office of RPO Bahawalpur was made from government revenue. But orders of competent authority were not provided under which residence was declared as camp office.	523,924
5	Baloch Levy DG Khan	2014-16	17926	Vehicles were deployed to Pakistan Atomic Energy Commission and their POL and repair was charged to Baloch Levy DG Khan in contravention to terms and condition of agreement.	352,607
Total					8,875,189

Audit was of the view that disregard to the “Cannons of financial propriety” resulted in expenditure relating to other offices.

The matter was pointed out to concerned formations from February to November 2017. All the formations noted the observations for compliance or did not provide cogent reply.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department should adhere to the “Cannons of financial propriety” and seek regularization of the government instructions and seek condonation of irregularity from the expenditure.

13.4.29 Dubious payment to PQRs-Rs. 24.21 million

According to West Pakistan Qaumi Razaqars Rules 1966, all citizens of Pakistan of reliable character between the ages of eighteen to forty five years shall be eligible for the enrolment / 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.

During audit of Home Department, it was observed that an amount of Rs.24,121,839 was drawn from Treasury for payment to PQRs on account of TA @ Rs. 2,000 per month and uniform allowance @ Rs. 1,000 per year. The ages of PQRs were not known. The appointment letters, terms and conditions of their appointment, and approved sanctioned/actual month-wise strength was not available with the auditee formations.

The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	DPO Sargodha	2016-17	20942	7,824,000
2	DPO Bahawalpur	2016-17	20017	7,719,500
3	DPO Kasur	2016-17	18302	3,960,825
4	DPO Layyah	2016-17	20859	3,293,514
5	DPO Mianwali	2016-17	20750	1,324,000
Total				24,121,839

Audit was of the view that weak management and financial internal controls resulted in irregular payment to PQRs.

The matter was pointed out to concerned formations from February to November 2017. The management at Sr. No. 1 replied that all payments were made through cross cheques. The management of the formation at Sr. No. 3 replied that sanctioned strength of PQR was available and will be shown in DAC meeting. The rest of the formations noted the observations for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department should fix the responsibility for the non- maintenance/ production of record and ensure doing the needful.

13.4.30 Irregular drawl of funds by Model Police Station - Rs.13.77 million

According to Rule 2.32 of PFR Vol-I, it is not sufficient that a Government servant accounts should be correct to his own satisfaction. He has to satisfy not only himself but also the Accountant-General that a

claim which has been accepted is valid, that a voucher is a complete proof of the payment which it supports, and that an amount is correct in all respects. 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 Home Department, it was observed that a sum of Rs.13,769,567 was drawn under head “Others” (Model Police Station) for purchase of different items like stationery, petty charges, payment to NADRA and provision of meal to the accused in lock ups. The detail is as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	DIG Operations	2016-17	21474	5,910,277
2	DPO T.T. Singh	2015-16	19983	1,440,000
3	DPO Rajanpur	2015-16	17938	720,000
4	DPO Chakwal	2015-16	18766	720,000
5	DPO Layyah	2016-17	20855	720,000
6	DPO Khushab	2016-17	21742	720,000
7	DPO Bahawalnagar	2016-17	20904	719,976
8	DPO Nankana	2015-16	18408	719,333
9	DPO Muzaffargarh	2016-17	21222	717,581
10	DPO M.B. Din	2016-17	20868	662,400
11	DPO Mianwali	2016-17	20754	720,000
Total				13,769,567

The expenditure was held irregular on the following grounds:

1. The amount was drawn against the vouchers without any reference numbers and serial number.
2. The stock entries and consumption account were not available. Further, payments were made to the SHO of the concerned police station instead of to suppliers.

3. Purchases were made from suppliers who were not registered for the purpose of Sales Tax. Recovery of income tax was also not made according to prescribed rates in most of the cases.

Audit was of the view that weak management and financial internal controls resulted into irregular payment.

The matter was pointed out to concerned formations from February to November 2017. The formations at Sr. No. 2 stated that detailed reply will be given later on while Sr. No. 7 & 9 did not offered reply. Remaining formations noted the observations for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department should strengthen its internal controls and seek regularization of the expenditure.

13.4.31 Unjustified expenditure on cost of investigation-Rs. 67.11 million

As per Rule 2.10(a) (1) of PFR Vol-I, same vigilance should be exercised in respect of expenditure incurred from Government revenue as a person of ordinary prudence would exercise in respect of the expenditure of its own money. moreover, as per Rule 2.20 ibid, 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 Home Department, it was observed that a sum of Rs.67,106,792 (Annexure-36) was drawn and incurred as expenditure

under head “cost of investigation”. The expenditure was held irregular on the following grounds.

- Major portion of the expenditure was incurred on hiring of private vehicles in spite of having a large number of government vehicles for purpose of investigation.
- Bills of Rent-a-Car were found without reference number & date, particulars of departure, arrival and receipted acknowledgment of payment.
- FIR ledger register was not maintained to verify the expenditure of cost of investigation.
- The expenditure incurred on account of drawing of maps, meal charges, etc. was also found without vouched account.

Audit was of the view that weak management and financial internal controls resulted into irregular payment.

Matter was pointed out to concerned formations from February to November 2017. Most of the formations noted the observation for compliance and some did not provide any cogent reply.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends regularization of the expenditure with the sanction of competent authority.

13.4.32 Irregular Purchase of disputed land-Rs. 43.75 million

According to Government rules, in incurring and sanctioning expenditure from Govt. revenues the Disbursing officers and sanctioning

authorities should be guided by the fundamental canons of financial propriety as laid in para-2.10(a)(1) of PFR Vol-I. Accordingly, 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 / pocket. Further, 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 an expenditure of Rs.43,753,000 was incurred on the purchase of disputed Land measuring 90 kanal 16 Marla for the extension of Punjab Forensic science Agency. The PC-I approved for 96 kanal and 13 marla only. Advance payment was made to the owners of land without obtaining prior sanction of Finance department. After receiving payment land owners had filed a case in the court of law. Hence, the fundamental canons of financial propriety were completely ignored by the local management while incurring expenditure from public exchequer.

The lapse was pointed out in September 2017. The management replied that said land had not been purchased from land owners directly rather it was acquired from Land Acquisition Collector under Land Acquisition Act 1894.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends enquiry of the matter besides regularization of advance payment and matter be pursued in court of law.

(PDP No. 20827- Punjab Forensic Science Agency Lahore 2016-17)

13.4.33 Irregular collection of fine-Rs. 103.30 million

According to Rule 2.6 of PFR Vol-I, all receipts, disbursements and charges of whatever sort connected with the public service must be, and no other may be, shown in the cash book. Sufficient, details should be given in the column "particulars" to admit of the main points of each transaction being readily ascertained without reference to the detailed vouchers.

During audit of Home Department, it was observed that traffic fine amounting Rs. 103,295,720 was collected in cash from violators through Collection Units opened by the Chief Traffic Officer without the approval of competent authority. Further it was also noticed that fine collected in cash was not entered in cashbook.

Sr. No	Name of formation	Period of audit	PDP No.	Nature of Irregularity	Amount (Rs.)
1	Chief Traffic Officer Faisalabad	2016-17	20919	Irregular Collection of fine through collection units without approval from competent authority	101,960,000
2	Chief Traffic Officer Rawalpindi	2016-17	19939	Irregular Cash Collection without approval of competent authority and retention of cash in hand	843,000
3	Chief Traffic Officer Rawalpindi	2015-16	17840	The entity levied Rs.20 per violator on collection of traffic fine in cash without approval of the competent authority. Further amount was deposited in private account.	492,720
Total					103,295,720

Audit was of the view that weak internal and supervisory controls led to unauthorized/irregular collection of traffic fine.

The matter was reported to concerned formations from February to November 2017. The management at Sr. No. 1 stated that detailed reply will be submitted later and formations at Sr. Nos. 2 & 3 noted the observations for compliance.

The matter was further reported to the Administrative department in September 2017. In DAC meeting held on 14.11.2017, the para at Sr. No. 3 was kept pending with the direction to deposit funds into government treasury. 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.

Audit recommends that irregularity be got condoned from competent authority besides stoppage of irregular practice of collection of traffic fine in cash.

Recoveries and overpayments

13.4.34 Non/ less deduction of taxes and payment of stamp duty- Rs. 99.11 million

According to Income Tax Ordinance 2001, Punjab Sales Tax on Services Act 2012, Sales Tax Act 1990 and Stamp Duty Act 1899, the departments are required to deduct taxes at prescribed rates at the time of payment.

During audit of Home Department, it was observed that income tax, provincial sales tax and sales tax were either not deducted or were less deducted at source from the payments made to various firms/ contractors on procurement of goods and services. Moreover, in some cases the payment of the stamp duty at the prescribed rates was not made.

Audit was of the view that weak internal controls on taxation resulted in non-deduction of taxes and payment of stamp duty amounting to Rs. 99,110,406 (Annexure-37).

The matter was pointed out to concerned formations from April to November 2017. Some of the formations noted the observations for compliance, some did not furnish replies and most of the formations offered vague and evasive replies without any support of documentary evidences.

The matter was further reported to the administrative department. DAC meetings were held on 17.10.2017, 16.11.2017 and 27.12.2017. The para at Sr. No. 1 was kept pending for probe and paras at Sr. Nos. 33 & 86 were kept pending for compliance. Further progress was not reported by the department. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department should strengthen its internal controls on taxation, effect recovery of the stated amount of the taxes and deposit the same into relevant treasuries.

13.4.35 Non recovery of police guard charges -Rs.620.20 million

As per 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, as per Rule 2.37 *ibid*, 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 amounts of service charges amounting to Rs.620,195,494 were not recovered from them. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	SP,Police Battalion-5, Lahore	2015-16	17823	10,325,723
2.	SSP/Battalion-7 PC, Lahore	2015-16	18322	601,812,322
3.	DPO, Bahawalpur	2016-17	19997	2,693,604
4.	DPO, Jhang	2016-17	20195	2,613,480
5.	DPO, Sargodha	2016-17	20937	2,750,365
6.	DPO, Sialkot	2016-17	19688	5,507,221
7.	DPO, Khushab	2016-17	21744	5,491,053
8.	DPO, Muzaffargarh	2016-17	21215	2,283,919
9.	City Police Officer, Rawalpindi	2016-17	20766	15,112,631
10.	CPO Gujranwala	2016-17	21032	11,642,552
11.	DPO Chiniot	2016-17	17908	2,225,211
Total				620,195,494

Audit was of the view that weak internal controls on recoveries resulted in non-recovery of the police guard charges.

The matter was pointed out to concerned formations from February to November 2017. The formation at Sr. No. 1 stated that detailed reply will be submitted soon. Formations at Sr. Nos. 2 & 8 offered no comments and formations at Sr. Nos. 3 to 7, 9 & 11 noted the observations for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends prompt recovery of the amount besides fixing the responsibility.

13.4.36 Traffic fine not recovered -Rs. 171.06 million

As per 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 an amount of Rs.171,059,361 was not recovered from the violator of traffic rules.

The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	SP, PHP, DG Khan	2015-16	17548	882,800
2.	SP Traffic, Multan	2014-16	18317	3,865,352
3.	Punjab Highway Patrol, Sargodha	2015-16	18924	1,240,250
4.	SP, PHP, Lahore Region	2016-17	19722	8,759,950
5.	DPO, Jhelum	2016-17	19753	814,85
6.	CTO, Rawalpindi	2016-17	19936	21,153,750
7.	DPO, Khanewal	2016-17	19957	1,826,650
8.	DPO, Mianwali	2016-17	20751	167,600
9.	DPO, Layyah	2016-17	20853	1,156,750
10.	CTO, Lahore	2016-17	20882	75,482,790
11.	DPO Bahawalnagar	2016-17	20906	167,550
12.	CTO, Faisalabad	2016-17	20927	4,595,900
13.	Chief Traffic Officer, Gujranwala	2016-17	20965	1,515,050
14.	Addl. IGP, PHP, Lahore	2016-17	20982	36,038,670
15.	SSP, PHP, Faislabad	2016-17	21461	14,205,400
16.	CTO, Lahore	2016-17	20890	0
Total				171,059,361

Audit was of the view that slackness of management and weak financial controls leads to non-recovery of fines.

The matter was pointed out to concerned formations from February to November 2017. Some of the formations noted the observation and some formations did not provide any cogent reply.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends prompt recovery of the amount besides fixing the responsibility.

13.4.37 Unauthorized payment of allowances during training period-Rs. 25.72 million

Finance Department's letter no.FD.PR.6-2/04, dated 20th April, 2006 disallows fixed daily allowance to official who avails leave or not perform operational duty for more than 11 days in a month. Further, as clarified by Government of the Punjab vide Finance Department letter No.FD.PR.6-1/2014 dated 18.12.2014, Fixed Daily Allowance was not admissible during training. Moreover, 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.

During audit of Home Department, it was observed that officials were remained under training but they were paid various allowances during the period under training which were not admissible to them.

Audit was of the view that weak internal controls on payroll and disregard to government instructions/rules resulted in unauthorized/

inadmissible payments of pay & allowances to the tune of Rs. 25,718,579 (Annexure-38).

The irregularities were pointed out to concerned formations from February to November 2017. Some of the formations noted the observations for compliance, some formations offered vague and evasive replies without any support of documentary evidences.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that responsibility for overpayment be fixed, recovery be effected from officers/officials concerned and credited into government treasury besides strengthening of supervisory and financial controls.

13.4.38 Unauthorized payment of allowances during suspension & leave period-Rs. 32.68 million

The new salary package (Risk Allowance, Fixed Daily Allowance for 20 days and Ration allowance etc.) was sanctioned by the Finance Department for the Police staff vide their Order No.8904/F-I dated 26.05.2009. But the said salary package was not admissible to officers/officials of the Police department for the period they remained under suspension as clarified by the government vide Order No.10281/F-I dated 08.06.2009. Further, as per Finance Department letter No.FD.PR.6-3/2002 dated 08.01.2010, fixed daily allowance will not be admissible for the month if the officer/official avails leave for more than 11 days in a month. Moreover, 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.

During audit of Home Department, it was observed that Risk Allowance, Fixed Daily Allowance and Ration allowance etc. were paid to the police officials who were suspended from service or proceeded on leave for more than 11 days during a calendar month in violation of above said instructions of the Government.

Audit was of the view that weak internal controls on payroll and disregard to government instructions/rules resulted in unauthorized/inadmissible payments of pay & allowances to the tune of Rs.32,683,549 (Annexure-39).

The irregularities were pointed out to concerned formations from February to November 2017. Some of the formations noted the observations for compliance, some offered vague and evasive replies without any support of documentary evidences.

The matter was further reported to the administrative department. In DAC meeting held on 14.11.2017, the amount of para at Sr . No. 37 was reduced to the stated extent after verification of record. Further progress was not reported till the finalization of this report. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that responsibility for overpayment be fixed, recovery be effected from officers/officials concerned and credited into government treasury besides strengthening of supervisory and financial controls.

13.4.39 Unlawful payment of salary-Rs.2.46 million

As per Rule 7.1 of Civil Service Rules Vol-I, pay and allowances of a Government servant who is dismissed or removed from service cease

from the date of such dismissal or removal. 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 misappropriations.

During audit of Home Department, it was observed that officers/officials were dismissed or removed from service as a result of disciplinary action but their salaries continued to be credited in their accounts. The continuation of the salaries beyond the dates of dismissals resulted in unlawful payments of salary. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	Commandant Sihala College, Rawalpindi	2015-16	17567	126,104
2.	Superintendent Special Branch Multan	2015-16	17916	2,070,000
3.	Sr. Suptt. Police Special Branch, Lahore	2016-17	19678	268,203
4.	CPO, Rawalpindi	2016-17	20765	313,344
5.	DPO, Nakana Sahab	2016-17	20817	974,088
6.	CTO, Lahore	2016-17	20892	313,248
Total				4,064,987

Audit was of the view that weak internal controls on payroll resulted in unlawful payment of salaries.

The matter was pointed out to concerned formations from May to September 2017. The formation at Sr. No.1 stated that the record would be scrutinized and in case recovery established, the same would be recovered, the formation at Sr. Nos. 2, 4 & 6 noted the observations for compliance. The formations at Sr. Nos. 3 & 5 offered no comments.

The matter was further reported to the administrative department. In DAC meeting held on 17.10.2017, the para at Sr. No. 1 was kept pending for verification of record. Further progress was not reported by the department. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this

Report despite issuance of reminders in October, November and December 2017.

Audit lays emphasis on recovery of the amount from the concerned besides fixing the responsibility for unlawful payments.

13.4.40 Loss due to purchase of POL at higher rates- Rs. 2.05 million

The Oil Marketing Companies have been authorized to notify petroleum prices since 01.06.2011 as per government approved formula. All the marketing companies have notified the rates district / pump wise and the same are available on OGRA Website.

During audit of Home Department, it was observed that POL was purchased at higher rates than the district/pump wise rates notified by the Oil Marketing Companies (OMCs) and hosted on OGRA website. This resulted in excess payment of Rs. 2,053,087. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	SP Regional Investigation Branch, B/pur	2013-16	17818	116,976
2.	SP PHP Lahore	2016-17	19726	256,644
3.	DPO Layyah	2016-17	20858	542,897
4.	DPO Bahawalnagar	2016-17	20900	628,001
5.	DPO Nankana Sahab	2015-16	20638	508,569
Total				2,053,087

Audit was of the view that disregard to the canons of financial propriety resulted in payment of petroleum prices at higher rates.

The matter was pointed out to concerned formations from February to November 2017. The formations at Sr. Nos.1, 3 & 4 noted the observation for compliance and formation at Sr. No. 2 stated that difference in rates was due to location of patrol pumps at different places.

The reply of the management was not acceptable as the overpayment was worked out on the basis of local rates.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department should adhere to the canons of financial propriety, probe the matter to fix the responsibility, effect recovery and deposit the same into government treasury.

13.4.41 Non deduction of late delivery charges-Rs. 5.93 million

As per supply orders the contractor was required to supply printed material within 15 days of receipt of supply orders.

During audit of Home Department, it was observed that supplies of Misc. items were not made within stipulated time period as per terms and conditions of agreement and the management failed to deduct LD charges for Rs.5,930,569 from the payments made to the contractors. The detail is as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	Suptt. Central Jail, Lahore	2015-16	18669	943,503
2.	AIG Logistics CPO, Lahore	2014-16	18693	422,323
3.	AIG Logistics CPO, Lahore	2014-16	18694	1,328,575
4.	AIG Logistics CPO, Lahore	2014-16	18695	1,476,601
5.	AIG Logistics CPO, Lahore	2014-16	19982	1,632,667
6.	Punjab Forensic Science Agency, Lahore	2016-17	20842	126,900
Total				5,930,569

The lapse occurred due to weak supervisory and financial controls of the management.

The matter was pointed out to concerned formations from June to November 2017. The formations at Sr. Nos. 2 to 5 noted the observation for compliance and formation at Sr. No. 1 offered no comments. The formation at Sr. No. 6 stated that concerned contractor had been directed to deposit the leftover amount.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department should probe the matter to fix the responsibility, effect recovery and deposit the same into government treasury.

13.4.42 Non recovery of fines from officials-Rs.9.30 million

As per 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 fine was imposed on officers/officials due to misconduct or absence from duty but recovery was not made from them. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	SP PHP DG Khan	2014-15	17545	693,288
2	DIG Security Division Lahore	2015-16	17729	223,895
3	DIG/Deputy Commodant Batalian 6 PC Farooq Abad	2015-16	18342	199,861
4	DIG, Police Investigation, Lahore	2016-17	19897	67,560
5	Central Jail, Rawalpindi	2016-17	19921	271,667
6	DPO, Bahwalpur	2016-17	20008	211,782
7	DPO, Jhang	2016-17	20202	99,200
8	City Police Officer, Rawalpindi	2016-17	20783	460,000

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
9	CTO, Lahore	2016-17	20891	3,964,639
10	Chief Traffic Officer, Gujranwala	2016-17	20979	131,426
11	DPO, Hafizabad	2016-17	21063	332,330
12	SSP, PHP, Faisalabad	2016-17	21460	795,053
13	DIG Operations, Lahore	2016-17	21486	1,848,842
Total				9,299,543

Audit was of the view that weak internal controls on recoveries resulted in non-recovery of fine imposed.

The matter was pointed out to concerned formations during February to November 2017. All formations noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department should strengthen its internal controls, effect recovery of the stated amount and deposit the same into government treasury.

13.4.43 Non recovery of penal rent - Rs.10.89 million

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 percent 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 various occupants of government residences either got retired or were removed from service or were transferred to other stations. The government

residences in their possession thus became unauthorized beyond prescribed specific periods. Accordingly, recovery of penal rent was required to be charged from their salaries. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	Suppt. Central Jail Rawalpindi	2015-16	18372	2,159,013
2	Suppt. Central Jail Sahiwal	2015-16	18390	2,254,752
3	Commandant PC HQ Farooqabd	2014-16	18523	2,712,528
4	IG Prision, Lahore	2015-16	18611	686,823
5	DPO Chakwal	2015-16	18768	364,785
6	DPO Khushab	2016-17	19924	1,735,962
7	BI & J Jail, Bahawalpur	2015-17	19710	971,712
Total				10,885,575

Audit was of the view that weak management controls resulted in unauthorized occupations of government residences and weak internal controls on payroll resulted in non-recovery of penal rent.

The matter was pointed out to concerned formations from February to March, 2016. The formations at Sr. No. 2 replied that evidence for deduction of HRA would be produced. The formations at Sr. Nos. 1, 4 and 5 to 7 noted the observations for compliance.

The matter was further reported to the administrative department. In DAC meeting held on 16.11.2017, the para at Sr. No. 4 was kept pending for provision of certificate to the effect that the government employees were residing elsewhere instead of government quarters. Further progress was not reported by the department. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department should get the government residences vacated from the unauthorized occupants, calculate the

recovery of penal rent up till such period, effect recovery and deposit the same into government treasury.

***13.4.44 Non deposit of government receipts into treasury-
Rs.1,853.93 million***

As per 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 in contravention of above rule, income generated amounting to Rs.1,853,933,006 (Annexure-40) by departments through canteen rent, medical fund, driving school fee & license processing fee was collected/deducted but not deposited into government treasury.

Audit was of the view that weak supervisory and financial controls leads to non-deposit of income into government treasury.

The matter was pointed out to concerned formations from February to November 2017. The formations at Sr. Nos. 2, 3, 6, 7 to 13, 16, 19, 21& 22 noted the observations for compliance. The formation at Sr. No. 1 replied that paras of same nature were settled in PAC meeting. The formations at Sr. Nos. 4, 5, 17 replied that rent of canteen was deposited with prison foundation as per direction of Head Office. The formation at Sr. Nos. 14, 15& 20 offered no comments. The formations at Sr. Nos. 18& 26 stated that detailed reply would be submitted later.

The matter was further reported to the administrative department. DAC meetings were held on 17.10.2017, 16.11.2017 and 27.12.2017. The para at Sr. No. 5 was kept pending for advice from Finance Department; para at Sr. No. 6 was kept pending for compliance and para at Sr. No. 18 was kept pending for provision of record. Further progress was not

reported by the department. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department should probe the matter to fix the responsibility for the non-deposit of government receipt and deposit the stated amount into government treasury.

***13.4.45 Inadmissible/unauthorized payment of pay & allowances
- Rs.132.05 million***

As per 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 Home Department, it was observed that fixed daily allowance, risk allowance, conveyance allowance, ration allowance, social security benefit, non practicing allowance, health professional Allowance, Kit Tailoring allowance etc. were paid to the police officials/employees which were not admissible to them because of various conditions/limitations.

Audit was of the view that non-observance of laid down instructions and weak supervisory controls led to inadmissible/unauthorized payment of allowances to employees amounting to Rs.132,046,168 (Annexure-41).

The matter was pointed out to concerned formations from February to November 2017. Most of the formations noted the observations for compliance while some did not provide any cogent reply.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till

the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that responsibility for overpayment be fixed, recovery be effected from officers/officials concerned and credited into government treasury besides strengthening of the supervisory and financial controls.

13.4.46 Unlawful/ unjustified expenditure out of receipt - Rs.16.61 million

As per 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 income generated through fork lifters, fee of E-Khidmat markaz through verification of character Certificate, duplicate driving license, verification of vehicles & police reports amounting to Rs.19,014,232 was collected and expenditure amounting to Rs. 16,614,120 was unlawfully incurred instead of depositing it in the Government Treasury which was not authorized by the Government as detailed in the table below:

Sr. No.	Name of formation	Period of audit	PDP No.	Nature of receipt	Amount receipt(Rs.)	Amount (expended) Rs.
1	CTO Faisalabad	2016-17	20923	Fork Lifter Fee	7,758,000	6,146,127
2	DPO, Sargodha	2016-17	20933	Verification of Character fee, police reports etc.	10,093,932	9,637,135
3	DPO, Mianwali	2016-17	20748	Verification of Character fee, police reports etc.	771,800	515,228

Sr. No.	Name of formation	Period of audit	PDP No.	Nature of receipt	Amount receipt(Rs.)	Amount (expended) Rs.
4	CPO Rawalpindi	2016-17	20762	Filter Purchased from Mobil oil receipts	390,500	315,630
Total					19,014,232	16,614,120

Audit was of the view that non-observance of government rules resulted in unlawful and unjustified expenditure out of government receipt.

The matter was pointed out to the formation during audit conducted in September & October 2017. The formation at Sr. No. 1 stated that detailed reply will be submitted later on and formation at Sr. No. 2 stated that all payments were made on the direction of DPO. The formation at Sr. Nos. 3 & 4 noted the observations for compliance

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department should adhere to the rules and regulations and seek condonation of irregularity from the Finance Department.

13.4.47 Excess payment of electricity charges due to non-adjustment of fuel price- Rs. 4.82 million

NEPRA allowed fuel price adjustment in the electricity bills almost during the entire financial year 2015-16 & 2016-17.

During audit of Home Department it was noticed that fuel price adjustment to the tune of Rs. 4,823,219 was allowed in the electricity bills but the department made the payment as shown against current charges

instead of adjustment of fuel price amount, which resulted in excess payment. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	Addl: IGP CTD, Lahore	2015-17	21023	1,059,735
2.	DPO, Jhang	2016-17	20215	364,807
3.	SP PHP DG Khan	2015-16	17556	173,592
4.	Commandant Sihala College, Rawalpindi	2015-16	17570	3,225,085
Total				4,823,219

Audit was of the view that slackness of management and weak financial controls led to non adjustment of fuel price.

The matter was pointed out from February to October 2017. The formations at Sr. Nos. 1 & 2 noted the observations for compliance. The formation at Sr. No. 3 stated MEPCO authorities would be informed and formation at Sr. No. 4 stated that adjustment amount of fuel price would be arranged.

The matter was further reported to the administrative department. In DAC meeting held on 17.10.2017, the para at Sr. No. 4 was kept pending for verification of record. Further progress was not reported by the department. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends to adjust the amount besides fixing the responsibility for excess payments.

13.4.48 Non recovery of the cost of prison manufactured articles supplied to other jails - Rs. 74.47 million

As per Rule 4.1 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 goods manufactured by the prisoners in the different jail factories were supplied to other jails in Punjab on payment basis but the cost of prison manufactured articles amounting to Rs. 70,474,850 was not recovered and deposited into the government account. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	Central Jail Multan	2015-16	17895	10906245
2	Central Jail F/Abad	2015-16	18399	9,105,558
3	Supdtt: Central Jail B/Pur	2015-16	18460	12,941,590
4	Central Jail Mianwali	2014-16	18711	8,853,392
5	Superintendent Central Jail Sahiwal	2015-16	18910	875,265
6	New Central Jail, Multan	2016-17	19901	7,801,851
7	Central Jail R/Pindi	2016-17	19929	19,715,903
8	Central Jail, Gujranwala	2015-17	21455	275,046
Total				70,474,850

Audit was of the view that weak supervisory and financial controls resulted in non recovery of cost of manufactured articles supplied to other jails .

The matter was pointed out to the formations from March to November 2017. The formation at Sr. Nos.1, 5, 6 & 7 noted the observations for compliance. The formation at Sr. No.2 stated that detailed reply would be submitted later on. The formations at Sr. Nos. 3, 4 & 8 stated amount would be recovered from the concerned jails.

The matter was further reported to the administrative department. In DAC meeting held on 16.11.2017, the amount of para at Sr. No. 3 was reduced to the stated extent after partial recovery. Further progress was not reported by the department. As regards remaining paras, neither any reply

was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that recovery be effected from the concerned and deposited into government treasury.

**13.4.49 Un-authorized payment on account of POL charges-
Rs.1.03 million**

The Government of the Punjab, S&GAD, Punjab, Lahore has transferred the services of an Addl. AIG Punjab, Lahore and directed to report to S&GAD vide notification No.SO.2-2/2016-1 dated 30.01.2016.

During audit of Deputy Inspector General of Police Traffic Punjab, Lahore, it was noticed that Addl. AIG Traffic relinquished the charge on 02.02.2016 but official vehicles LEG-998 (Toyota Car) and LEG-3685 (Nisan X-Trail) remained under his use till the time of audit i.e. October 2017 and thus 15,059 litre POL amounting to Rs. 1,027,118 used from PSO fleet card of DIG Police Traffic, Punjab, Lahore was irregularly drawn.

Audit was of the view that weak internal and supervisory controls resulted in unauthorized provision of vehicle to officer.

The matter was pointed out in October 2017. The formation noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that recovery be effected from the concerned and deposited into government treasury.

(PDP No 19736- DIG Traffic Punjab, Lahore, 2016-17)

13.4.50 Irregular drawal of POL for motor bikes deployed at various officers houses-Rs. 1.18 million

As per Rule 2.10 (a) (1) of PFR Vol-I, same vigilance should be exercised in respect of expenditure incurred from government revenue as a person of ordinary prudence would exercise in respect of the expenditure of its own money.

During audit of Senior Superintendent of Police, Motor Transport , Lahore, it was observed that 61 motor cycles were deployed in various officers home and were drawing POL from government exchequer but authority /orders of the competent for deployment of theses motorcycles were not shown to audit.

Audit was of the view that weak internal and supervisory controls resulted in unauthorized provision of vehicle to officers houses.

The lapse was pointed out to concerned formation in November 2016. The formation did not submit its reply.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that vehicle be recovered from concerned officers besides recovery of cost of POL and maintenance charges of vehicle.

(PDP No - 18477 – SSP Motor Transport Wing, Lahore - 2015-16)

13.4.51 Overpayment on account to rent of office building - Rs. 552,000

Rule 2.3(a) of PFR Vol-I provides that a drawer is personally responsible for any overcharges on account of pay, allowances and other expenses

During audit of City Police Officer Gujranwala , it was observed that a private building was hired by the department for Police Station Khiali. The payment of the rent was in excess of the amount due.

The details are as under:

Police Station Khiali Rent agreement Period	Rent to be paid			Actual rent paid			Over payment of rent
	Rent Per month	No. of Months	Total	Rent Per month	No. of Months	Total	
01.07.2007 to 30.06.2010	30000	36	1,080,000	30,000	36	1,080,000	-
01.07.2010 to 30.06.2013	37500	36	1,350,000	42,000	36	1,512,000	162,000
01.07.2013 to 30.06.2016	46875	48	2,250,000	55,000	48	2,640,000	390,000
			4,680,000			5,232,000	552,000

The matter was pointed out to the formation during audit in October 2017. The DDO stated that no overpayment was made as the rent was paid according to the assessment as well as the deed with the owner of building.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that amount may kindly be recovered from concerned and deposited into government treasury under intimation to audit.

(PDP No 21054-CPO, Gujranwala -2014-16)

13.4.52 Non recovery of amount of compensation as agreed in Indemnity bond- Rs. 8.23 million

According to the terms and conditions of appointment of the (Junior Forensic Scientist) of PFSA shall be bound to serve the Punjab Forensic Science Agency for two years from the date of appointment in the PFSA. In case of default the employee/surety shall pay Rs. 2.00 million as compensation according to contents of the Indemnity Bond.

During audit of Punjab Forensic Science Agency (PFSA) Lahore, it was observed from the checking of record that five (05) Junior Scientists of PFSA had left the Agency before completing two years service but amount of indemnity bond (Rs.8,000,000 @ 2,000,000 each) was not recovered by the department from the employees concerned.

It is further added that resignations of said employees were also found not accepted by the department as per record of PFSA, but one month advance pay had also not been paid to the Govt. by said staff, which is calculated to Rs.233,000.

The matter was pointed out to the formation in October-2017. The DDO replied that one Junior Forensic scientist at Sr. No. 4 served PFSA for more than five years hence the condition of indemnity bond was not applicable in this case. Recovery on account of indemnity bond from remaining 4 scientists at Sr. Nos. 1, 2, 3, 5 was under process.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that amount may kindly be recovered from concerned and deposited into government treasury under intimation to audit.

(PDP No 20828,Punjab Forensic Science Agency, Lahore , F.Y 2016-17)

13.4.53 Non auction of condemned vehicles and miscellaneous stores-Rs.478.83 million

As required under rules 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 observed that off road vehicles and condemned articles were lying idle. These items were neither being got repaired nor were being auctioned. The negligence on part of the management was causing loss to their values. The details are given in Annexure-42.

Audit was of the view that weak management and financial internal controls resulted in to non auction of these valuable items.

The matter was pointed out to concerned formations from April to November 2017. Some of the formations noted the observations for compliance, some did not furnish replies and most of the formations offered vague and evasive replies without any support of documentary evidences.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department should auction the unserviceable items to avoid further loss of their value.

13.4.54 Non-recovery of substandard medicines- Rs 298,195

Rule 2.33 of P.F.R Vol-1 also requires that every Government servant should realize fully and clearly that he will be held personally

responsible for any loss sustained by Government through negligence on his part.

During audit of Superintendent Central Jail Rawalpindi for the year 2015-16, it was observed that Rs. 298,195 was drawn for purchase of medicine from a trading company. The said purchase was declared substandard by Government Analyst, Drug Testing Laboratory Rawalpindi. But the amount paid was not got recovered from the supplier. This resulted into loss of Rs. 298,195 to the Government due to non-recovery of sub-standard medicine.

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

The matter was reported in April 2017. The management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that matter should be looked into, for either the sub-standard medicines be replaced or amount be recovered and deposited into Government Account besides strengthening financial and supervisory controls to avoid recurrence of such lapses in future.

(PDP No 18378, Central Jail Rawalpindi , F.Y 2015-16)

Performance

13.4.55 Performance evaluation of trainers not conducted expenditure on pay and allowance- Rs.60.23 million

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

part. Furthermore, Sr. No. 14 of the instructions for the guidance of superintendents of Police in relation to the organization and administration of police qaumi razakars provides that all police qaumi razakars on enrollments will be given training in elementary physical training and drill. After completing of training the razakars are required to be put through initial firing practice.

During audit of Additional Inspector General of Police Welfare and Finance Lahore for the period 2015-16, it was observed that an amount of Rs. 60,226,572 was incurred on the pay and allowances of 193 trainers and other staff working under the administrative control of Additional IG Welfare. The basic purpose of the trainers was to provide training to Police Qaumi Razakars, whereas no such details were provided to audit regarding the training plan / training program executed during the year 2015-16 hence the number of training sessions conducted and police Razakars trained was not known. The monitoring record of the attendance of the trainers was not available and leave accounts were also not maintained. The expenditure on pay and allowances was thus unjustified in the absence of performance evaluation reports of the trainers.

Audit was of the view that the lapse was due to weak supervisory and financial internal controls.

The matter was brought to the notice of the DDO in May 2017 it was replied that all relevant record was available for verification but record was provided a list of PRQs.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends to look into the matter and performance record be provided to audit.

(PDP No. 19071-AIG of Police Finance & Welfare Lahore-2015-16)

13.4.56 Loss to government due to non operationalization of Punjab Strategic Board - Rs.14.40 million

Section 3 and 4 of Punjab Strategic Coordination Ordinance 2014 required that there shall be Provincial Security Council and under the supervision of the Council there shall be a Provincial Strategic Coordination Board.

During audit of Secretary Home Department for the period 2016-17, it was observed that an amount of Rs. 108.165 million was provided vide U.O. No. SO(G-III) 17-11/2014 dated 09.01.2015 by the Finance Department for Operationalization of Punjab Strategic Board with 64 different posts. It was further advised by the Finance Department to utilize the provided fund. An amount of Rs. 14,401,000 was also provided for purchase of Transport. The Home Department first purchased 14 vehicles during the financial year 2014-15 but no staff was appointed as per direction of the Finance Department and the vehicles were parked in Pool. It was observed that the vehicles were used by the unauthorized persons.

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

The matter was brought to the notice of the DDO during audit and it was replied that a summary for operationalization of Punjab Strategic Board has been submitted to Chief Minister Punjab which is still awaited.

The matter was further reported to the administrative department in November 2017. In DAC meeting held on 27.12.2017, the para was kept

pending for clarification from Finance Department. Further progress was not reported by the department till the finalization of this Report.

Audit recommends to make hectic efforts for operationalization of the Board so that it can achieve its objectives and also that its existing assets are better utilized.

(PDP No. 21085- Secretary Home Department-2016-17)

13.4.57 Non operational/ partial connectivity with 150 PHP posts against expenditure-Rs. 27.67 million

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

During audit of Directorate of Monitoring Home Department Lahore for the financial year 2011-16, it was observed that expenditure of Rs. 27,673,492 had been incurred on repair & replacement of parts under head repair and maintenance of I.T. Equipment.

Against above stated heavy expenditure the uptime status of VSAT system installed at PHP posts as on 20.04.2017 was as under:

Total PHP Posts	=	336 Posts
Not Operational connectivity	=	101 Posts
VSAT Operational only/partial connectivity	=	49 Posts
Total up posts	=	59 Posts
Posts having > 40% uptime (connectivity)	=	48 Posts
Posts having < 40% uptime (connectivity)	=	<u>288 Posts</u>
Total	=	336 Posts

The main reasons for non operational connectivity were dead batteries, dead & faulty inverters, faulty modems, feed horn, solar system, cameras and satellite modem configuration issues etc. Perusal of the record revealed that many posts were not operational for a long period i.e., more than 6 months and even upto one year. Similar position was in previous years as evident from there reports of years 2011, 2012, 2014, 2015 and 2016.

Due to non-operational / partially operational connectivity issues, 24 hours e-surveillance could not be achieved for a large number of posts.

When audit pointed out the matter in May 2017, the DDO replied that efforts are in hand to find a solution where by problems of obsolete equipment/ technology and power outage is addressed.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that matter may be looked into at administrative level and an appropriate mechanism may be devised to make the connectivity operational at all the PHP posts besides taking necessary action against the officers/ officials responsible for non-safe guarding of costly equipment and not making the connectivity operational despite incurring heavy expenditure on repair / replacement of batteries, inverters and other IT equipment during last four years.

(PDP 18351 Director Monitoring Home Department 2011-16)

Internal Control & Weaknesses

13.4.58 Actual payee receipts not obtained - Rs. 16.01 million

As per Rule 8.5 of PFR Vol-I, actual payees' receipts duly stamped where necessary, showing full particulars, of the charges, should

invariably he obtained, when making payments of claims against Government. In order to avoid their being used again all such receipts (whether required to be submitted to the Audit Office or not) should be stamped "Cancelled" by the drawing officers at the time of initialing the entries relating to them in the contingent registers.

Further, as per 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 Home Department, it was observed that payments to the tune of Rs.16,009,238 were drawn by the DDO from government treasury under various object heads of contingencies. It is further pointed out that most of the payments were drawn in cash from treasury in violation of Govt. rules. Further, the payments were required to be disbursed after obtaining necessary Actual Payee Receipts (APRs) from actual recipients / parties concerned as required under rule but it has been seen that amount was paid to various contractors / parties without obtaining actual payee receipts in violation of rules stated above, which has rendered the whole expenditure doubtful.

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	SSP, Special Branch, Lahore	2016-17	19676	11,255,230
2.	SSP/Commandant Battalion 7, Lahore	2015-16	18613	4,754,008
Total				16,009,238

The matter was pointed out during audit in February & July 2017. The managements did not offer replies.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization

of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department should seek condonation of irregularity from the Finance Department.

13.4.59 Doubtful payment of rent of office buildings-Rs. 1.11 million

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 and misappropriations. He should, therefore make himself thoroughly acquainted with the meaning of the various financial checks which he is expected to exercise so that he can be in a position to detect immediately any attempt at defalcation and should pay special care to those points in financial processes at which leakage is likely to occur.

During audit of Superintendent of Police Punjab Highway Patrolling, Lahore Region, Lahore for the period 2016-17, it was observed that an expenditure of Rs. 1,112,772 was incurred under object AO3402.

The details are as under:

Sr. No.	Cheque No.	Date	Period	Amount (Rs.)
1	2825720	11.01.2017	Oct-16	87,120
2	2803364	20.10.2016	Nov-16	87,120
3	2818853	29.11.2016	Sep-16	87,120
4	2775468	23.09.2016	06/16 to 08/16	261,360
5	2885324	30.03.2017	12/16 to 1/17	174,240
6	2931835	05.06.2017	2/17 to 3/17	174,240
7	2885324	30.03.2017	12/16 to 2/17	59,295
8	2803364	20.10.2016	7/16 to 8/16	39,530
9	2818853	29.11.2016	9/16 to 10/16	43,922
10	2825720	11.01.2017	16-Nov	19,765
11	2981835	05.06.2017	3/17 to 6/17	79,060
Total				1,112,772

Scrutiny of rent files and vouchers for hiring of official buildings for SP office at Lahore and DSP office at Nankana Sahib revealed some discrepancies, which lead to the doubts as to the ownership of the properties and the payments made thereof.

- (A) The such discrepancies observed at Lahore were as under:
- Lease agreement for property 165, B Block Johar Town, Lahore was made with Mr. Mushtaq Ahmed but proof of ownership of the property was not available on record.
 - Some of the payments were being received by Mr. Fayyaz Ahmed and some by Mr. Mushtaq Ahmed.
 - The utility bills of the property were in the name of MS Noreen Naseem.
- (B) Similarly, the lease agreement of the property at Nankana Sahib was made with Mr. Abdul Malik S/o Bashir Ahmed resident of Tanki Wali Gali, Nankana Sahib, The discrepancies observed in this case were as under:
- The proof of ownership of the property was not available on record.
 - The property No. was not mentioned on the lease agreement However, the residence of the owner was shown as Tanki Wali Gali.
 - The rent assessment attached with the case pertained to property No. BIII-IS-1-D/16-A.

Audit was of the view that in the absence of the proof of ownership of the lessor, the person receiving the rental amount and in the presence of

the doubtful addresses of the property, the agreements with the rightful owners could not be authenticated.

In response to the preliminary observation issued in August 2017, the management replied that the required documents would be collected from the quarters concerned and shown to audit.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the matter may be probed to bring out the factual position.

(PDP No. 19724- PPHP Lahore- 2016-17)

13.4.60 Non-compliance of tenancy agreement Penalty thereon- Rs.924,450

Section 5 (1), (2), (3), (5) and (6) of Chapter-II of Punjab Rented Premises Act, 2009 states that a landlord shall not let out a premises to a tenant except by a tendency agreement. The landlord shall present the tendency agreement before the Rent Registrar. The Rent Registrar shall enter the particulars of the tendency in a register, affix his official seal on the tendency agreement, retain a copy thereof and return the original tendency agreement to the landlord. Section 9 of Chapter-II of Punjab Rented Premises Act, 2009 provides that if a tendency does not conform to the provision of this Ordinance, the Rent Tribunal shall not entertain an application under this Ordinance,

- (a) on behalf of the tenant, unless he deposits a fine equivalent to five percent of the annual value of the rent of the premises in the Government Treasury; and

- (b) on behalf of the landlord, unless he deposits a fine equivalent to ten percent of the annual value of the rent of the premises in the Government Treasury.

During audit of Secretary Home Department for the period 2016-17, it was observed that two residential buildings were hired on rent for Turkish officers by the Home Department but tenancy agreements were not got registered with Rent Registrar. Non compliance of provision liable to deposit the penalty @ 15% (10% to landlord and 5% to tenant) on annual rent amount into Government Treasury, as per provision of act referred above.

An amount of Rs. 6,163,000 was paid to landlords on account of rent of residential buildings during the year and penalty amount of Rs. 924,450 was required to be deposited into Government treasury, as per detail below:

Sr. No.	Description	Cheque no.	Date	Amount of Annual Rent(Rs.)	Rate of Penalty	Amount of Penalty (Rs.)
1.	Paid to Landlord	2801040	20.10.2016	3,223,000	10%	322,300
2.	Paid to Landlord	2768452	26.08.2016	2,940,000	10%	294,000
3.	Paid by Tenant	2801040	20.10.2016	3,223,000	05%	161,150
4.	Paid by Tenant	2768452	26.08.2016	2,940,000	05%	147,000
Total						924,450

It was also observed that copies of ownership of properties were not available with unregistered rent agreements, in the absence of which payments of rent made to the legal owners could not justified.

Audit was of the view that the lapse was due to weak supervisory and financial internal controls.

The matter was brought to the notice of the DDO during audit it was replied that the agreement will be registered in the office of the rent registrar.

The matter was further reported to the administrative department. In DAC meeting held on 27.12.2017, the para was kept pending for provision of record. Further progress was not reported till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends to fix the responsibility for non-registration of rent deed beside recovery of penalty.

(PDP No. 21087- Secretary Home Department-2016-17)

13.4.61 Doubtful expenditure on advertisements - Rs.128.05 million

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

During audit of Secretary, Home Department for the period 2016-17, it was observed that an amount of Rs. 128,045,184 was incurred on account of advertisement and publicity. The payment was seemed doubtful on the following grounds:

1. The requisitions for releasing of advertisements along with duration were not available.
2. All campaigns were made through DGPR, Lahore. Secretary Home issued only releases to DGPR Lahore in which he had not mentioned that campaigns would be aired in peak time / off peak time on electronic media. The number of spots to be telecasted and duration of messages were not mentioned in the releases.

3. It was very strange that office of the Secretary Home had no proof about the campaigns floated on both print and electronic media though bills were received for payment. Bills raised by the DGPR through the Secretary, Information Department were submitted to the Secretary, Home Office for Ex-post facto sanction and payment to the DGPR. Audit was of the view that genuineness of outstanding dues was ambiguous.
4. Home department did not have any monitoring system therefore department could not verify genuineness of the claims received through DGPR regarding different tariffs of the various electronic channels and print media, time or space utilized, etc.
5. The concerned sections did not certify the accuracy of the claims. The claims received in the concerned sections were passed on to the budget section for payment as a matter of routine.
6. The concerned section was called for so many times for demonstration of some advertisement for verification duration of air costing time but no one came for verification.
7. The payments were made without verification of the in-charge concerned section.

Audit was of the view that the lapse was due to weak supervisory and financial internal controls.

The matter was reported in October 2017, the department stated that detail reply would be submitted after scrutiny of record.

The matter was further reported to the administrative department. In DAC meeting held on 27.12.2017, the para was kept pending for compliance. Further progress was not reported till the finalization of this Report.

Audit recommends to probe the matter at higher level to fix the responsibility of irregular and unauthorized payments.

(PDP No. 21082- Secretary Home Department 2016-17)

13.4.62 Irregular operation of medical test fund and collection of testing fee- Rs. 34.20 million

As per standing Police Order No.03/2000 issued vide RPO Rawalpindi vide No. RA/2015/111-12 Dated 02.01.2015 the rates for medical test fee would be as under;-

- i. Attestation fee of each applicant Rs.100
- ii. Blood Group Rs.80
- iii. Driving Test Fee per Applicant Rs.80
- iv. Other Lab tests blood TLC, Blood HB%, Blood Sugar, Blood Serum, Blood Group, Blood ESR, Urine Test R/E, Urine Sugar. All the same will be dealt in the Police Hospital running in Police Lines Rawalpindi.

In pursuance to the Finance Department's letter No. FD (FR)V-6/2, dated the 29th October, 1978 titled opening of bank accounts and deposit of government money in private banks should be with specific sanction of the Finance Department. In case any bank account has been opened by some Offices/institutions the same may be closed forthwith and the balance standing therein credited to the Government account.

During audit of Accounts of the City Traffic Police Rawalpindi for the financial year 2016-17, it was observed that above said fund was being operated with the orders of RPO Rawalpindi and accounts being operated under the powers of CTO. The funds were being deposited into bank account 4010662505 opened in NBP Peshawar road branch Rawalpindi in the name of CTO. The accounts statement shows a balance of Rs.34,201,339 during July 2017. It was noted that neither SOP of such collection has been approved nor specific approval for opening of bank account in commercial bank taken from the Govt.

Further said approval of the Bye Laws should be from the Finance Department. This was on the grounds that the same has been facilitated in the ambit of Government capacity by using the Govt. properties and maintenance of accounts should be as per standing approvals.

The matter was brought to the notice of the Management in August 2017, management response was noted for compliance only.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends to justify the irregularity. Necessary approval in this regard may be obtained from the Finance Department otherwise all amount so collected may be deposited into government treasury.

(PDP No. 19940- CTO Rawalpindi- 2016-17)

13.4.63 Disposal of different items recovered from criminals - Rs.33.00 million

Section 143 of Police Ordinance 2002 provides that head of District Police on being satisfied of the title of any claimant to the passion

or administration of the property specified in the proclamation issued under sub Section(1) of section 142 order the same to be delivered to him.

The scrutiny of the record of Crime Reporting Officer (CRO) of the District Police Officer, Khanewal, for the financial year 2016-17 revealed that different items like cash, jewelry, ammunitions', vehicles, animals etc. valuing Rs.33,004,720 were recovered from different criminals as indicated in the monthly and annual reports sent to the higher authorities but present status of these items along with supporting record was not produced to audit.

The irregularity was pointed out to the formation during August 2017. The formation replied that audit has not pointed out the detail of mentioned items recovered. However it is brought to the kind notice of audit that whenever such items are recovered then these are dealt under rule and procedure laid down for the purpose.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that record regarding disposal of these valuables may be produced to audit for verification.

(PDP No. 19953- DPO Khanewal- 2016-17)

13.4.64 Non-receipt of FM Radio Station equipment - Rs.1.85 million

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

part, and that he will also be held personally responsible for any loss, arising from fraud or negligence on.

During audit of Chief Traffic Officer, Rawalpindi, it was observed that equipment for FM station worth Rs. 5.00 million was ordered for supply to CTO Rawalpindi vide supply orders issued to various suppliers during May, 2015. The suppliers were directed to make supplies within one month without fail. The cost of the equipment was paid in June and July, 2015 by the City Police Officer, Rawalpindi. Physical verification in association with departmental representatives (two traffic wardens) revealed that the equipment detailed here under was not yet received. The observation was based on test check. Hence DDO is responsible to inspect whether all the equipment ordered was received in good quality & quantity or not. Moreover, the FM Station has not yet been made functional despite lapse of more than a year's period. The warranty period of the equipment expired without any utility.

Sr. No.	Name of equipment	Cost (Rs.)
1.	Guide Wire Mask and Tower Grounding	445,000
2.	BW Broadcast UK-Audio Processor	339,000
3.	FM Antenna System with accessories	290,813
4.	High Performance Dynamic Vocal Microphone	49,140
5.	Out Door Digital Field Recorder	67,788
6.	Telephone Exchange with Telephone sets	34,369
7.	Sound card M Audio	108,459
8.	Office Furniture	493,272
9.	CTP FM Logo with frame	11,720
10.	Echo Star Water Dispenser was to be supplied by the supplier but supply Haier Brand	11,700
Total		1,851,261

Audit was of the view that the lapse was due to failure of supervisory and financial controls.

The matter was reported in August 2017, the department noted the observation for compliance.

The matter was further reported to the administrative department. In DAC meeting held on 14.11.2017, the para was kept pending for probe by Inspectorate General of Police. Further progress was not reported till the finalization of this report.

The formation admitted the irregularity. Hence audit recommends that responsibility for the above lapses should be fixed besides recovery of the equipment not yet received.

(PDP No. 17837-CTO Rawalpindi-2015-16)

(PDP No. 19945-CTO Rawalpindi-2016-17)

Others

13.4.65 Dubious transfer entries-Rs.30.88 million

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 Addl. IGP CTD Punjab, Lahore for the period 2015-17, scrutiny of SAP data pertaining to financial year 2016-17 revealed that expenditure to the tune of Rs.30,885,328 was reduced by minus entries in the cost centers of the entity. Resultantly, budget of the entity was misleading to the stated extent as the same would have been increased by the same amount. The reasons of reduction in expenditure requires clarification. It is further required to be clarified that whether the increased budget was surrendered or the same was lapsed.

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

The irregularity was pointed out in August 2017. The management simply noted the observation.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the matter needs further investigation besides strengthening of supervisory and financial controls to avoid such lapses in future.

(PDP No.21018- Addl. IGP CTD Punjab- 2015-17)

13.4.66 Supplies not made to PFSA till close of fiscal year pricing to Rs.246.36 million

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. Moreover, as per Rule 17.19 (ibid), it is also not permissible to draw advances from the treasury to prevent the lapse of appropriations.

During audit of Punjab Forensic Science Agency (PFSA) Lahore for the period 2016-17, the scrutiny of paid vouchers has revealed that payment to the tune of Rs. 246,357,071 were drawn by the DDO from Government Treasury for the procurement of various stores during the year under audit. It was observed that the stores noted above had not been received in PFSA from the contracting firms even after the expiry of financial year ended on 30th June 2017. Thus, canons of financial propriety have not been strictly observed by the department in violation of rule noted above. Audit is of the view that funds were drawn from government treasury in the closing months especially in June 2017 just in order to exhaust the entire budget and to avoid the lapse of appropriations, placed

at the disposal of DG-PFSA, which is contrary to government rules stated above.

The matter was reported in September, 2017, the department replied that funds for procurement of equipment for PFSA were released in April/May 2017 and after release of funds procurement process was started and contracts were awarded to the lowest bidders in June 2017 after fulfilling all codal formalities. After getting approval from Finance Department LCs were opened in the last week of June 2017. As per contracts delivery period is six months after receipts of opening of LC i.e. November/December 2017.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that violation of rules may be regularized besides ensuring delivery of supplies in PFSA.

(PDP No20831-PFSA, Lahore-2016-17)

13.4.67 Irregular expenditure due to variation in sanction strength of the staff-Rs.315.98 million

Rule 2.31 (a) of PFR Vol-I provides that a drawer of bill of pay and allowances will be held personally responsible for any overcharges, fraud and misappropriation.

During audit of Home department, it was noticed that expenditure of Rs. 315,980,587 was incurred on pay and allowances of staff. The expenditure was held irregular due to variation in the working strength of employees drawing salary through pay roll and actually working in the office. The chances of misappropriation cannot be ruled out.

Sr. No.	Name of formation	Period of audit	PDP No.	Remarks	Amount (Rs.)
1.	Police Training College Chung, Lahore	2015-16	18683	Variation in working strength and drawing salary	301,426,636
2.	Battalion-7, Lahore	2015-16	18324	Excess drawal of pay against posts recorded in scale audit register	10,412,949
3.	DPO Khushab	2016-17	21752	Variation in working strength and drawing salary	3,292,981
4.	DPO Kasur	2015-16	18601	Excess posts drawn than sanctioned posts	848,021
Total					315,980,587

Audit was of the view that weak internal and supervisory controls resulted in irregular expenditure.

The matter was pointed out to concerned formations from February to November 2017. The formations at Sr. Nos.1 & 3 noted the observations for compliance whereas the formations at Sr. No. 2 did not offer reply and formation at Sr. No.4 replied that there was no variation in the pay roll summary and working strength of employees.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that matter be probed, irregularity be got condoned from the competent authority besides strengthening the internal and supervisory controls.

13.4.68 Doubtful consumption of store-Rs.54.64 million

Rule 15.4 (a) of PFR Vol-I requires that all materials received should be examined, counted measured and weighed, as the case may be, when delivery is taken and then entered in the appropriate stock register.

During audit of Home department, it was noticed that expenditure of Rs. 54,635,440 was incurred on the purchase of store and dietary articles. Irregularities noticed are detailed below:

- In most of the cases stock entries were not found made in stock registers and consumption account also not maintained.
- In few cases store and stock was less accounted for in stock registers.

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	DG Child Protection Lahore	2015-16	17714	2,238,176
2.	DG Child Protection Lahore	2015-16	17662	577,860
3.	DPO Okara	2016-17	20031	213,692
4.	Central jail Rawalpindi	20151-6	18379	95,207
5.	Police Training College Chung Lahore	2015-16	18672	46,309,586
6.	CTO Faisalabad	20161-7	20925	5,200,919
Total				54,635,440

Audit was of the view that weak supervisory and internal controls resulted in doubtful purchase and consumption of POL.

The matter was pointed out to concerned formations from January to November 2017. The formation at Sr. No. 1 stated that record is available, the formations at Sr. Nos. 2 & 4 noted the observations for compliance. The formations at Sr. Nos. 3, 5 & 6 replied that record will be produced/maintained.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the matter be probed besides irregularity be got condoned from competent authority and recovery of stock articles less accounted for in stock registers.

13.4.69 Irregular appointment of contingent paid Staff-Rs. 4.30 million

As per Government of the Punjab Finance Department letter No. RO (Tech) FD 2-2/2001 dated 03.11.2012, the procedure for appointment of work charge/daily wages staff was laid down in the preface to schedule of wage rates 2012, appointment to a post included in this Schedule may be made by the competent authority under Delegation of Financial Power Rules 2006 subject to the condition that the post(s) shall be advertised properly in the leading newspapers. Further, as per Supreme Court of Pakistan's ruling dated 19.01.1993, passed in Human Rights case No.104 (I to IV) 1992 read with S&GAD's Notifications No. SOR-III-2-2/91 dated 05.01.1995, no recruitment should be made against any post which is not advertised properly.

During audit of Home Department, it was observed that of Rs. 4,298,885 was made for payment to the daily wages / contingent employees. The expenditure was held irregular as the same was incurred on the payment of wages to the daily waged employees who were appointed without advertisement in newspapers.

The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	DPO Layyah	2016-17	20860	1,404,054
2	DPO Rajanpur	2015-16	17937	777,000
3	Chief Administrator, Health & Education, Institutions, at Commissioner Office Lahore	2014-16	18546	1,117,831
4	Chief Administrator, Health & Education, Institutions, at Commissioner Office Lahore	2014-16	18350	1,000,000
Total				4,298,885

Audit was of the view that disregard to the government instructions and weak management and financial controls resulted in irregular appointment of daily wages employees and expenditure on the wages thereof.

The matter was pointed out to concerned formations in April to November 2017. The formations noted the observations for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department should adhere to the government instructions while making appointments and seek condonation of irregularity from the Finance Department.

13.4.70 Excess payment on construction of Parade Ground Canopy - Rs.1.58 million

Rule 2.33 of PFR Vol-I provides that 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, and that he will also be held personally responsible for any loss, arising from fraud or negligence on.

During audit of Commandant, Police College, Sihala, Rawalpindi for the year 2015-2016, it was noticed that the entity shown to have constructed Parade Ground Canopy of 6,267 Sft. Size at non- scheduled rate of Rs.438 per Sft. All the payment of Rs.2,494,000 was made without measuring and recording the work executed in the MB and without approval of non scheduled rate from the competent authority. But during physical inspection in association of departmental representative, it was observed that a canopy of only 2656 Sft. Size was found erected in the parade ground. This lapse resulted into excess payment of Rs.1,580,672.

Location		Qty (Sft.) @Rs.438 P. Sft.	Gross Amount Rs.
35	Right Back Side	572	250,000
33	Left south side	570	250,000
2	Left side	564	247,000
16	Right side	575	250,000
10	Right South side	570	250,000
13	Left Back Side	570	250,000
15	Left West side	570	250,000
29	Left east side	564	247,000
21	Right North side	570	250,000
12	Right East side	570	250,000
6	Right West side	572	250,000
Total payment Rs.		6,267	2,744,000
Actual size of Prade Ground Canopy at site			
42.5'(Length of each panel)*12.5'(width of each panel)*5 No. Of panels		2,656	1,163,328
Excess payment Rs.		3,611	1,580,672

Audit was of the view that the lapses were due to failure of supervisory and financial controls.

The matter was pointed out in November 2016, no reply was received.

The matter was further reported to the administrative department. In DAC meeting held on 17.10.2017, the para was kept pending for probe by Chief Engineer Buildings. Further progress was not reported till the finalization of this report.

Audit recommends that responsibility may be fixed after probe at an appropriate level besides recovery of the amount pointed out in the audit observation.

(PDP No.17580-Commandant, PC, Sihala, Rawalpindi- 2015-16)

13.4.71 Irregular / doubtful payment of cash reward-Rs.2.79 million

The reward of cash to subordinate police officers / officials should not be given for the proper performance of ordinary & routine duties, but for special merit in any branch of police activities as required in chapter XV-Rewards of Police Rules 1934, rule 15.10(ibid) requires that in cases where rewards have been granted to police officers / officials in recognition of work of an exceptionally meritorious or dangerous nature, or in circumstances which are of interest to the public or to the police force as a whole, a report in Form 15.10 shall be furnished, through the DIG of police of the Range concerned, for record of the department which shall contain the names and full particulars of the persons rewarded with brief and precise circumstances showing clearly the nature of the services rendered by the persons concerned.

During audit of CPO, Gujranwala for the financial year 2016-17, it was observed that payments amounting to Rs.2,789,500 had been drawn by the CPO / from Government treasury on an account of Cash Reward (under Head A06103). The reward of cash to subordinate police officers / officials should not be given for performing of ordinary & routine duties, but instead for special merit in any branch of police activities. However, it

was noticed that neither any reports (in prescribed form) for the recommendation of cash reward was initiated by the cases forwarding authority of the police station concerned nor any details of special duties performed by the police officers / officials rewarded were available on record of the department through the DIG of the Range, thus the amounts of cash reward drawn irregularly without observing police rules in this way is highly objectionable on the part of CPO Gujranwala who did not follow government rules in this regard.

The matter was pointed out in October 2017. The DDO stated that approval would be obtained and shown to audit.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the matter may be got regularized with the sanction of competent authority besides strengthening internal control to avoid recurrence of irregularities.

(PDP No.21031-CPO, Gujranwala-2016-17)

13.4.72 Execution & payment of non-standardized items without approval of competent authority - Rs.14.06 million

Finance Department, Govt. of the Punjab vide letter No.RO(Tech)FD.18-23/2004, dated 21st September, 2004 provides that the rate analysis for the item rates (non-standardized) shall be prepared by the Executive Engineer clearly applying the specifications of the technical sanction (not below the rank of SE) before the work is undertaken. A copy of each analysis approved by the competent authority shall be sent to technical cell of FD for scrutiny/standardization.

During audit of Commandant Police College Sihala, Rawalpindi for the year 2015-2016, it was noticed that the entity executed non-scheduled items work amounting to Rs.14,056,099 for improvement of new computer Lab., repair of Ayesha hostel etc. in violation of above provision and paid to the contractors without approval of competent authority.

Audit was of the view that the lapse was due to failure of supervisory and financial controls.

The matter was pointed out in November 2016. The DDO no reply was received

The matter was further reported to the administrative department. In DAC meeting held on 17.10.2017, the para was kept pending for verification of record. Further progress was not reported by the department till the finalization of this Report.

Audit recommends probe of the matter at an appropriate level to fix responsibility for execution of the items and payment without approval of non-standardized items by the competent authority.

(PDP No.17577-Commandant, PC, Sihala, Rawalpindi-2015-16)

13.4.73 Irregular payment of defective winter jackets-Rs.27.27 million and recovery of LD charges Rs.545,391

Rule 2.10(a)(1) of PFR Vol-I provides that 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 AIG Logistic for the year 2015-16, it was observed that procurement of winter jackets and jogger shoes was made to the stated extent. Irregularities noticed are detailed below:

- The date of delivery of 8808 winter jackets was 10.6.2016. The jackets were delivered from 15.6.16 to 23.6.16 with the delay of 5 to 8 days. Delivery in extension period was granted by the competent authority for 15 days. The extension in delivery period was subject to recovery of LD charges @ 2% per month as per condition 17(h) of supply order No.3601 dated 21.3.2016. Hence recovery of LD charges Rs.545,391 was not found made.
- The color of mohafiz logo of 8808 jackets was slightly different and the same was accepted with Rs.50 price reduction and 200 jackets had poor finishing and the same were accepted with price reduction of Rs.100. Total price reduction penalty recovered was Rs.450,400 but the laboratory report of supplied jackets was not produced to audit for verification.

Audit was of the view that irregular payment of defective winter jackets was due to weak supervisory and financial control.

The matter was reported in May 2017 and the management noted for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that irregularity be got condoned from competent authority besides fixing responsibility of loss to government account and recovery of LD charges.

(PDP No.19981- AIG Logistics, Lahore-2015-16)

13.4.74 Irregular payment to injured officers/officials out of shaheed fund Rs.28.40 million

As per para 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 AIG Logistic for the year 2014-16, it was observed that an amount to the extent stated above was paid to injured officers / officials out of shaheed fund. Audit has following observations:

- Authority / rule under which payment was made to injured officers / officials out of shaheed fund may kindly be shown to audit.
- Relevant record of sanction and disbursement of amount may kindly be shown to audit for verification of authenticity of the claims.

Audit was of the view that irregular payment to injured officers / officials out of Shaheed Fund was due to weak supervisory and financial control.

The matter was reported in May 2017 and the management noted for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends relevant record may kindly be shown to audit to verify the expenditure besides initiation of disciplinary proceedings.

(PDP No.18701- AIG Logistics, Lahore -2014-16)

13.4.75 Unauthorized use of vehicle without sanction from the Finance Department-Rs. 13.82 million

As per instruction contained vide Sr. No.3 of Delegation of Financial Power amended up to 26 March 2010, it was provided that 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. Further, in accordance with the S&GAD letter no. AT-II/(2-9)2006 dated 22.04.2008, Administrative Secretary personally give certify that no office/officer is holding in excess of afore-stated policy.

During audit of Addl. IGP, PHP, Lahore, it was observed that the department had a squad of 27 vehicles, the sanction of which has not obtained from Finance Department. Further it was observed that the vehicles have been used for protocol and other general purpose duty rather patrolling on highways. Total expenditure incurred has detailed below;

Repair of Vehicle	=	Rs. 3,108,000
POL	=	Rs. 10,713,000
Total	=	Rs. 13,821,000

The matter was pointed out in August 2017. The management replied that sanction of vehicle squad has been obtained from Addl. IG PHP.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that matter enquired into and responsibility may be fixed.

(PDP No. 20992- Addl. IGP, PHP, Lahore-2016-17)

13.4.76 Irregular distribution of vehicles without sanctioned strength valuing Rs.3,745.68 million

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 the course of audit of AIG Logistic for the year 2014-16, it was observed that vehicles valuing to the stated extent were purchased by police department and shown distributed to various police offices. Following irregularities noticed are detailed below:

1. Sanctioned strength of vehicles duly approved by Finance Department in respect of the offices for which the purchased vehicles had been supplied was not provided for verification to ascertain the fact that vehicles were not supplied in excess than approved sanctioned strength.
2. The demands of various police offices for which the transport was purchased and complete record of distribution was not provided to audit to verify that the vehicles purchased were distributed as per demand.
3. Purchased vehicles were not found recorded in Fixed Assets Register in violation of the government instructions given in New Accounting Model (NAM).
4. Proof of registration of all the government vehicles purchased was also not available in record.

Audit was of the view that irregular distribution of vehicles without sanctioned strength was due to weak supervisory and financial control.

The matter was reported in May 2017 and the management noted for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends relevant record may kindly be shown to audit to verify the expenditure.

(PDP No.18690- AIG Logistics, Lahore-2014-16)

13.4.77 Irregular expenditure on building repair work-Rs. 26.88 million

As per Rule 15.4(a) of PFR Vol-I, all materials received should be examined, counted, measured and weighed, as the case may be, when delivery is taken, and they should be kept in charge of a responsible government servant. The passing and the receiving government servants should see that the quantities are correct and their quality good.

During audit of Commandant, Police Training College, Chung Lahore for the financial year 2015-16, it was observed that the management had got done 153 number of various repair works amounting to Rs.26,884,350 from M/s Prime Engineering Services within a short span of time 18.05.2016 to 27.05.2016 (10 days). The repair work was held irregular on the grounds that bill of quantity was not provided in the bidding documents. In the absence of bill of quantity how could a firm offer its bid price? Moreover, 153 different repair works amounting to Rs.26,884,350 were got done in a short span of 10 days, but in support of work done, the management did not provide the capacity of the contractor including number of employees deployed on each work and permission of the authority for deployment a huge numbers of labour in a sensitive area

of police Department. Due to the above action of the management, audit apprehended that amounts were drawn out of Govt. exchequer just to avoid lapse.

The matter was reported in February 2017. The management replied that in order to repair the building of this college, the Building Department Punjab was approached who after visiting provided 153 numbers of various repair work. Accordingly, tender were called and due to short span of time 10 days was fixed for the completion of repair works. However, the contractor showed its inability and was requested to give him 15 days for the completion of repair work. Therefore, the contract was awarded with the condition to complete the work within 15 days positively. The reply of the management was not in accordance with the audit observation, hence not acceptable.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommended that matter be looked into at administrative level to arrive at factual position besides taking action against the responsible.

(PDP No.18937- PTC, Chung, Lahore -2015-16)

13.4.78 Non account for amounts drawn out of Government exchequer in cash book-Rs. 39.74 million

As per Rule 2.2 of PFR Vol-I, a simple Cash Book in PFR Form-I should be kept in every office receiving or disbursing money on behalf of Government regularly or frequently for recording all transactions of moneys received by Government Servants in their official capacity.

During audit of the accounts for the year 2015-16 of Commandant, Police Training College, Chung Lahore it was observed that the

management had drawn Rs. 95,187,770 out of head of account AO3970- Others through SAP system of AG Punjab but a perusal of the expenditure statement revealed that Rs.55,452,532 were booked against the heads as detailed below instead of Rs.95,187,770. Hence record of Rs.39,735,238 was found missing. The matter was neither reconciled with the AG office nor vouched account of the same was produced to audit.

Head of Account	Description	Amount (Rs.)
A03970-001	Others	3,987,747
A03970-001	Free ration	46,309,586
A03970-037	Sports fund	526,814
A03970-038	Training Aid	2,182,369
A03970-044	Tents	24,000
A03970-049	Medicines	2,422,016
As per Exp statement		55,452,532
As per SAP data		95,187,770
Excess drawn		39,735,238

The lapse occurred due to poor financial and supervisory control of the local management.

The matter was reported in February 2017. The management replied that as per relevant record no excess amount has been drawn by this college. However, the matter will be scrutinized from AG office Punjab and reply will be shown to audit.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommended that matter be looked into at administrative level to arrive at factual position besides taking action against the responsible.

(PDP No.18938 PTC, Chung Lahore F.Y 2015-16)

13.4.79 Doubtful / huge variation of per month expenditure of POL-Rs. 21.04 million

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, and that he will also be held personally responsible for any loss, arising from fraud or negligence on.

During audit of Senior Superintendent of Police, Motor Transport, Lahore for the financial year 2015-16 it was observed that there was huge variation of per month expenditure incurred on account of POL drawn by the department. Further, POL during the period of January to June 2016 was even more than double as compared to first six months of drawl of POL. Reason for huge variation was not on record.

Months	Expenditure (Rs.)
July to December	17,016,572
January to June	38,054,087
Excess / Doubtful Drawl	(21,037,515)

Audit was of the view that lapse was occurred due to weak supervisory and financial control.

The matter was reported in April 2017 and it was noted for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that matter may kindly be investigated to find out the actual facts and responsibility be fixed if things were not going in right directions under intimation to audit. Further, it seems that budget in

excess than actual requirement was allocated to the formation by the department.

(PDP No. 18464-SSP, MT, Lahore-2015-16)

13.4.80 Irregular advance payments-Rs. 362.60 million

Rule 2.10 (5) of PFR Vol-I states that That no money is withdrawn from the treasury unless it is required for immediate disbursement or has already, been paid out of the permanent advance and that it is not permissible to draw advances from the treasury for the execution of works the completion of which is likely to take a considerable time.

During audit of Home department it was noticed that payments to various venders was made in advance in violation of the above rule. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Remarks	Amount (Rs.)
1	District Jail Jhang	2015-16	18450	Advance payment to SNGPL on account of Sui Gas charges	1,343,645
2	Supdt. Central jail Sahiwal	2015-16	18380	Advance payment of Sui gas bill	3,653,380
3	Commandant PC Battalion-3 Multan	2015-16	18618	Payment of Electricity Charges	317,553
4	AIG Logistics Central Police Office Lahore	2014-16	18698	Payment of Purchase of trousers cloth khaki drill	15,543,381
5	DPO Chakwal	2015-16	18775	Advance payment to PTCL on account of Telephone charges	131,512
6	Supdt. Central jail Lahore	2015-16	18926	Purchase of Mobile phone jammers	334,909,000

Sr. No.	Name of formation	Period of audit	PDP No.	Remarks	Amount (Rs.)
7	B I & jail Bahawalpur	2015-17	19705	Advance payment of Electricity Charges	659,922
8	CTO Gujranwala	2016-17	20973	Advance payment of POL	330,000
9	DG Child Protection & Welfare Bureau, Punjab, Lahore	2015-16	17717	Advance payment of Electricity Charges	600,000
10	District Jail , Jhelum	2016-17	19872	Irregular/Advance Payment	5,114,872
Total					362,603,265

Audit was of the view that lapse was occurred due to weak supervisory and financial control.

Matter was reported from February to November 2017 and all formations either noted the observation for compliance or reluctant to reply.

The matter was further reported to the administrative department. In DAC meeting held on 17.10.2017, the para at Sr. No. 1 was kept pending for verification of record. Further progress was not reported by the department. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report.

Audit recommends that the department should adhere to the government instructions and seek condonation of irregularity from the Finance Department.

13.4.81 Irregular withdrawals through self cheque out of SDA-Rs.17.50 million

In pursuance of clause 4(iii) of the Govt. of the Punjab Finance Department letter No. SO (TT)6-2/2007 of 2007, it has been explained

that “no cheque may be withdrawn for “self” unless these are expressly meant for the recoument of working balance so authorized.” (said condition can be confirmed from the sanction in the Sasti Roti Authority vide FD No. SO(TT)6-1/2009 Pt(ii) dated 28.02.2010.)

The scrutiny of record of the Director General Child Protection & Welfare Bureau, Lahore for the financial year 2015-16 revealed that above said withdrawals have been made out of SDA without taking any authorization from the Government. This would lead to financial indiscipline of Rs. 17,502,299.

Audit was of the view that the lapse was occurred due to weak financial control.

The matter was reported in January 2017, the department replied that CPWB is an autonomous body and authorized for operate of SDA account through Treasury Office by the Finance Department. Chief Minister has approved imprest account of Rs. 50,000 for Lahore during the BOG meeting held w.e.f 26.06.2006.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department should adhere to the government instructions and seek condonation of irregularity from the Finance Department.

(PDP No.17715, DG Child Protection & Welfare Bureau, Lahore 2015-16)

13.4.82 Utility of videos worth Rs.2.20 million not made available nor recovery of PST-Rs.265,655

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 the Directorate of Monitoring, Home Department Lahore for the period 2011-16, it was observed that Rs.2,202,000 had been incurred on shooting, dramatization at different location at Lahore and preparation of video clips of 5 minutes, 25 seconds & 60 seconds for advertisement regarding issues of terrorism, child beggars in action and reporting methods and awareness campaign. 217 DVDs (200 +5 + 6+6) were shown prepared. Neither reference of stock register of which these DVDs were entered nor further disbursement was mentioned / shown to audit. Moreover, no record/ evidence for playing the stated DVDs on media i.e., T.V. channels cable network etc. was made available. In the absence of above stated documents utility of heavy expenditure in this regard could not be ascertained. Furthermore, PST Rs.265,655 was required to be recovered and deposited into govt. treasury but the same was neither deducted from bills nor paid through bank challan as no such record was shown to audit.

The matter was reported in May 2017, the DDO replied that record will be produced in due course for verification.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that either documentary evidence showing utility of videos, distribution and playing / making on air on TV/ media channels and cable networks may be produced or wasteful expenditure incurred on preparation of videos may be got regularized from the competent authority.

(PDP No.18434- Directorate of Monitoring, Lahore-2011-16)

13.4.83 Loss due to purchases at higher rates-Rs.1.33 million

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 the government through fraud or negligence on his part.

During audit of Home Department, it was observed that procurement of dietary articles and different items were made on exorbitant rates or by ignoring lowest offer resulting loss to government amounting to Rs.1,334,572. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Nature of Record	Amount (Rs.)
1.	DIG/Deputy Commandant Battalion PC 6, Farooqabad	2015-16	18341	Purchases on exorbitant rates	233,620
2.	DIG Operations, Lahore	2016-17	21476	Purchases at higher rates by ignoring lowest	769,892
3.	DPO Vehari	2015-16	19137	Equal specification but different rates charged	331,060
Total					1,334,572

Audit was of the view that loss occurred due to weak financial and administrative controls.

The matter was pointed out to the formations during audit conducted March to September 2017. The management noted the observation compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends to recover the stated amount and fix the responsibility against the responsible.

13.4.84 Doubtful / unjustified payment on account of utility charges-Rs. 13.31 million

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 the Govt. through fraud or negligence on his part.

During audit of Home Department, it was observed that payment of utility charges of Rs. 13,314,437 were made by the department but following were audit observations.

Sr. No.	Name of formation	Period of audit	PDP No.	Remarks	Amount (Rs.)
1.	DPO Jhang	2016-17	20203	Payment made on manual bills without meter reading	257,891
2.	Chief Administrator Health & Education Institution at Commissioner Office, Lahore	2014-16	18554	Re-imburement charges of sui gas	315,915
3.	BI& J Jail, Bahawalpur	2015-17	20948	Excess payment of electricity Charges	2,184,580
4.	Punjab Highway Patrol, Sargodha	2015-16	19970	Payment of arrear of electricity bills parallel to regular bills	207,924
5.	Punjab Highway Patrol, Sargodha	2015-16	19963	Bills reflect nil payment against payment	4,684,432
6.	SP PHP, Lahore	2016-17	19727	Electricity bills paid without meter reading	250,553
7.	SSP Motor Wing, Punjab, Lahore	2015-16	18500	Electricity bills not found	435,869
8.	SSP Motor Wing, Punjab, Lahore	2015-16	18499	Overpayment of bills	200,223

Sr. No.	Name of formation	Period of audit	PDP No.	Remarks	Amount (Rs.)
9.	SP PHP, DG Khan	2015-16	17557	Electricity bills paid without meter reading	212,907
10.	DPO Chiniot	2015-16	17906	Payment made on hand written bills/arrears	1,366,920
11.	Central Jail, Rawalpindi	2016-17	19935	Bills paid with late payment surcharge	487,790
12..	Borstal Institute & Juvenile Jail Faisalabad	2015-16	18360	Amount was less deposited than the amount was drawn from District Accounts Office	2,226,560
13.	DPO, Sialkot	2016-17	19697	Bills paid with late payment surcharge, withholding tax/service tax	482,873
Total					13,314,437

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

Matter was pointed out from January to November 2017 and it was either noted for compliance or did not provided any cogent reply.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that matter may kindly be justify / investigate and responsibility be fixed on person at fault beside recovery of loss.

13.4.85 Doubtful/unjustified payment of pay & allowances- Rs. 886.37 million

As per Rule 2.10(a) (1) of PFR Vol-I, same vigilance should be exercised in respect of expenditure incurred from Government revenue as

a person of ordinary prudence would exercise in respect of the expenditure of its own money. Moreover, as per Rule 2.20 *ibid*, 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 Home Department, it was observed that a sum of Rs. 886,366,366 (Annexure-43) was drawn from government exchequer on account of payment of pay and allowances, transfer grant etc. which seems to be doubtful.

The lapse was occurred due to weak financial / administrative control.

The matter was pointed out from February to November 2017. In most of the cases department noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that matter be got investigated at department level besides deposit of amount into government treasury.

13.4.86 Undue Retention of amount Rs. 1.54 million

Rule 2.10 (5) of PFR Vol-I states that that no money is withdrawn from the treasury unless it is required for immediate disbursement or has already, been paid out of the permanent advance and that it is not permissible to draw advances from the treasury for the execution of works the completion of which is likely to take a considerable time.

During audit of Home department, it was noticed that amount of Rs.1,540,754 was drawn from government treasury but the same was undue retained by the department. Detail is as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Audit Remarks	Amount (Rs.)
1.	Director General Child protection & Welfare Bureau, Lahore	2015-16	17713	Undue Retention of Benevolent Fund and group insurance amount in Personal account of commercial bank instead to deposit in relevant head of account	1,335,780
2.	Chief Administrator, Health & Education, Institutions, at Commissioner Office Lahore	2014-16	18548	Non deposit of unspent balances withdrawn out of SDA	130,000
3.	DPO Vehari	2015-16	18634	Amount was drawn for payment to special Police razakar hired for election duty. But remaining amount was not deposited into government treasury and undue retained.	74,974
Total					1,540,754

The lapse was occurred due to weak financial/ administrative control.

The matter was pointed out from January to November 2017. The formations did not offer cogent replies.

The matter was further reported to the Administrative Department in July to December 2017. Neither any reply was received nor a DAC meeting was convened till the finalization of this report.

Audit recommends that matter may kindly be got investigate at department level besides deposit of amount into government treasury.

13.4.87 Irregular drawl and non disbursement of encashment of LPR & financial assistance-Rs. 9.26 million

As per 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.

During audit of Home Department it was observed that an amount of Rs. 9,262,049 was drawn on account of leave encashment and financial assistance by the department. Following irregularities were observed:

Sr. No.	Name of formation	Period of audit	PDP No.	Nature of Irregularity	Amount (Rs.)
1.	DPO Okara	2016-17	20034	Leave encashment was drawn in favor of DDO and paid through cash	5,844,777
2.	DPO Layyah	2016-17	20851	Non Disbursement of Leave Encashment and financial assistance amount drawn by DDO of four officials	1,283,272
3.	SSP Telecommunica tion Punjab, Lahore	2015-16	17582	Non Disbursement of financial Assistance amount to widow	1,000,000
4.	SSP Special Branch Lahore Region Lahore	2016-17	19670	Undue Retention of amount of Leave Encashment by DDO	864,240
5.	DPO Mianwali	2016-17	20753	Non Disbursement of Leave Encashment and financial assistance amount	269,760
Total					9,262,049

Lapse occurred due to weak supervisory and financial controls.

Matter was pointed out from February to November 2017. Some of the formations noted the observation for compliance where as some did not offer any cogent reply.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department should fix the responsibility for non disbursement of amount despite lapse of considerable time besides seeking condonation of irregularity.

13.4.88 Irregular expenditure on purchase of medicines- Rs.23.16 million

Rule 2.10 (a)(1) of PFR Vol-I provides that same vigilance should be exercised in respect of expenditure incurred from Government revenues as a person of ordinary prudence would exercise in respect of expenditure of his own money.

During audit of Home department, it was noticed that expenditure of Rs.23,162,220 was incurred on the purchase of medicines as detail below:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	Police Training school, Farooqabad	2014-15	17396	408,273
2	Central jail Lahore	2015-16	18367	1,483,627
3	Central jail DG Khan	2014-17	20997	3,082,830
4	Central jail Mianwali	2014-16	18710	2,263,492
5	Central jail DG Khan	2014-17	20998	9,449,747
6	Police training College, Chung	2015-16	20637	2,422,016
7	District Jail, Sheikhupura	2014-15	17397	3,202,235
8	District Jail Attock	2015-16	17808	850,000
Total				23,162,220

Irregularities noticed are detailed below:

- Manufacturer's retail price lists were not available to verify the actual rates of medicines.
- Medicines were consumed without conducting drug tests from the public analyst.
- In few cases discount rates charged by medicines suppliers were excess than the approved rates.

Audit was of the view that weak internal and supervisory controls resulted in irregular expenditure.

The matter was pointed out to concerned formations from March to November 2017. Some of the formations noted the observation for compliance whereas no cogent reply was given by other formations.

The matter was further reported to the administrative department. In DAC meeting held on 16.01.2018, the amount of para at Sr. No. 2 was reduced to the stated extent after verification of record. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report.

Audit recommends that irregularity be got condoned from the competent authority besides strengthening the internal and supervisory controls.

13.4.89 Irregular opening of bank accounts-Rs. 25.31 million

As per Para 9.1 of STR, a Government servant may not, except with the special permission of the Government, deposit in a Bank moneys withdrawn from the Consolidated Fund or the Public Account of the Province under the provisions of Section VII of these rules. Further, Finance Department's letter No.FD(FR)V-6/2, dated 29.10.1978 required that in no case the Government money coming into the hands of a

Government servant either on account of receipts of the Government or by way of withdrawal from the Treasury should be kept in a commercial bank except with the specific sanction of the Finance Department.

During audit of Home department it was noticed that detail below bank account was irregularly opened by the department and retained huge amounts as closing balance. Further, amount of bank was not appearing in cash book.

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	SP Special Branch Multan	2015-16	17917	11615054
2	DPO Vehari	2015-16	18627	6,927,460
3	DPO T.T. Singh	2015-16	19987	4,052,551
4	SSP MT Lahore	2015-16	18482	1959242
5	Director General Child protection & Welfare Bureau, Lahore	2015-16	17712	756,224
6	Police school of information and analysis Lahore	2015-16	18416	0
7	Addl IGP Elite Lahore	2015-17	19813	0
8	DPO Bhawalpur	2016-17	20007	0
9	SSP Telecommunication	2015-16	17581	0
Total				25,310,531

Audit was of the view that weak internal and supervisory controls resulted the irregularity.

The matter was pointed out to concerned formations from March to November 2017. Some of the formations noted the observation for compliance whereas no cogent reply was given by other formations.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that irregularity be got condoned from the competent authority besides strengthening the internal and supervisory controls.

13.4.90 Doubtful deposit of receipts-Rs. 23.70 million

As per Rule No. 2.4 of PFR Vol-I, in the case of payments into treasury, the challans verification statement should be got signed from District Accounts Officer in a form of consolidated statement. As per letter No. F D (M-1)111-2/2004 dated 10-09-2005, the verification of deposits would carry the name of District Accounts Officer / A G P with stamp and serial No. of deposit in order to ensure genuineness of deposits.

During audit of Home department it was observed that following discrepancies were observed in receipts of the department as mentioned below:

Sr. No.	Name of formation	Period of audit	PDP No.	Audit Remarks	Amount (Rs.)
1.	District Jail Jhelum	2016-17	19871	Relevant Challans were not got verified from Treasury	1,468,044
2.	CPO Gujranwala	2016-17	21033	Relevant Challans were not got verified from Treasury	8,552,534
3.	Superintendent Central Jail Gujranwala	2016-17	19714	Relevant Challans were not got verified from Treasury	1,894,762
4.	CTO Multan	2016-17	20912	Variation of Receipts Figures of traffic fine	6,896,474
5.	CTO Multan	2016-17	20913	Variation of Receipts of Driving License	2,487,211
6.	SP PHP Lahore Region Lahore	2016-17	19731	Doubtful collection of traffic fine	2,401,650
Total					23,700,675

Audit was of the view that weak internal and supervisory controls resulted the irregularity.

The matter was pointed out to concerned formations from March to November 2017. Some of the formations noted the observation for compliance whereas no cogent reply was given by other formations.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that matter may be investigated and duly reconciled receipts statement from concerned DAO may be shown to audit.

13.4.91 Blockage of capital due to un-necessary retention of stores without utilization-Rs. 14.71 million

According to Rule 15.2(4) and (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 future may result in loss to government through deterioration. Moreover, Rule 15.18 ibid also provides that balances of store should not be held in excess of the requirement of a reasonable period or in excess of any prescribed maximum limit.

During audit of Home department is was observed that store was purchased and retained by the department which was not under their utilization and thus capital was unnecessary blocked in contravention to above.

Sr. No.	Name of formation	Period of audit	PDP No.	Audit Remarks	Amount (Rs.)
1.	Addl. IGP CTD Punjab, Lahore	2015-17	21007	Scrutiny of stock position of these items revealed that a large number of costly items i.e. 08 generators (20KV), 78 core i7 computers, 13 photocopier machines, 18 LCDs, 81 tablets, 02 laptops and many other items were lying in store since long without utilization (Since 2012). Thus purchases were made without any immediate requirement and capital of million of rupees were blocked,	-

Sr. No.	Name of formation	Period of audit	PDP No.	Audit Remarks	Amount (Rs.)
2.	AIG Logistic Lahore	2014-16	18696	Pistol 649 (9-mm) were purchased during the year 2007 out of which 201 pistol valuing Rs.7,035,000 were still available in stock and not issued despite the lapse of more than 07 years resulting in blockage of public money	7,035,000
3.	City Traffic Police Rawalpindi	2016-17	19938	An amount Rs.307,500/- was drawn on 15.02.2017 and paid to PEMRA as licensing fee for FM Radio in Traffic office Rawalpindi. The FM radio has not since been functional and mostly equipment had been purchased valuing and lying in store uninstalled since 2015.	307,500
4.	City Traffic Police Rawalpindi	2016-17	19937	Uniform cloth valuing Rs.7,366,500 provided from the IG Police Punjab office through central purchase but the same has been lying in stock since 2014 without preparing the uniforms for staff	7,366,500
Total					14,709,000

Audit was of the view that weak internal and supervisory controls resulted the irregularity.

The matter was pointed out to concerned formations from March to November 2017. The managements of the formations did not offer cogent replies.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that matter may kindly be got regularized from competent authority.

13.4.92 Misappropriation of weapons-Rs. 7.41 million

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. Moreover, as per Government Rules vide Para 4.7(i) of PFR-I, it is primarily the responsibility of the department 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 weapons / arms of Rs. 7,412,560 approximate were misappropriated / not received back from the concerned officials as detail below.

Sr. No.	Name of formation	Period of audit	PDP No.	Audit Remarks	Amount (Rs.)
1.	CPO Rawalpindi	2016-17	20779	Weapons not received back from officials since 1975	5,655,000
2.	CPO Rawalpindi	2016-17	20780	Misplacement of Arms	1,330,000
3.	SSP / Battalion Commander Guard Battalion PC-7, Lahore	2015-16	18323	Misappropriation of weapons	205,860
4.	Commandant Punjab Constabulary Headquarters Farooqabad	2014-16	18524	Weapons not received as officer transferred to other offices or retired	221,700
Total					7,412,560

Audit was of the view that weak internal and supervisory controls resulted in this irregularity.

The matter was pointed out to concerned formations from March to November 2017. But no cogent reply was given by other formations.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that matter may kindly be investigated and weapons /arms may be got recovered from concerned besides actions against defaulters.

13.4.93 Recovery due to irregular payment on account of material charges to uniform tailor-Rs. 609,500

As per letter No. 8502-62/C, dated 23-06-2010 issued by the Addl. IG Police, sewing charges of uniform articles are hereby enhanced Rs.130 for trouser and Rs. 78 for shirt.

During audit of DPO Jhang for the financial year 2016-17, the scrutiny of paid vouchers pertaining to sewing of uniform revealed beside sewing charges, Rs. 609,500 were also paid to Tailors for purchase of material for sewing of shirt @ Rs.32 and @ Rs 60 for trouser and other material. The payments of material charges were irregular because as per above mentioned letter only swing charges would be paid to tailors at specified rate. This resulted into undue payment on account of material charges to Tailor and thus caused loss to public exchequer of stated amount.

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

The matter was brought to the notice of departmental representative during August 2017, they noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that matter may be inquired into, responsibility be fixed against concerned at fault for the lapse pointed out above and

amount to be recovered from concerned and deposit into government treasury under intimation to audit

(PDP 20201-DPO Jhang-2016-17)

13.4.94 Unjustified purchase of dietary items-Rs. 51.70 million

Rule 15.18 of PFR Vol-I provides that balances of stores must not be held in excess of the requirements of a reasonable period or in excess of any prescribed maximum limit. In order to ensure the observance of this rule, a periodical inspection must be made by a responsible Government servant, who must submit a report of surplus, unserviceable and obsolete stores

During audit of Home Department, it was observed that an amount of Rs. 51,698,705 was incurred on purchase of dietary items which was unjustified due to following reasons.

Sr. No.	Name of formation	Period of audit	PDP No.	Audit Remarks	Amount (Rs.)
1.	Central Jail Mianwali	2014-16	18685	Unjustified expenditure due to late submission of challans of under trial prisoners.	41,984,045
2.	Chief Administrator Health & Education Institutions, at Commissioner Office Lahore	2014-16	18555	Doubtful expenditure as expenditure was incurred for provision of mess facility of student of Madrassa while as per Administrator of Markaz all students were day scholars &also that expenditure was incurred through quotations.	4,155,250
3.	District Jail Jhelum	2016-17	19875	Purchase of dietary items made without approval, at excess rate and also for more than six weeks.	2,992,765

Sr. No.	Name of formation	Period of audit	PDP No.	Audit Remarks	Amount (Rs.)
4.	District Jail Jhelum	2016-17	19865	Dietary Items were not purchased from approved contractor of I. G. Prison.	2,228,437
5.	District Jail Vehari	2015-16	18531	Quantity of Rice was purchased in bulk in month of June without keeping in view the consumption requirement of near future.	338,208
Total					51,698,705

Audit was of the view that weak internal and supervisory controls resulted in this irregularity.

The matter was pointed out to concerned formations from March to November 2017. The managements of above formations did not offer any cogent replies.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that matter be justified or got regularized from competent authority.

CHAPTER 14

INDUSTRIES, COMMERCE AND INVESTMENT DEPARTMENT

14.1 Introduction

Industries, Commerce and Investment Department, Government of the Punjab aims at achieving orderly, planned and rapid industrialization of Punjab by providing turnkey solutions to the problems faced by entrepreneurs. The vision of Industries, Commerce and Investment Department is to play an effective and efficient role as a facilitator for:

- Industrial growth through multifarious means;
- Provision of state of the art infrastructure including one window facilities.
- Establishment of small industrial estates for small and medium sectors.
- Collection of industrial data and pre-investment feasibility studies.
- Monitoring of supplies and prices of essential commodities.

The department is headed by a Secretary. Detail of the attached departments and special institutions is given below:

Attached Departments/Organizations

- Punjab Small Industries Corporation (PSIC).
- Punjab Industrial Estates Development and Management Company (PIEDMC).

- Faisalabad Industrial Estates Development and Management Company (FIEDMC).
- Punjab Consumer Protection Council (PCPC).
- Directorate of Industries.
- Punjab Printing and Stationery Department.
- Punjab Prices and Supplies Board.

Special Institution

Technical Education and Vocational Training Authority (TEVTA).

14.2 Comments on Budget & Accounts (Variance Analysis)

Introduction

The Appropriation Accounts for the year 2016-17 of Industries, Commerce and Investment Department indicate expenditure on various specified services vis-à-vis appropriation authorized by Government of the Punjab.

Summary of Appropriation Accounts

The summarized position of actual expenditure during 2016-17 against the total of five grants/appropriations is as follows:

Overview of Expenditure

(Rupees in millions)

Grant No.	Original Grant	Supplementary Grant/ Re-Appropriation	Final Grant	Actual Expenditures	Excess/ (Savings)
(1)	(2)	(3)	(4)	(5)	(6)
PC21010	558.910	370.298	929.208	866.391	(62.817)
PC21022	7,167.127	292.662	7,459.789	7,468.896	9.107
PC21029	223.235	0.001	223.236	219.584	(3.652)
PC22036	10,571.790	(6,152.675)	4,419.115	4,192.698	(226.417)
PC12043	0	1,700.000	1,700.000	1,700.000	0
Total	1,8521.062	(3,789.714)	1,4731.348	14,447.569	(283.779)

The final budget of Industries, Commerce and Investment Department for the year ended 30 June, 2017 was Rs. 14,731.348 million. Out of this, actual expenditure was Rs. 14,447.569 million. 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	7,949,272,000	8,554,871,314	605,599,314	7.62
Development	10,571,790,000	5,892,698,009	(4,679,091,991)	44.26
Total	18,521,062,000	14,447,569,323	(4,073,492,677)	21.99

Due to supplementary grants and surrenders, this composition changed during the year. 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	8,612,233,000	8,554,871,314	(57,361,686)	(0.67)
Development	6,119,115,000	5,892,698,009	(226,416,991)	(3.70)
Total	14,731,348,000	14,447,569,323	(283,778,677)	(1.93)

Anticipated savings not surrendered

As per para 14.3 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. (283.779) million at the close of the year 2016-17 under grants PC21010, PC21029 & PC22036 were not surrendered in time by the department.

Excess expenditure requiring regularization

As per Para 13.2 (ii) of Punjab Budget Manual, the total expenditure incurred on a purpose should not exceed the grant or grants provided for that purpose. However, there had been excess expenditure amounting to Rs.9.107 million for the year 2016-17 under grant PC21022. This was breach of legislative control over appropriations which needs to be regularized.

14.3 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	No. of Paras in which Compliance received	No. of Paras in which Compliance not Received	Percentage of compliance
1	2001-02	80	13	67	16
2	2010-11	7	0	7	0
3	2012-13	3	0	3	0
Total		90	13	77	14

The compliance with PAC Directives in Industries, Commerce and Investment Department is not adequate as compliance on 86% of paras is still awaited. The department needs to address the situation.

14.4 AUDIT PARAS

Irregularities and non-compliance

14.4.1 Non surrendering of savings-Rs.30.01 million

Para 14.3 of the Punjab Budget Manual Requires that all the anticipated savings should be surrendered in the 1st Statement of Excesses and Surrenders by 1st January and 2nd Statement of Excesses and Surrenders by 31st March, so that the funds can be utilized where there are actually needed.

During audit of the Sasti Roti Authority, Lahore for the period 2012-16, it was observed that savings of budget grant amounting to Rs.30,010,379 were not surrendered and thus lapsed at the close of financial year. Had these amounts been surrendered well in time, the same could have been utilized for some useful purpose. The details are as under:

Sr. No	Year	Budget	Expenditure	Savings
1.	2015-16	7,545,833	261,181	7,284,652
2.	2014-15	8,276,000	1,070,731	7,205,269
3.	2013-14	8,315,000	1,242,053	7,072,947
4.	2012-13	10,515,833	2,068,322	8,447,511
Total		34,652,666	4,642,287	30,010,379

Audit was of the view that weak supervisory and financial controls resulted in lapse of funds due to non surrendering of savings.

Audit pointed out the lapse during February 2017. The DDO acknowledged the observation but offered no comments.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite reminders issued in October, November and December 2017.

Audit recommends that the department should strengthen its internal controls on “Appropriations” and seek condonation of irregularity from the Finance Department.

(PDP No. 17702- Sasti Roti Authority, Lahore- 2012-16)

14.4.2 Irregular purchases without advertisement on PPRA website-Rs.1.45 million

As per Rule 8 of Punjab Procurement Rules 2014, a procuring agency shall, within one month from the commencement of a financial year, devise annual planning for all proposed procurements with the object of realistically determining the requirements of the procuring agency, within its available resources, delivery time or completion date and benefits that are likely to accrue to the procuring agency in future.

During audit of Directorate General of Industries, Prices, Weights & Measures, Punjab, Lahore for the period 2014-16, it was observed that above rules had been ignored and on the contrary an expenditure amounting to Rs.1,450,453 was incurred irregularly on procurement under different object heads without calling open tenders through PPRA website. The details are as under:

Head of Account	Description of Head	Year	Amount
A03901	Stationery	2014-15	499,963
		2015-16	651,134
A03955	Computer Stationery	2014-15	199,660
		2015-16	99,696
Total			1,450,453

Audit was of the view that the lapse was occurred due to non-observance of Punjab Procurement Rules.

Audit pointed out the irregularity in February 2017. The management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite reminders issued in October, November and December 2017.

Audit recommends that the department should seek condonation of irregularity from the Finance Department.

(PDP No. 17524- DG Industries, Prices Weights and Measurements, Punjab, Lahore-2014-16)

14.4.3 Non maintenance of record of inspection fee of Boilers- Rs.10 million

As per Section 7 & 8 of the Boilers Act 1923, Inspectors shall be required to examine boilers.

During audit of Directorate General of Industries, Prices, Weights & Measures, Punjab, Lahore for the financial year 2014-16 some challans deposited by the owners of the boilers were shown. However, the audit observed following shortcomings regarding maintenance of related record:

1. Registration certificate of the boilers required under section 07(1) was not found in the record. Fee receipt was not found in the record.
2. Register number of the boiler was not found on record.
3. Certificate of Chief Inspector regarding maximum pressure required under section 07(5) of Boilers Act, 1923 was not found in the record.
4. Renewal of certificate record was not maintained.
5. Penalty record under sections 22, 23 and 24 was not maintained.
6. Detail of factories/boilers was not maintained.
7. Fee collection mechanism was not found on record.

In the absence of above record, the rightful collection and deposit of the fee could not be verified.

In response to the preliminary observation issued during February 2017, the management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite reminders issued in October, November and December 2017.

Audit recommends that the department should fix responsibility for non-maintenance of record besides doing the needful.

(PDP No. 17525- DG Industries, Prices Weights and Measurements, Punjab, Lahore-2014-16)

14.4.4 Improper operation of Special Drawing Accounts and non- production of vouched account-Rs.114.01million

Vide Government of the Punjab, Finance Department letter No.SO(TT)6-1/2009.Pt-IX dated 31.07.2012, all Special Drawing Accounts (SDAs) Personal Ledger Accounts (PLAs)/Assignment Accounts (AAs) holders were advised to get their single signatory accounts converted into 'Co-signatory' accounts from the Finance Department by 31.08.2012. Moreover, Section 17.3.1.2 of Accounting Policies and Procedures Manual provides, signing of cheques drawn on the account, by the authorized cheque signatory, and counter signed by a co-signatory from the responsible Ministry or Department. Furthermore, 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.

During audit of Industries, Commerce & Investment Department, Lahore for the period 2015-16, it was observed that SDA accounts were

being maintained by the department. An amount of Rs.114,005,000 was drawn by signing of cheques by single signatory instead of two signatories. Moreover, the vouched account of the payments made to various organizations was not produced.

Sr. No.	Cheque No. & date	To whom issued	Amount (Rs.)
1.	473746, 16.09.2015	Punjab Board of Investment & Trade (PBIT)	2,300,000
2.	473747, 07.10.2015	-do-	25,000,000
3.	473748, 09.03.2016	-do-	19,800,000
4.	473749, 09.03.2016	-do-	1,700,000
5.	473750, 13.04.2016	-do-	19,800,000
6.	473752, 20.05.2016	Expo Centre (Pvt.) Lahore	13,875,000
7.	473753, 09.06.2016	DGPR Publicity Campaign	11,130,000
8.	473754, 10.06.2016	Punjab Board of Investment & Trade (PBIT)	20,400,000
Total			114,005,000

Audit was of the view that non-adherence to government instructions resulted in irregular operation of SDA and due to non-production of the vouched account, the authenticity of payments made to various organizations could not be verified.

In response to the preliminary observations issued during January, 2017, the management noted the observations for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite reminders issued in October, November and December 2017.

Audit recommends that the department should adhere to the government instructions, seek condonation of irregularity from the Finance Department and produce vouched account for audit scrutiny.

(PDP No. 17763 & 17764-Industries, Commerce and Investment Department Lahore-2015-16)

Performance

14.4.5 Non-deduction of Punjab Sales Tax-Rs.1.20 million

As per Sr. No. 52 of the Second Schedule of the Punjab Sales Tax on Services Act 2012 (amended vide Finance Act 2014), Punjab Sales Tax was deductible @ 16% on services provided by accountants (including practicing chartered or cost accountants), auditors, actuaries, tax consultants (by whatever name called), practicing company secretaries, receivers, liquidators, auctioneers and corporate law consultants, whether individual or otherwise. Moreover, as per rule 14 of the Punjab Sales Tax on Services (Withholding) Rules 2015, a withholding agent shall be considered defaulter and personally liable to pay the amount of tax to the Government. Besides the recovery of the amount of tax and any penalty under the Punjab Sales Tax on Services Act 2012, the defaulter shall, in addition to the tax due and any penalty under section 48 of the Act, pay default surcharge at the rate mentioned in section 49 *ibid*.

During audit of the Industries, Commerce and Investment Department, Lahore for the period 2015-16, a perusal of the contingent vouchers revealed that an expenditure of Rs. 7,500,000 was incurred under object head A03917-Law charges and amount of Rs.6,750,000 was drawn after deduction of income tax for payment to the Law Consultant for legal services. It was, however, observed that 16 % PST amounting to Rs.1,200,000 was not withheld from the payment made.

Audit was of the view that weak internal controls on “Taxation” resulted in non-deduction of PST.

In response to the preliminary observation issued during January 2017, the management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till

the finalization of this Report despite reminders issued in October, November and December 2017.

Audit recommends that the department should effect recovery of the stated amount from the concerned and deposit the same into treasury besides strengthening its internal controls on taxation.

(PDP No. 17765- Secretary Industries, Commerce and Investment Department Lahore-2015-16)

CHAPTER 15

INFORMATION AND CULTURE

15.1 Introduction

The Information and Culture Department is the focal point for projection of the Government through 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 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 or 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.

15.2 Comments on Budget & Accounts (Variance Analysis)

Introduction

The Appropriation Accounts for the year 2016-17 of Information and Culture Department indicate expenditure on various specified services vis-à-vis appropriation authorized by Government of the Punjab.

Summary of Appropriation Accounts

The summarized position of actual expenditure during 2016-17 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	270.118	181.376	451.494	367.130	(84.364)
PC21014	159.069	0.001	159.070	117.979	(41.100)
PC21023	2,552.086	(895.879)	1,656.207	1,436.272	(219.935)
PC22036	3,681.901	(2121.405)	1,560.496	983.829	(576.667)
Total	6,663.174	(2835.907)	3,827.267	2,905.21	(922.066)

Overview of Expenditure

The final budget of Information and Culture Department for the year ended 30 June, 2017 was Rs. 3,827.267 million. Out of this, actual expenditure was Rs. 2,905.21 million. 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	2,981,273,000	1,921,380,479	(1,059,892,521)	35.55
Development	3,681,901,000	983,828,682	(2,698,072,318)	73.28
Total	6,663,174,000	2,905,209,161	(3,757,964,839)	56.40

During the year, owing 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	2,266,771,000	1,921,380,479	(345,390,521)	15.24
Development	1,560,496,000	983,828,682	(576,667,318)	36.95
Total	3,827,267,000	2,905,209,161	(922,057,839)	24.09

Anticipated savings not surrendered

As per para 14.3 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.(922.066) million at the close of the year 2016-17 under grant PC21010, PC21014, PC21023 & PC22036 were not surrendered in time by the Department.

15.3 *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
6.	2010-11	36	1	35	2
7.	2011-12	7	0	7	0
8.	2012-13	5	5	0	100
9.	2013-14	51	9	42	7
Total		256	98	158	38

The compliance of PAC directives in Information and Culture Department remained unsatisfactory for the years 1999-2000, 2001-02, 2010-11 and 2011-12. The department needs to improve its level of compliance.

15.4 AUDIT PARAS

Non production of record

15.4.1 Non production of record-Rs.3,018.73 million

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 Information & Culture Department, it was observed that expenditure to the stated extent was incurred but in support of that auditable record/ vouched accounts were not produced to audit. The details are as under:

Sr. No.	Name of formation	Period of Audit	PDP No.	Nature of record	Amount (Rs.)
1.	Director General Public Relation, Lahore	2014-17	20421	Television Video Cassettes' (TVCs) of Electronic Media Campaigns were not produced	2,355,668,888
2.	Secretary Information and Culture Department, Lahore	2016-17	21737	Loans to Punjab Journalist Housing Foundation	513,293,309
3.	Secretary Information and Culture Department, Lahore	2016-17	21739	Amount paid under head A05270 and SDA but vouched account was not produced	117,805,808
4.	Director General Public Relation, Lahore	2014-17	20410	auditable record relating to appointment of Consultant	20,633,953

Sr. No.	Name of formation	Period of Audit	PDP No.	Nature of record	Amount (Rs.)
5.	Director General Public Relation, Lahore	2014-17	20411	vouched account of SDA's	10,129,117
6.	Secretary Information and Culture Department, Lahore	2016-17	21735	auditable record relating to appointment of Consultant	1,199,500
Total					3,018,730,575

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

When the matter was pointed out, the managements replied that requisite record would be produced.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that besides production of record, responsibility be fixed for taking disciplinary action against the responsible.

Irregularities & non-compliance

15.4.2 Irregular expenditure on Government campaigns on electronic media-Rs.2,377.51 million

As per Rule 12 of Punjab Procurement Rules 2014, procurement over rupee one hundred thousand and up to the limit of rupee two million shall be advertised in the PPRA's web site in the manner and format specified by PPRA from time to time. Moreover, Finance Department in Summaries of Ex-Post Facto Approval of Funds dated 10.10.2013 & 18.03.2014 advised that since the nature of procurement services of Information & Cultural Department requires special dispensation so the

Department fixed the rates of newspapers on the basis of circulation which is non-negotiable. The department may forward a case to the competent authority for incorporation of the same as amendment/relaxation in the PPRA Rules as specific to the Information & Cultural Department, so that, in future such discrepancy & violation of Rules may be avoided.

During audit of the Director General Public Relation, Punjab Lahore for the period 2014-17, it was observed that an amount of Rs.2,375,511,290 was incurred on Government campaigns on Electronic Media by the DGPR. Following shortcomings were noticed:

- i. The rates of electronic media were not approved by Federal Government. The print media rates were approved by Press Information Department (PID) which were being followed by the DGPR.
- ii. The rates of Electronic Media were neither fetched through advertisement on PPRA's web site nor any advertisement was made on the print media in violation of Rule 12 of Punjab Procurement Rules 2014.
- iii. The Department neither followed Punjab Procurement Rules nor obtained any exemption of PPR in compliance of Finance Department objections raised/pointed out in summaries of Ex-Post Facto Approval of Funds dated 10.10.2013 & 18.03.2014.

Audit was of the view that the lapse was occurred owing to weak supervisory, management & financial controls resulted into irregular payment of Government campaigns on Electronic Media.

When pointed out the matter, the management stated that detailed reply would be submitted later on.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that responsibility be fixed for non-adherence of Government instructions besides regularization of the matter from Finance Department and strengthening of supervisory, financial and internal control system.

(PDP No. 20426-Director General Public Relation, Lahore -2014-17)

15.4.3 Irregular expenditure on Special Publication Lahore (SPL) and Electronic Media Campaign-Rs.266.43 million

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 Director General Public Relations, Lahore for the period 2014-17, it was observed that an amount of Rs.266,432,124 was incurred on advertisement through Electronic as well as Print Media without getting prior approval of initiative from the Chief Minister. It is worth mentioning here that all the initiatives prior to 2015-16 were approved by the Chief Minister. The prior approval of the Chief Minister was not obtained in the years 2015-16 and 2016-17.

Audit was of the view that weak supervisory and financial controls resulted in irregular expenditure.

When the matter was pointed out, the management stated that the expenditure had been incurred after getting the funds from Finance

Department. Sanctions of Finance Department were very much available. The reply of the department was irrelevant as the approval of initiative of advertisement from the Chief Minister was not produced.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the responsibility regarding failure in seeking approval of the Chief Minister may be fixed and disciplinary action may be initiated against the person (s) held responsible, under intimation to audit.

(PDP No. 20422-Director General Public Relation, Lahore -2014-17)

15.4.4 Irregular operation of Special Drawing Account- Rs.207.36 million

As per Finance Department letter No.SO(IT)6-1/2009.Pt.IX dated 21.07.2012, all Special Drawing Accounts (SDAs)/Personal Ledger Accounts (PLAs)/Assignment Accounts (AAs) holders was advised to get their single signatory accounts converted into co-signatory accounts from the Finance Department by 31.08.2012. Further, section 17.3.1.2 of Accounting Policies and Procedure Manual (APPM) provides for signing of cheque drawn on the account, by the authorized cheque signatory, and counter signed by a co-signatory from the responsible Ministry or Department.

During audit of Director Lahore Museum, Lahore for the period 2014-16, it was observed that SDA accounts were being maintained by the department and an amount of Rs.207,364,094 was drawn through a single signatory instead of two signatories for cheques. The details are as under:

Sr. No.	Year of audit	Budget Allocation	Expenditure
1.	2014-15	17,500,000	17,500,000
	2015-16	35,000,000	28,898,235
2.	2014-15	72,907,000	70,906,977
	2015-16	90,713,000	90,058,882
Total			207,364,094

Audit was of the view that non adherence to government instructions resulted in irregular operation of SDA.

When matter was pointed out in May 2017, the management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

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

(PDP No.18152-Director Lahore Museum-2014-16)

15.4.5 Irregular expenditure on pay and allowances– Rs.14.72 million

As per letter NO.SOP (INF)5-2/2014 dated 26.10.2015 the Departmental Development Committee extend the gestation period upto 30.06.2016 of development scheme titled “up-gradation and Strengthening of the Director General Public relation Punjab” Lahore. Moreover, as per 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.

During audit of Director General Public Relations, Lahore for the period 2014-17, it was observed that an amount of Rs.14,724,007 under

cost center LZ-4105 was incurred on account of pay and allowances from the treasury without any justification as the said project was closed on 30.06.2016. Moreover, the pay roll for the financial year 2014-17 was not produced for verification.

Audit was of the view that weak supervisory and financial controls resulted in irregular expenditure.

When the matter was pointed out, the management stated that detailed reply would be submitted later on.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommended that the matter may be inquired at Administrative level to fix the responsibility regarding irregular payment of pay and allowances besides regularization from Finance Department.

(PDP No. 20415-Director General Public Relation, Lahore -2014-17)

15.4.6 Irregular purchases due to non-observance of PPRs- Rs.8.05 million

As per Rule 9 of Punjab Procurement Rules 2014, a procuring agency shall announce in an appropriate manner all proposed procurements for each financial year. The procuring agency shall advertise in advance annual requirements for procurement on the website of the Authority as well as own website. Moreover, as per Rule 12 *ibid*, a procuring agency shall advertise procurement of more than one hundred thousand rupees and up to the limit of two million rupees on the website of the Authority in the manner and format specified by regulations.

During audit of Information & Culture Department, it was observed that expenditure to the stated extent was incurred by the

department by avoiding quotations, advertisement on PPRA website and newspapers through splitting the indents. The details are as under:

Sr. No.	Name of formation	Period of Audit	PDP No.	Amount (Rs.)
1.	Director General Public Relation, Lahore	2014-17	20432	3,131,846
2.	Director General Public Relation, Lahore	2014-17	20418	2,530,273
3.	Alhamra Arts Council, Lahore	2015-16	18146	996,000
4.	Secretary Information and Culture Department, Lahore	2016-17	21733	532,014
5.	Alhamra Arts Council, Lahore	2015-16	18145	477,313
6.	Bahawalpur Museum, Bahawalpur	2015-16	18159	378,473
Total				8,045,919

Audit was of the view that the lapse occurred due to non-adherence to Punjab Procurement Rules 2014.

Audit pointed out the lapse in February & April 2017. The management at Sr. No.1 replied that laptop was procured after fulfilling all codal formalities. Reply of the formation was not tenable because recommended model of laptop was not purchased. The management at Sr. No.2 stated that the purchase had been made through tender / PPRA. The reply of the formation was not tenable due to the reason that the tender was required to be awarded to the firm quoting lowest rates. The formations at Sr. Nos. 3 to 5 noted the observations for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that responsibility be fixed for non-adherence to Punjab Procurement Rules 2014 besides regularization of the expenditure from the Finance Department.

Internal control weakness

15.4.7 Irregular payment to the Artist -Rs.56.95 million

As per letter No.SO.CUL(INF)3-1/2011 minutes of the 1st meeting on artist agenda item 02 provide that there should be a committee to define and determine the eligibility criteria for recipients of the “khidmat card”.

During audit of the Secretary, Information & Culture Department, Lahore, it was observed that an amount Rs.56,954,580 was drawn from SDA during the month of June. The department issued cheques to 1001 artists without approval/recommendations of the committee. It was also noticed that out of these 1001 payments, audit was given a list of only 831 payments in which the signatures of the recipients were not present. Furthermore, the department failed to produce notification of the committee, applications received from the artist, diary register, scrutiny of applications record, list of the rejected applicants to verify the genuineness of the expenditure.

Audit was of the view that weak supervisory, financial and internal controls resulted into irregular expenditure.

When the matter was pointed out the management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the matter be investigated and responsibility for above lapses be fixed besides regularization of expenditure from the competent authority.

(PDP No.21738- Information and Culture Department, Lahore-2016-17)

Recoveries and overpayments

15.4.8 Unjustified payment of risk allowance to Security Guards - Rs.824,000

The new salary package (Risk Allowance, Fixed Daily Allowance for 20 days and Ration allowance etc) was sanctioned by the Finance Department for the Police staff; vide their Order No.8904/F-I dated 26.05.2009. But the said salary package was not admissible to officers/officials of the Police department for the period they remained under suspension as clarified by the government vide Order No.10281/F-I Dated 08.06.2009.

During audit of Alhamra Arts Council, Lahore for the period 2015-16, it was observed security of that Alhamra Arts Council was outsourced but risk allowance @ 2000 per month was paid irregularly to security guards by the Board of Governors.

Audit was of the view that weak financial controls resulted in irregular payment of risk allowance.

When pointed out in April 2017, the management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that unjustified payment should be recovered from the concerned.

(PDP No.18148-Alhamra Arts Council, Lahore-2015-16)

15.4.9 Non / less deduction of taxes and non-payment of stamp duty- Rs.514,899

According to Income Tax Ordinance 2001, Punjab Sales Tax on Services Act 2012, Sales Tax Act 1990 and Stamp Duty Act 1899, the

departments are required to deduct taxes at prescribed rates at the time of payment.

During audit of Information & Culture Department, it was observed that income tax and sales tax were either not deducted or were less deducted from the payments made to the concerned firms/contractors. Moreover, in some cases the payment of the stamp duty at the prescribed rates was not made.

The details are as under:

Sr. No.	Name of Formations	Period of audit	PDPs No.	Type of Tax	Amount (Rs.)
1.	Director General Public Relation, Lahore	2014-17	20406	Less deduction of income tax	195,108
2.	Alhamra Arts Council, Lahore	2015-16	18151	Less deduction of income tax	155,373
3.	Director General Public Relation, Lahore -2014-17	2014-17	20416	Recovery of Stamp duty	87,918
4.	Director General Public Relation, Lahore -2014-17	2014-17	20417	GST	76,500
Total					514,899

Audit was of the view that weak internal controls on taxation resulted in non-deduction of taxes and non-payment of stamp duty.

When the matter was pointed out, the managements noted the observations for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department should strengthen its internal controls on taxation, effect recovery of the stated amount of the taxes and deposit the same into relevant treasuries.

15.4.10 Less-deduction of withholding tax on payment of rent - Rs 262,504

Section 155 b(5) of Income Tax ordinance 2001 read with Finance Act 2016 provides that any payment made on account of rent of immovable property where the gross amount of rent exceeds Rs.2,000,000 the Tax was to be calculated @ Rs.210,000+20% of the gross amount exceeding Rs.2,000,000.

During audit of Secretary Information & Culture Department, Lahore for the period 2016-17, it was noticed that payment exceeding Rs.2,000,000 was made as per detail in annexure on account of building rent hired for office but withholding tax amounting to Rs.262,504 was less deducted at source which caused a loss to the public exchequer.

Audit was of the view that weak financial controls on taxation resulted in less deduction of income tax.

When the matter was pointed out, the management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the matter needs to be investigated and responsibility be fixed besides recovery of the amount and its deposit into Govt. Treasury.

(PDP No. 21734- Information and Culture Department, Lahore-2016-17)

Other

***15.4.11 Non-reconciliation of cash book & bank balances-
Rs.6,528.82 million***

As per Rule 2.4 of PFR Vol-I, in the case of payments into the Treasury the Disbursing Officer should compare the Treasury Officer's receipt on the challans with the entry in the cash book before initialing it, and when such payments are appreciable, he should obtain from the Treasury a monthly list of payments which should be compared with the posting in the cash book.

During audit of Director General Public Relation, Lahore for period 2014-17, it was observed that the a bank account (Account No.500097-5, National Bank of Pakistan, Railways Headquarters, Lahore) was maintained by the DGPR in respect of expenditure relating to advertisement charges. It was observed that no reconciliations were carried out with the bank despite the fact that huge difference as many as Rs. 6,528,815,981 was found in the cash book and bank statements each month.

Audit was of the view that the lapse was due to failure of weak supervisory and financial controls.

When pointed out the matter, the management stated that detailed reply would be submitted later on.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that responsibility be fixed for non-adherence to government instructions besides reconciliation of cash book with bank account and strengthening of supervisory and financial controls.

(PDP No.20428-Director General Public Relation, Lahore -2014-17)

15.4.12 Non-recovery of outstanding dues from government departments- Rs.175.14 million

As per Rule 4.1 of P.F.R Vol-I, provide that 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. They should arrange to receive from their subordinates accounts and returns claiming credit for so much paid into the treasury and compare them with the figures shown in the returns received from the Accountant-General.

During audit of Director General Public Relation, Lahore for the period 2013-14, it was observed that the management failed to recover outstanding dues of Rs.175,144,432 from various departments on account of advertisement charges.

Audit was of the view that weak supervisory and financial controls resulted in non recovery of outstanding dues.

When pointed out the matter, the management stated that this is ongoing and continuous process.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that outstanding liabilities be recovered from various Government Departments under intimation to Audit besides strengthening of supervisory and financial controls.

(PDP No. 20429-Director General Public Relation, Lahore -2014-17)

15.4.13 Irregular withdrawal of pension funds- Rs.1.80 million

Regulation 5 (e) of Bahawalpur Museum Service Pension Regulations 1998 states that the surplus available in Pension Fund may be invested in such profitable schemes as may be approved by the Board.

During audit of Bahawalpur Museum, Bahawalpur, for the period 2015-16, it was observed that amounts were drawn out of pension funds from time to time without indicating any valid reason. Payment of arrears of pay and allowances to Director and other staff was not a valid charge. The department was asked to provide the complete bank statement of pension from the date of opening of account but only record pertaining to period from 01.07.2015 to 09.02.2017 was produced. Moreover, it was observed that employees were retired during the period from 1998 to 2006 but their pension benefits were granted with the orders of the DCO/Director Museum dated 29.09.2016. Delay in preparation and payment of pension benefits to the employees indicated the mismanagement and poor devotion of administration. Further, scrutiny of pension account revealed following irregularities:

- Following amounts were drawn but not deposited back into pension fund.

Sr.No.	Cheque Number & Date	Amount (in Rupees)
1	4022101/10.04.2012	920,461
2	4022102/11.04.2012	240,188
3	4022103/27.02.2013	636,348
Total		1,796,997

- Pension Papers were not prepared/attested by the Museum authorities.
- Cases for grant of pension to ex-employees were not placed in the Board meeting for seeking approval.
- Pension calculation seems to be incorrect. For instance, in case of family pension case of Late Muhammad Afzal Khan, Director, gratuity was payable at 25% of gross pension i.e. Rs.2,830.86 whereas it was calculated at 50% of gross pension i.e. Rs.5,661.72.

Moreover, it was observed that an amount of Rs.8,382,359 was laying in Bank A/c No. 3080892592 as on February 2017, but the same was not invested in profitable schemes with the approval of the Board. Due to non-investment loss of millions of rupees was sustained to the Museum.

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

When pointed out the matter, the management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends enquiry at appropriate level to fix responsibility on account of delay in finalization of pension cases, unauthorized withdrawal and likely misappropriation of funds.

(PDP No.18170-Bahawalpur Museum, Bahawalpur-2015-16)

15.4.14 Unlawful double payment of GST - Rs. Rs.643,967

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. Further, as per Rule 2.33 *ibid*, 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 Director General Public Relations, Lahore for the period 2014-17, it was observed that the management purchased furniture for Rs.2,389,608 from M/s New Modern traders. The bidder offered rates inclusive of all taxation his offer. But the management made payment exclusive of all taxes which resulted in extra GST payment amounting to Rs. 643,967.

Audit was of the view that weak financial controls resulted in unlawful double payment of GST.

When the matter was pointed out, the management stated that detailed reply would be submitted later on.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the matter may be inquired to fix responsibility regarding double payment of GST and the amount be recovered either from the person held responsible or from the concerned supplier.

(PDP No.20433-Director General Public Relation, Lahore -2014-17)

15.4.15 Doubtful purchase-Rs.577,854

As per Rule 15.4 of PFR Vol-I, all materials received should be examined, counted, measured and weighed, as the case may be, when delivery is taken, and they should be kept in charge of a responsible government servant.

During audit of Director Lahore Museum, Lahore for the period 2014-16, it was observed that expenditure amounting to Rs. 577,854 was incurred on purchase of POL and miscellaneous stores but neither stock entries were made nor consumption account was maintained.

Audit was of the view that weak supervisory and financial controls resulted in doubtful purchase without stock entry/ consumption account.

When pointed out in May 2017, the management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that matter may be taken up with the competent authority for regularization of expenditure besides strengthening supervisory internal controls under intimation to audit.

(PDP No.18156-Director Lahore Museum-2014-16)

15.4.16 Irregular expenditure on purchase of air tickets - Rs.459,154

Rule 12 of PPR 2014 provides that a procuring agency shall advertise procurement of more than one hundred thousand rupees and up to the limit of two million rupees on the website of the Authority in the

manner and format specified by regulations but if deemed in public interest, the procuring agency may also advertise the procurement in at least one national daily newspaper.

During audit of Alhamra Arts Council, Lahore for the period 2015-16, it was observed that an amount of Rs.459,154 was expended on purchase of air tickets for 17 persons to attend an event held on 11 to 13.12.2015. The payment was made to M/S Universal Travels Lahore. Expenditure was held irregular due to the following:

1. The air line from which air tickets purchased was not mentioned.
2. The demand was neither advertised nor rates from different travel agencies, were obtained.

Audit was of the view that weak supervisory and financial controls resulted in irregular expenditure on purchase of air tickets.

When pointed out in April 2017, the management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that matter may be investigated and expenditure be got regularized from the competent authority.

(PDP No.18147-Alhamra Arts Council, Lahore-2015-16)

15.4.17 Non-formulation of criteria for selection of Advertising Agencies

As per Government of the Punjab Information & Cultural Department letter No.SO.P&C(INF)V-29/2012 dated 02.06.2012,

Department was responsible for selection of newspapers/TV Channels and release of advertisement in accordance with the advertisement policy.

During audit of Director General Public Relations, Lahore for the period 2014-17, it was observed that:

- No criterion was found on record for selection of newspapers/TV Channels and release of advertisement to advertisement agencies. Absence of criteria for selection may result in non transparency while releasing advertisement and was against the principles of healthy competition.
- It was also observed that major business was given to only twelve Advertising Agencies out of forty eight.

Audit was of the view that the lapse was because of weak supervisory and financial controls.

When the matter was pointed out the management stated that detailed reply would be submitted later on.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that criteria (Rules & Regulations) be framed for selection of newspapers/TV Channels and release of advertisement to advertising agencies besides strengthening supervisory and financial controls.

(PDP No.20430-Director General Public Relation, Lahore -2014-17)

15.4.18 Theft/missing antiques from Bahawalpur Museum

As per Rule 15.16 of PFR Vol-I, physical verification of all stores must be made at least once in every year. A certificate of verification of stores with its results should be recorded whenever such verification is carried out.

During audit of Bahawalpur Museum Bahawalpur for the period 2015-16, it was observed that stock taking of Museum antiques was conducted in 2004 and 2011 respectively in which it was pointed out that 227 antiques were missing/destroyed whereas 5 antiques were stolen. The FIR was lodged to Police during 2004 but no recovery was made as yet. Further, no responsibility was fixed by the management upon any officer/official held responsible for missing/destroyed/stolen valuable antiques. Moreover, it was observed that from the year 2011 onward, no stock taking was conducted whereas it was mandatory once a year.

Audit was of the view that misplacement/damage/theft of antiques was due to poor security arrangements and bad governance by the management.

When the matter was pointed out, the management stated that detailed reply would be submitted later on.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that keeping in view the significance of the matter an inquiry at administrative level be conducted to fix responsibility for destroyed/missing/stolen antiques. The case may also be perused vigorously with Police authorities to recover the valuable antiques.

(PDP No.18161-Bahawalpur Museum, Bahawalpur-2015-16)

(VOLUME-II)

CHAPTER 16

LABOUR AND HUMAN RESOURCE DEPARTMENT

16.1 Introduction

Labour and Human Resource Department is concerned with the promotion of healthy labour management relations for greater socio-economic progress. With this objective, the department not only protects the rights of the workers but lays equal stress on their commitment to work. The department provides medical aid, cash and other benefits in case of sickness, injury, death etc. to secure workers. It also undertakes other welfare measures for the industrial workers and their families including housing and education.

The department is headed by a Secretary. He is the administrative head of the department and is assisted by Additional Secretaries, Deputy Secretaries, Section Officers, etc. in the discharge of his official duties.

Functions of the department

The department is responsible for;

- Welfare of labour.
- Implementation of labour laws.
- Labour legislation (Provincial).
- Manpower and employment including foreign employment.
- Technical, apprenticeship and vocational training.
- Administration of labour courts.
- Implementation of weights and measures enactment.
- Punjab Employees Social Security Institution.

- Minimum wages Board.
- Vocational guidance and employment counseling.
- Service matters except those entrusted to S&GAD.
- Purchase of stores and capital goods for the department.
- Education and grant of scholarships to the children of industrial workers.

16.2. Comments on Budget & Accounts (Variance Analysis)

Introduction

The Appropriation Accounts for the year 2016-17 of Labour and Human Resource indicate expenditure on various specified services vis-à-vis appropriation authorized by Government of the Punjab.

Summary of Appropriation Accounts

The summarized position of actual expenditure during 2016-17 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	66.092	39.807	105.899	68.889	(37.010)
PC21023	267.292	183.379	450.671	361.539	(89.132)
PC22036	650.000	(290.482)	359.518	375.939	16.421
Total	983.384	(67.296)	916.088	806.367	(109.721)

Overview of Expenditure

The final budget of Labour and Human Resource for the year ended 30 June, 2017 was Rs. 916.088 million. Out of this, actual expenditure was Rs. 806.367 million. 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	333,384,000	430,428,018	97,044,018	29.11
Development	650,000,000	375,938,618	(274,061,382)	42.16
Total	983,384,000	806,366,636	(177,017,364)	18.00

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	556,570,000	430,428,018	(126,141,982)	22.66
Development	359,518,000	375,938,618	16,420,618	4.57
Total	916,088,000	806,366,636	(109,721,364)	11.98

Anticipated savings not surrendered

As per para 14.3 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. (109.721) million at the close of the year 2016-17 under grants PC21010, PC21023 were not surrendered in time by the Department.

Excess expenditure requiring regularization

According to 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.16.421 million for the year 2016-17 under grant PC21036 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 discussed so far, is given below:

Sr. No.	Audit Report Year	Total Paras	Compliance received	Compliance not Received	Percentage of Compliance
1	1985-86	05	03	02	60
2	1986-87	03	02	01	67
3	1989-90	01	0	01	0
4	1991-92	02	0	02	0
5	1993-94	05	01	04	20
6	1995-96	01	0	01	0
7	2001-02	37	13	24	35
8	2011-12	4	0	4	0
Total		58	19	39	33

The compliance with PAC Directives in Labour & Human Resources Department needs improvement as compared with the years 1985-86 and 1986-87.

16.4 AUDIT PARAS

Non production of record

16.4.1 Non production of record- Rs. 20.69 million

As provided in 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. Further, Punjab Finance Department letter No. FD (M1) III-2/87(P-III), dated 22nd February, 1994 provides that DDO himself will be responsible for production of record to the audit party at the time of audit and that in case of any lapse on his part, severe disciplinary action will be taken against him by the Administrative Secretary personally apart from submitting a report to the Chief Minister/ Chief Secretary.

During audit of Labour and Human Resource Department, following auditable record was not produced to Audit despite requests:

Sr. No.	Name of formation	Period of audit	PDP No.	Nature of record	Amount (Rs.)
1	Punjab Labour Court No-4, Faisalabad	2015-16	18944	Budget/expenditure statements and related record of expenditure for the period 2010-15	15,535,908
2	Punjab Labour Court No-6, Rawalpindi	2005-16	18943	<ul style="list-style-type: none">• Budget/expenditure statements and related record of expenditure for the period July 2005 to January 2015• Receipt account for the period 2005 to 2015	5,153,909
Total					20,689,817

Audit was of the view that due to non-production of record, the authenticity of the expenditure could not be verified.

The matter was pointed out to concerned formations during January to April 2017. The formations at Sr. Nos. 1 & 2 did not offer any reply. The management at Sr. No. 3 noted the observation for compliance.

The matter was further reported to the administrative department. In DAC meeting held on 15.11.2017, the para was kept pending for production of record during next regular audit. Further progress was not reported till the finalization of this report.

Audit recommends that the department should produce record for scrutiny besides fixing responsibility for non-production of record.

Irregularity & non-compliance

16.4.2 Non Surrendering of Savings - Rs.6.29 million

Para 14.3 of the Punjab Budget Manual Requires that all the anticipated saving should be surrendered in the 1st statement of excess and surrenders by 1st January and 2nd statement by 31st March, so that it could be utilized where it actually needed. Moreover, Government of the Punjab, Finance Department vide letter No. FD (M-11) 1-21820, dated 09.05.2012 stated notwithstanding the provisions of para 16.8 of the Punjab Budget Manual (7th Edition) the Public Accounts Committee has directed that henceforth there will be Zero tolerance so far as the savings reported in the Appropriation Accounts are concerned and all departments shall ensure that no savings are depicted in their respective Appropriation Accounts and no percentage cushion shall be available with regard to savings therein.

The scrutiny of record of the Punjab Labour Court-5, Sargodha for the financial year 2005-16 revealed that savings of budget grant

amounting Rs.6,290,972 were not surrendered and thus lapsed at the close of financial year. Had the amount surrendered well in time the same could have been utilized for other useful purposes.

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

Audit pointed out the lapse during March 2016. The DDO replied that audit para would be regularized from Finance department.

The matter was further reported to the administrative department. DAC in its meeting held on 11.10.2017 kept the para pending for condonation of irregularity. Further progress was not reported till the finalization of this Report.

Audit recommends the irregularity be condoned from the Finance Department.

(PDP No. 17970- Punjab Labour Court-5, Sargodha-2005-16)

16.4.3 Irregular appointments in violation of recruitment policy

As per recruitment policy 2014 as well as Supreme Court of Pakistan's ruling dated 19.01.1993, passed in Human Rights case No.104 (I to IV) 1992 read with S&GAD's Notifications No. SOR-III-2-2/91 dated 05.01.1995 and No DS(O&M)5-3/2004/Contract)(MF), dated 29.12.2004, no recruitment should be made against any post which is not advertised properly.

During audit of the Punjab Labour Court-5, Sargodha for the period 2005-16, it was observed that following appointments were made by giving advertisement in the local newspaper namely "Daily Khabria" dated 11.09.2015 and "Daily Tijarat" instead of national leading newspaper to ensure fair appointment. Thus the appointments would be in contrary to the above instructions.

Sr. No	Name	Designation	Order No and date	Date of joining
1.	Tehmas Najam	Assistant	No.1431-34/PLC-5/2015 dated 02.12.2015	09.12.2015
2.	Muhammad Sheraz Ali	Mali	No.1435-38/PLC-5/2015 dated 02.12.2015	08.12.2015
3.	Sana ullah	Chowkidar	No.248-50/PLC-5/2011 dated 07.03.2011	08.03.2011
4.	Shahid Ahmad	Sweeper	No.251-53/PLC-5/2011 dated 07.03.2011	08.03.2011

Audit pointed out the lapse in March 2016. The DDO replied that the officials at Sr. Nos. 1 & 2 were appointed through advertisement made in daily newspaper as well as on NTS website which is a national level organization. The officials at Sr. Nos. 3 & 4 were appointed against the posts meant for local residents. The advertisement of these posts was made through daily "Tijarat" which was popular newspaper in the district. However, direction contended in audit para would be strictly observed in future. The reply was not acceptable as appointments by giving advertisements in local newspapers cannot be considered as wider publicity hence the same were against the provisions of recruitment policy.

The matter was further reported to the administrative department. DAC in its meeting held on 11.10.2017 kept the para pending for condonation of irregularity from the competent authority. Further progress was not reported till the finalization of this Report.

Audit recommends that responsibility be fixed against the responsible besides strengthening the internal controls.

(PDP No. 18508- Punjab Labour Court-5, Sargodha-2005-16)

Recoveries and overpayments

16.4.4 Non deduction of taxes-Rs.4.37 million

According to Punjab Sales Tax Act 2012, 16% sales tax on services shall be applicable. Moreover, as per Section 153(1)(a) of Income Tax Ordinance, 2001 read with Finance Act 2015, every prescribed person making a payment in full or part including a payment by way of advance

to a resident person or permanent establishment in Pakistan of a non-resident person for the sale of goods shall, at the time of making the payment, deduct tax from the gross amount at a prescribed rate.

During audit of Labour and Human Resource Department, Income Tax and Punjab Sales Tax were either not deducted at the time of payment or were less deducted. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Type of tax	Amount (Rs.)
1.	Labour and Human Resources, Lahore	2014-16	17948	Less deduction of income tax from supplier	2,655,723
2.	Labour and Human Resources, Lahore	2014-16	17949	16% Punjab Sales Tax	1,469,182
3.	Directorate General Labour Welfare Punjab, Lahore	2013-16	17944	16% Punjab Sales Tax	129,340
4.	Labour Court-5, Sargodha	2005-16	17971	Less deduction of income tax on account of salary	87,740
				16% Punjab Sales Tax	9,640
				Less deduction of income tax from supplier	9,105
Total					4,360,730

Audit was of the view that weak internal controls on taxation resulted in less deduction of taxes.

The matter was pointed out in March 2016 and January 2017. The formations at Sr. Nos.1 to 3 noted the observations for compliance. The management at Sr. No. 4 did not offer relevant reply.

The matter was further reported to the administrative department. DAC meeting was convened on 11.10.2017. Paras at Sr. Nos. 1, 2 & 4

were kept pending for recovery and para at Sr. No. 3. was reduced to the extent stated above after verification of partial recovery. Further progress was not reported till the finalization of this Report.

Audit recommends that the department should effect recovery of the stated amount and deposit the same into government treasury besides strengthening of internal controls to avoid such lapses in future.

Others

16.4.5 Undue favour to private media channels for advertisement-Rs. 24.74 million

According to Para 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.

Purpose of advertisement was to make awareness among the labour class that child labour is restricted / banned on brick kilns.

During audit of Labour and Human Resource Department, Lahore for the year 2014-16, it was observed that an expenditure of Rs.24,742,502 was incurred on advertisement regarding elimination of child and bonded labour at brick kiln. The advertisement was made through different private media channels while Pakistan Television (PTV) was ignored. The purpose of advertisement was to make awareness in rural areas for elimination of child labour. Audit held that since PTV was easily available in rural areas as compared to cable/private channels, so main source of advertisement in rural areas was PTV. Moreover, the advertisement through PTV was economical and effective in rural areas where brick kilns were operating as well as it generates revenue being government organization. Furthermore, it was also noticed that no monitoring/inspection committee was constituted to verify whether the advertisement

was shown/on air by the private media channels. This state of affairs rendered the whole expenditure doubtful.

When pointed out the lapse in January 2017, the management noted the observation for compliance.

The matter was further reported to the administrative department. DAC meeting was convened on 11.10.2017. The paras were kept pending for inquiry. Further progress was not reported till the finalization of this Report.

Audit recommends the matter be probed and responsibility be fixed against the responsible besides strengthening of supervisory and internal controls

(PDP No. 17947 & 17950- Secretary Labour and Human Resource, Lahore -2014-16)

CHAPTER 17

LAHORE HIGH COURT

17.1 Introduction

Judiciary is a pillar of the government and enjoys immense importance and esteemed respect. The Honorable 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 Honorable 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 Honorable 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.

17.2 Comments on Budget & Accounts (Variance Analysis)

Introduction

The Appropriation Accounts for the year 2016-17 of Lahore High Court Lahore indicate expenditure on various specified services vis-à-vis appropriation authorized by Government of the Punjab.

Summary of Appropriation Accounts

The summarized position of actual expenditure during 2016-17 against the total of one 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)
PC21011	17,375.439	443.015	17,818.454	16,690.703	(1,127.751)
Total	17,375.439	443.015	17,818.454	16,690.703	(1,127.751)

Overview of Expenditure

The final budget of Administration of Justice for the year ended 30 June, 2017 was Rs. 17,818.454 million. Out of this, actual expenditure was Rs. 16,690.703 million. 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	17,375,439,000	16,690,703,000	(684,736,000)	3.94
Total	17,375,439,000	16,690,703,000	(684,736,000)	3.94

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	17,818,454,000	16,690,703,000	(1,127,751,000)	6.33
Total	17,818,454,000	16,690,703,000	(1,127,751,000)	6.33

Anticipated savings not surrendered

As per para 14.3 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. (1,127.751) million at the close of the year 2016-17 under grants PC21011 were not surrendered in time by the Department.

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.	1985-1986	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 not satisfactory. The situation is required to be improved.

17.4 AUDIT PARAS

Fraud/misappropriation

17.4.1 Likely Misappropriation of Rs.3.60 million

As per 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 Senior Civil Judge, Sialkot for the period 2015-16, a perusal of the report submitted by clerk of court revealed that an amount of Rs.3,604,056 was embezzled out of revenue deposit accounts.

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

The matter was pointed out in February 2017. The formation did not offer any reply.

The matter was further reported to the administrative department. In DAC meeting held on 12.12.2017, the para was kept pending till the final decision of court. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends the department to investigate the matter in detail, loss involved be recovered and deposited into relevant government treasury besides strengthening financial and supervisory controls to avoid recurrence of such lapses in future.

(PDP No. 18647 - Senior Civil Judge Sialkot - 2015-16)

17.4.2 Likely misappropriation through double drawl of Rs.183,400

As per 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 District and Session Judge, Faisalabad for the period 2014-16, it was observed that an amount of Rs.183,400 had been embezzled through double drawl of amounts against one purchase.

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

The matter was pointed out in May 2017. The formation replied that the relevant record will be scrutinized and compliance will be shown during DAC meeting.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends the department to investigate the matter in detail, loss involved be recovered and deposited into relevant government treasury besides strengthening financial and supervisory controls to avoid recurrence of such lapses in future.

(PDP No. 19564 - The District and Session Judge Faisalabad – 2014-16)

Non production of record

17.4.3 Non-production of record - Rs. 245.36 million

As provided in 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. Further, Punjab Finance Department letter No. FD (M1) III-2/87(P-III), dated 22nd February, 1994 provides that DDO himself will be responsible for production of record to the audit party at the time of audit and that in case of any lapse on his part, severe disciplinary action will be taken against him by the Administrative Secretary personally apart from submitting a report to the Chief Minister/ Chief Secretary.

During audit of various formations of Lahore High Court for the period 2007-17 auditable record related to transactions amounting to Rs.245,357,357 (Annexure-44) was not produced to audit for scrutiny.

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

The matter was pointed out from February 2017 to August 2017. The formations at Sr. Nos. 1 to 7, 9 to 14, 16 & 24 noted the observations for compliance/record will be traced out and produce to audit. The formations at Sr. No.15 replied that the matter has been reconciled and found that the vouchers of following amounts do not relate to this court where as the remaining record may be seen. The formation at Sr. No.08 replied that audit of Nakal Branch was being conducted by the Inspector of Stamps, Board of Revenue up to 06/2015. Replies are not tenable being evasive and without documentary evidence.

The matter was further reported to the administrative department. In DAC meetings held on 09.11.2017, 12.12.2017 and 24.01.2018, the paras at Sr. Nos. 6, 10 & 11 were kept pending for verification of record.

Further progress was not reported by the department. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report.

Audit recommends that the department produce the record for scrutiny besides fixing responsibility for non production of record.

Irregularities & non-compliance

17.4.4 Expenditure incurred but effect thereof not recorded in cash book-Rs.495.72 million

As per Rule 2.2 of PFR Vol-I, a simple Cash Book in P.F.R. Form I should be kept in every office receiving or disbursing money on behalf of Government regularly or frequently (other than the Forest, Public Works and Commercial Department's Treasury and other offices which are governed by separate rules or orders) for recording all transactions of moneys received by Government Servants in their official capacity, and subsequent remittance to the treasury or to the bank, as well transactions of moneys withdrawn from the treasury or the bank by bills and their subsequent disbursement. All cash transactions should be entered in the Cash Book as soon as they occur and attested in token of check. The Cash Book should be closed regularly and completely checked. In token of the check of the Cash Book, the last entry checked therein should be initialed (with date) by the Government servant concerned on each occasion. The entries in the Cash Book of the cheques drawn from the Audit Office or amount withdrawn from the treasuries should be compared and checked with the list of the Cheques or Treasury Schedules issued by the Audit Office/Treasury Office. A certificate to this effect be recorded in the Cash Book. At the end of each month the head of the 'office "should personally verify the cash balance and record below the closing entries in the Cash Book a certificate to that effect over his dated signature specifying both in

words and figures the actual cash balance (exclusive of Imprest and temporary advances).

During audit of Senior Civil Judge, Jhang for the period 2013-17, comparison of expenditure statement and cash book revealed that transaction of Rs. 495,721,673 was not entered in cash book, which is serious violation of rules.

The matter was pointed out September 2017, formation noted the observation.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the matter may be inquired into, responsibility be fixed against concerned and irregularity be got regularized from competent authority under report to audit.

(PDP No. 20254 - Senior Civil Judge, Jhang - 2013-17)

17.4.5 Irregular purchase of vehicles, furniture, IT Equipment and generators without approval of Austerity Committee of Finance Department - Rs. 259.42 million

As per Finance Department's letter No.FD.SO(GOODS)44-4/2011 dated 28.08.2013, there will be complete ban on purchase of new and imported vehicles from current and development budgets. Under unavoidable circumstance, the vehicles shall only be purchased with the prior concurrence of the Austerity committee constituted for the purpose and subsequent approval of the Chief Minister. Further, more there was ban on purchase of Furniture, Machinery & Equipment and IT equipment without prior approval of Austerity Committee of Finance Department.

During audit of Lahore High Court for the period 2012-17, it was observed that formations had made procurement of different goods amounting to Rs.259,423,880 (Annexure-45) without getting approval of Austerity Committee of Finance Department and approval of Chief Minister in violation of above mentioned instructions of Finance Department.

Audit was of the view that non-observance of government instructions resulted in irregular purchase.

The matter was pointed out in January 2015 and from March to November 2017. The formations at Sr. No.1, 3 to 5, 8, 9 to 11 & 15 to 20 noted the observations for compliance. The formations at Sr. No. 2, 6, 7, 12 & 13 replied that detailed reply would be submitted later on while formation at Sr. No.14 replied that due to independence of Judiciary, Lahore High Court, Lahore was not bound to obtain prior approval of Austerity Committee for purchases. The replies are not tenable as no documentary evidence in support of reply was produce to audit.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends to fix the responsibility after conducting an inquiry and get the irregularity condoned from Finance Department.

17.4.6 Irregular purchase of different goods in violation of Punjab Procurement Rules - Rs.146.17 million

As per Rule 9 read with Rule 12 of Punjab Procurement Rules 2014, a procuring agency shall announce in an appropriate manner all proposed procurement for each financial year and shall proceed

accordingly without any splitting or regrouping of the procurement so planned. The annual requirements thus determined would be advertised in advance on the PPRA's web site as well as on the website of the procuring agency in case the procuring agency has its own website. Further, procurement over one hundred thousand and up to the limit of two million rupees shall be advertised in the PPRA's web site in the manner and format specified by regulation by the PPRA from time to time . Further, Rule 14(1)2 ibid, response time shall not be less than 15 days from the date of publication of tender on Newspaper/PPRA Web site. As per Finance Department letter no FD(M.R.)NW-1-4/92 dated 26.09.1992, if the entries in the stock register are not present at the time of audit and if the record is not shown to audit, the entries made and record produced afterwards would not be accepted.

During audit of Lahore High Court, it was observed that formations made procurement of different goods amounting to Rs.146,471,079 (Annexure-46) without observing the Punjab Procurement Rules 2014.

Audit was of the view that non-observance of Punjab Procurement Rules resulted in irregular purchase.

The matter was pointed out in January 2015 and from February to September 2017. The formation at Sr. No. 10 stated that purchase was made to meet day to day expenditure. The formations at Sr. Nos. 11, 12, 22&27 did not offer any reply. The formation at Sr. No. 16 replied that procurement was made on emergency basis. The formations at Sr. Nos. 17, 18, 19, 20, 23, 25, 26 & 28 noted the observations for compliance. The formation at Sr. No. 24 replied that record was available. The formation at Sr. No. 21 replied that all codal formalities were observed. Replies were not tenable being evasive and without documentary evidence.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends to fix the responsibility for non adherence to prescribed rules and get the expenditure regularized from Finance Department.

17.4.7 Unauthorized sanction of expenditure beyond competency - 115.87 million

According to Rule 2(b) (i) (ii) of Delegation of Financial Power Rules 2006, Administrative Department and Category-I officers are competent to accord the sanction to incur expenditure of Rs.500,000 and Rs.400,00 respectively on local purchase of stationery (including computer stationery) during a financial year. As per Rule 2(b)(ii) *ibid*, officer of Category I officer was competent for sanctioning of Furniture purchase valuing upto Rs 800,000.

During audit of Lahore High Court, it was observed that formations made procurement valuing Rs.115,871,686 (Annexure-47) wherein concerned DDOs sanctioned expenditure beyond the prescribed competencies as warranted under Delegation of Financial Power 2006.

Audit was of the view that non-adherence to Delegation of Financial Power Rules resulted in unauthorized sanction of expenditure beyond competency.

The matter was pointed out to the formations from February to September 2017. The formations noted the observations for compliance.

The matter was further reported to the Administrative Department. In DAC meetings held on 09.11.2017, 12.12.2017 and 24.01.2018, the

paras at Sr. Nos. 5 & 10 were kept pending for regularization from competent authority and the para at Sr. No. 9 was kept pending for verification. Further progress was not reported by the department. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this report.

Audit recommends to fix the responsibility for non adherence to prescribed rules and get the expenditure regularized from Finance Department.

17.4.8 Irregular mode of payment through cash instead of bank account -Rs.65.34 million

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

During audit of Lahore High Court, it was observed that formations had made payment to different contractors/salary of employees through cash instead by banking channel amounting to Rs.65,343,053 in violation of above mentioned instructions of Finance Department. The details are as under:

Sr. No	Name of formation	Period of audit	PDP No	Nature of irregularity	Amount (Rs.)
1	Senior Civil Judge, Faisalabad	2014-16	19574	Cash payment to Contractor	37,560,699
2	Lahore High Court, Bahawalpur Bench	2010-16	19542	Cash payment to Contractor	285,023
3	District & Session Judge, Rawalpindi	2015-16	19443	Cash payment to Contractor	850,320
4	Senior Civil Judge Jhang	2013-17	20256	Cash Payment of Salary	1,103,225

Sr. No	Name of formation	Period of audit	PDP No	Nature of irregularity	Amount (Rs.)
5	Senior Civil Judge Jhang	2013-17	20257	Cash payment to Contractor	749,164
6	Registrar Lahore High Court	2015-16	19553	Cash payment to Contractor	3,218,687
7	Senior Civil Judge Jhang	2013-17	20261	Cash Payment of Salary	1756887
8	Senior Civil Judge Narowal	2007-17	20247	Cash Payment of Salary	9,029,537
9	Senior Civil Judge Sheikhpura	2012-14	17871	Cash payment of utility bills	1,214,087
10	District & Session Judge, Faisalabad	2014-16	19571	Cash payment to Contractors	9,575,424
Total					65,343,053

Audit was of the view that weak supervisory and financial controls resulted in irregular mode of payment through cash instead of bank account.

The matter was pointed out from February to September 2017. The formations noted the observations for compliance/offered no comments.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends fixing of responsibility after conducting an inquiry and getting the irregularity condoned from Finance Department.

17.4.9 Irregular advance payment without obtaining approval of competent authority-and non-submission of adjustment accounts-Rs. 74.00 million

As per rule 17.19 of PFR Vol-1, It is also not permissible to draw advances from the treasury to prevent the lapse of appropriations. Further, as per 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 Lahore High Court, it was observed that an amount of Rs.74,000,782 was drawn as advance for various purchases without obtaining approval of the Finance Department as required under the above provision. Furthermore, the following irregularities were also noticed.

- 1 The adjustment account/vouched account was not produced for audit scrutiny.
- 2 The advance register was not maintained in the office.
- 3 The performance warranties @4% were not on record.
- 4 Market rate analysis was not placed on record.

Sr. No	Name of formation	Period of audit	PDP No.	Name of Item Purchased	Amount (Rs.)
1	Sr. Civil Judge, Gujrat	2007-17	20273	Furniture	7,873,164
2	Distt. & Session Judge, Sialkot	2015-16	18195	Transport, Machinery & Equipment	29,460,000
3	Distt. & Session Judge, Sialkot	2015-16	18648	Furniture	5,499,000
4	Distt. & Session Judge, Bahawalnagar	2010-16	17863	Furniture	4,805,250
5	Distt. & Session Judge, Bahawalnagar	2010-16	17858	Furniture	2,924,640
6	Distt. & Session Judge, Bahawalnagar	2010-16	17859	Computer	229,621
7	Distt. & Session Judge, Bahawalnagar	2010-16	18891	Furniture	3,130,200
8	Distt. & Session Judge, Khushab	2015-16	19457	Transport	7,965,907
9	Senior Civil Judge, Narowal	2007-17	20250	Stationery	1,642,000
10	Senior Civil Judge, Gujrat	2007-17	20265	Transport	10,471,000
Total					74,000,782

Audit was of the view that non observance of rules resulted into irregular advance payment without approval of competent authority.

The matter was pointed out from February to September 2017. The formations at Sr. Nos. 1, 7, 9 & 10 noted the observations for compliance. The formations at Sr. Nos. 2 to 4 & 8 did not offer any comments and the formations at Sr. Nos. 5 & 6 replied that central purchase was made by Lahore High Court and no irregularity was committed by this office.

The replies were not tenable as no documentary evidence in support of reply was produced to audit.

The matter was further reported to the administrative department. In DAC meeting held on 12.12.2017, the para at Sr. No.3 was kept pending for regularization from competent authority. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that irregularity may be got regularized by the competent authority and taxes at the prescribed rates may be recovered and deposited into Government treasury.

17.4.10 Non-maintenance of receipts cash book - Rs.59.40 million

As per Rule 36 of PART- B accounts of Chapter 5 of Rules and Orders of the Lahore High Court, Lahore, Volume-II (Instructions to Civil Courts, Special Jurisdictions and accounts) All receipts for money should be duly accounted for. When any money is received the Official Receiver should bring the amount to account in the cash book kept in Form 15 and sign a receipt in Form No. 9 for it, the foil of which he should give to the person paying the money.

During audit of Lahore High Court, it was noticed that the auditable record related to receipt transactions amounting to Rs. 59,394,806 was not taken into account in cash books.

The details are as under:

Sr. No	Name of formation	Period of audit	PDP No.	Nature of Record	Amount (Rs.)
1.	Senior Civil Judge, Gujrat	2007-17	20278	Record of receipt	55,152,237
2.	District & Session Judge, Multan	2014-16	19489	Court's receipts	4,242,569
Total					59,394,806

Audit was of the view that weak supervisory and financial controls resulted in non-maintenance of receipts cash book.

The matter was pointed out from July 2017 to November 2017. The formations replied that record would be traced out and shown to audit.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends to look into the matter, maintain the cash book of receipts and produce the same to audit for verification.

17.4.11 Irregular payment of salaries through manual bills - Rs.22.43 million

As per Finance Department's 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 Senior Civil Judge, Sialkot for the period 2015-16, it was observed that payments of salaries amounting to Rs.22,425,000 were made through manual bills.

Audit was of the view that non-observance of government instructions resulted in irregular payment of salaries through manual bills.

Audit pointed out the lapse in May 2017. The management did not offer any reply.

The matter was further reported to the administrative department. In DAC meeting held on 12.12.2017, the para was kept pending for regularization from competent authority. Further progress was not reported till the finalization of this Report.

Audit recommends that the irregularity may be got regularized from the Competent Authority.

(PDP No. 18652-Senior Civil Judge, Sialkot-2015-16)

17.4.12 Blockage of public money due to purchase without immediate requirement -Rs.20.07 million

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 15.10 (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 Lahore High Court, it was noticed that various purchases were made without immediate requirement in contravention to above referred rules for Rs.20,066,463.

The details are as under:

Sr. No	Name of formation	Period of audit	PDP No	Name of Item Purchased	Purchase month	Amount (Rs.)
1	Sr. Civil Judge, Jhang	2013-17	20255	IT Equipment	June, 2016	1,045,000
2	Distt. & Session Judge, Multan	2014-16	19485	Machinery & Equipment	June, 2016	6,919,186
3	Distt. & Session Judge, Khushab	2006-16	19456	Machinery & Equipment	June, 2014	780,591
					June, 2015	911,755
					June, 2016	3,210,981
4	Distt. & Session Judge, Gujranwala	2012-16	19466	IT Equipment	June, 2016	7,198,950
Total						20,066,463

Audit was of the view that weak supervisory and financial controls resulted in blockage of public money due to purchase without immediate requirement.

The matter was pointed out from February 2017 to November 2017. The formation at Sr. No. 1 noted the observation for compliance. The formations at Sr. Nos.2 & 3 did not offer any comments. The formation at Sr. No.4 replied that items will be disbursed with the approval of District and Session Judge. The replies were not tenable as no documentary evidence in support of reply was produced to audit.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department should fix responsibility for the irregularity and seek condonation of irregularity from the Finance Department.

**17.4.13 Non placement bank accounts into Bank of Punjab-
Rs.20.16 million**

Government of the Punjab, Finance department letter no FD(W&M) 1-1/70.VOL.VI) dated May 22, 2008, addressed to the registrar Lahore High Court Lahore, along with others contained instructions that immediate arrangement may be made to transfer all funds/long term/short term investment of autonomous bodies into Bank of Punjab.

During the audit of Lahore High Court, it was observed that an amount of Rs.20,154,925 was laying in Commercial Bank instead of Bank of Punjab without utilization in violation of above mentioned instructions of Finance Department.

The details are as under:

Sr. No	Name of formation	Period of audit	PDP No	Amount (Rs.)
1	Additional Registrar Lahore High Court , Bahawalpur Bench	2010-16	19541	17,324,701
2	District & Session Judge, Khushab	2006-16	19460	2,830,224
Total				20,154,925

Audit was of the view that non-observance of government instructions resulted in non-placement of funds into Bank of Punjab.

The matter was pointed out in March and April 2017. The formation at Sr. No. 1 replied that department had to abide by the

instructions received from principal seat to maintain accounts in MCB. The reply of the department was not tenable as no evidence in support of its reply was produced. The formation at Sr. No. 2 did not offer any reply.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that either exemption order from Finance Department may be obtained or accounts be transferred to Bank of Punjab.

17.4.14 Non-surrendering of savings-Rs.15.87 million

Rule 17.20 of PFR Vol-I, the department incurring the expenditure is responsible to notify the savings and surrender the same in time. For this purpose para 14.3 of Punjab Budget Manual requires that the Heads of Departments should submit to the Finance Department the First Statement of Excesses & Surrenders by 1st January and the Second Statement of Excesses and Surrenders by 31st March.

During audit of Lahore High Court, it was noticed that surplus funds to the tune of Rs. 15,873,265 were not surrendered within the stipulated time due to which the annexed amounts were lapsed at the end of the financial year. The details are as under:

Sr. No	Name of formation	Period of audit	PDP No	Amount (Rs.)
1	District & Session Judge, Lahore	2015-17	22317	7,399,665
2	District & Session Judge, D. G. Khan	2013-16	17855	8,473,600
Total				15,873,265

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

The matter was pointed out in April and May 2017. The formations noted the observations for compliance.

The matter was further reported to the administrative department. In DAC meeting held on 24.01.2018, the para at Sr. No. 2 was kept pending for want of condonation from competent authority. As regards remaining para, neither any reply was received nor was DAC meeting convened despite reminders issued in October, November and December 2017.

Audit recommends to condone the irregularity from the competent authority and get the sanctioned strength amended according to the current requirements.

17.4.15 Non adjustment of TA advances on transfer-Rs.1.96 million

As per Rule 10.25(a) of Government servant under orders of transfer, up to an amount not exceeding one month's substantive pay plus the travelling allowance to which by may be entitled under the rules in consequence of the transfer. The advance of pay should be recovered from the pay of the Government servant in three equal monthly installments beginning with the month in which a full month's pay is drawn after the transfer. The advance of travelling allowance should be recovered in full on submission of the Government servant's travelling allowance bill.

During audit of District & Session Judge, Bahawalnagar for the period 20101-6, it was observed that T.A advances were drawn by the officers on the occasion of their transfer to other districts amounting to Rs.1,963,000 which were still recoverable/adjustable from them.

Lapse was occurred due to weak supervisory and financial control.

The matter was brought to the notice of DDO in May 2017 and it was replied by the department that DAO concerned would be directed for making recovery of advances.

Contention of the department was not tenable as the officer himself is responsible for adjustment of advances drawn by him.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the cases may be perused vigorously for adjustment of outstanding advances.

(PDP No. 17856-District & Session Judge, Bahawalnagar-2010-16)

17.4.16 Unauthorized payment from incorrect head of account- Rs. 1.99 million

As per para 3(a) Finance Department letter No.PS/F8/808/78, dated 26.02.1978 that funds allocated to a department, its attached department or subordinate offices are spent for the purpose for which they are allocated.

According to paragraph 14 (a) chapter-1 of Audit Manual, in cases where relaxation of post-audit is authorized the following instructions relating to vouchers not selected for audit should be observed the classification recorded on all vouchers should be checked in full and completed where necessary, and the attention of drawing officers should be drawn on instances of incorrect or incomplete classification.

During audit of Lahore High Court, it was noticed that an expenditure of Rs. 1,993,858 was made through misclassification and incorrect head of account.

The details are as under:

Sr. No	Name of formation	Period of audit	PDP No	Amount (Rs.)
1	Registrar, Lahore High Court , Lahore	2015-16	19551	970,508
2	Senior Civil Judge, Gujrat	2007-17	21252	663,467
3	District & Session Judge, Gujranwala	2012-16	19469	359,883
Total				1,993,858

Audit was of the view that weak supervisory and financial controls resulted in unauthorized payment from incorrect head of account.

The matter was pointed out from April to August 2017. The formation at Sr. No.1 did not offer any comment. The formation at Sr.No.2 noted the observation for compliance and formation at Sr. No. 3 replied that expenditure would be regularized.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that irregularity may be got regularized with the approval of the competent authority.

17.4.17 Mis-procurement from local market- Rs.2.27 million

As per Rule 14(1) of Punjab Procurement Rules 2014, the procuring agency may decide the response time for receipt of bids or proposals (including proposals for prequalification) from the date of publication of an advertisement or notice keeping in view the complexity of the procurement, availability and urgency but, in no circumstances, the response time shall be less than fifteen days for national competitive bidding and thirty days for international competitive bidding from the date of publication of advertisement or notice. Moreover, as per 14 (2) *ibid*, all

advertisements or notices shall expressly mention the response time allowed for the procurement along with the information for collection of bid documents which shall be issued till a given date, allowing sufficient time to complete and submit the bid by the closing date but the time limit shall not apply in case of an emergency procurement.

Scrutiny of the record of the Registrar Lahore High Court Lahore for the financial year 2015-16 revealed that department had purchased items from different suppliers amounting to Rs.2,265,725. It was observed that purchases were been made in terms of clause 'Urgency' but the process of purchase was prolonged to two to three months which did not come in the category of 'Urgency'. Audit was of the view that by adopting tendering process, the purchases might be done more economically.

Audit was of the view that non-observance of Punjab Procurement Rules resulted in mis-procurement from local market.

Audit pointed out the lapse in May 2017. The formation did not offer any reply.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that irregularity may be got regularized from the Competent Authority.

(PDP No.19559 - Registrar Lahore High Court, Lahore - 2015-16)

17.4.18 Irregular Procurement by ignoring lowest bidder-Rs.1.48 million

As per Rule 55 of Punjab Procurement Rules 2014, the bidder with the lowest evaluated bid, if not in conflict with any other law, shall be

awarded the procurement contract within the original or extended bid validity period.

During audit of Lahore High Court, it was observed that expenditure was incurred on the purchases from contractor by ignoring the lowest bidder and government sustained a loss of Rs. 1,476,979. The details are as under:

Sr. No	Name of formation	Period of audit	PDP No	Nature of purchase	Amount (Rs.)
1	Senior Civil Judge, Bahawalnagar	2010-16	18885	Furniture	628,560
2	Senior Civil Judge, Gujrat	2007-17	20269	Others stores	848,419
Total					1,476,979

Audit was of the view that non observance of Punjab Procurement Rules resulted in irregular procurement.

The matter was pointed out in April 2017. The formations at Sr. No.1 noted the observations for compliance and formation at Sr. No. 2 replied that amount would be recovered if deemed recoverable after examining the record.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends for regularization of expenditure with the sanction of the competent authority besides recovery of over payments.

17.4.19 Non recovery of performance guarantee-Rs.1.47 Million

As per Rule 56 of Punjab Procurement Rules 2014, where needed and clearly expressed in the bidding documents, the procuring agency

shall require the successful bidder to furnish a performance guarantee which shall not exceed ten percent of the contract amount in addition to supply order issued to the different suppliers.

During audit of Lahore High Court, it was observed that department purchased different items from the suppliers but performance guarantee at the time of making purchase @ 10% was not obtained to the tune of Rs.1,465,073 from the supplier in violation of the above mentioned rule. The details are as under:

Sr. No	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	Registrar Lahore High Court, Lahore	2015-16	19552	912,536
2.	District & Session Judge, Lahore	2015-17	22320	552,537
Total				1,465,073

Audit was of the view that non observance of Punjab Procurement Rules resulted in non recovery of performance guarantee.

Audit pointed out the lapse in May and November 2017. The formation at Sr. No. 1 did not offer any comment and the formation at Sr. No. 2 noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends to recover the above said amount from the concerned or get the condonation of the irregularity from the competent authority.

17.4.20 Undue retention of money into private bank account- Rs.1.16 million

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 Senior Civil Judge, Dera Ghazi Khan for the period 2013-16, it was observed that an amount of Rs.1,162,582 was lying undisbursed in private bank account in the name of DDO at 'National Bank of Pakistan, since last three or more years. The requisite amount was neither paid to the concerned nor advice was sought from the competent authority for payment.

Audit was of the view that weak supervisory and financial controls resulted in undue retention of money

The matter was pointed out in April 2017. The formation noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the matter be taken up with the competent authority for onward action besides strengthening supervisory internal controls under intimation to audit.

(PDP No. 19439 Senior Civil Judge, Dera Ghazi Khan - 2013-16)

17.4.21 Non verification of deposit-Rs.1.08 million

As per Rule 2.4 of PFR Vol-I, the DDO should verify the receipts from the Accounts Office and Treasury Office respectively. Moreover, as per rule 3D(iii) Rules and Orders of the Lahore high court, Lahore Volume ii instructions to Civil Courts Special Jurisdiction part D- Sheriffs' Petty Accounts section i provide that the At the close of the month, there will be no cash balance in the hand of the Nazir. The balance with the

treasury as per (Treasury column) cash book should be worked out and agreed with the balance as shown in the Treasury Pass Book.

During audit of the Senior Civil Judge, Gujrat for the period 2007-17, it was observed that an amount of Rs.1,084,642 was deposited in the National Bank of Pakistan on account of Sheriff Petty Account. The same was not got verified from the District Accounts Office, Gujrat till the close of audit furthermore the comparisons of cash book and treasury Pass book was not maintained nor the Pass book of Sheriff Petty was verified from DAO Gujrat. It was also noticed that the Lapsed Statement of Sheriffs Petty account was also not prepared.

Non observation of rules due to weak financial controls resulted in un-authentic deposit of monthly receipts for Rs.1,084,642.

The matter was pointed out in August 2017. The formation noted the observation for future compliance

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the matter may be inquired at appropriate level beside the verification of deposit and pass book and responsibility in this regard may be fixed and irregularity may be got regularized from the Finance Department.

(PDP No.20272 - Senior Civil Judge, Gujrat - 2007-17)

17.4.22 Doubtful expenditure due to non-disbursement of money- Rs.522,071

According to Rule 2.26 of PFR Vol-1, every voucher should also bear, or have attached to it, an acknowledgment of the payment, signed by the person by whom or in whose behalf the claim is put forward.

During audit of Senior Civil Judge Narowal for the period 2007-17, it was observed that Rs. 821,963 were drawn in favour of DDO instead of vendor and as per record Rs. 299,892 were shown paid to supplier but the evidence of disbursement of balanced payment of Rs. 522,071 was either not available on record or not shown to audit. This resulted into doubtful expenditure of Rs 522,071 due to non-disbursement of money.

The matter was pointed out in September 2017. The management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that matter should be looked into, either the evidence of disbursement may be produced or amount be deposited into Government Account besides fixing responsibility and regularization of irregularity from the competent authority.

(PDP No.20251- Senior Civil Judge Narowal-2007-17)

17.4.23 Irregular hiring of contingent paid staff without approval of Austerity Committee-Rs.459,162.

As per Austerity/Economy measures for the financial year 2013-14, 2014-15 and 2015-16 issued by the Finance Department, no contingent paid staff shall be appointed without obtaining prior approval of Finance Department to keep the expenditures strictly within the budgetary allocation. The ban, however, shall not affect Contingent Paid Staff to be appointed for execution of Development Schemes. The departments may ensure that the budget is met out of the relevant budget meant for the purpose.

During audit of Lahore High Court, it was observed that an expenditure of Rs.459,162 was incurred on payment of contingent paid staff without obtaining the approval of Austerity Committee constituted by the Finance Department. The details are as under:

Sr. No	Name of formation	Period of audit	PDP No	Amount (Rs.)
1.	District & Session Judge, Khushab	2006-16	19462	390,071
2.	Senior Civil Judge, Rawalpindi	2015-16	19447	69,091
Total				459,162

Audit was of the view that non observance of Government instructions resulted in irregular appointments of contingent paid staff.

The irregularities were pointed out in March and April 2017. The formation at Sr. No. 1 did not offer any reply while formation at Sr. No 2 noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends probe off the matter to fix responsibility, regularization of the expenditure and adherence to Government instructions in future.

17.4.24 Doubtful disbursement of Rs.112,600

As per Rule 8.5 of PFR Vol-I, actual payees' receipts duly stamped where necessary, showing full particulars of the charges, should invariably be obtained, when making payments of claims against Government. In order to avoid their being used again all such receipts should be stamped "Cancelled" by the drawing officers at the time of initialing the entries relating to them in the register.

During audit of Senior Civil Judge Sheikhpura for the period 2015-16, it was observed that payments of Rs.112,600 were made from Mad-e-Amannat Account without paid and cancelled stamp, signature of the passing authority and identification of the recipients.

Date of Payment	Amount (Rs)
13.02.2016	15,000
18.02.2016	15,000
10.10.2015	25,000
16.11.2015	14,000
12.10.2015	12,000
09.10.2015	31,600
Total	112,600

The matter was pointed out in February 2017. The formation noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends to probe the matter on appropriate level to fix the responsibility and effect recovery if pointed out besides strengthening of financial and internal controls on receipts.

(PDP No.17852 - Senior Civil Judge, Sheikhpura - 2014-16)

Internal control weakness

17.4.25 Non maintenance of Record - Rs.12,504.72 million

As per Rule 13 & 14 of Section III (Receipts of processes and Deposits by the Agencies), Part-D of Chapter 8 of Rules and Orders of the Lahore High Court, Lahore, Volume-II (Instructions to Civil Courts, Special Jurisdictions and accounts), when an application involving a

deposit in the Sheriffs' Petty Accounts is presented in Court, as for example an application for summoning of witnesses to whom diet money is to be paid, the Court Reader shall note thereon the number of the case, in order to enable the process-serving [Naib Nazir] to make the necessary entry in the "Register of Receipts" (Form No.5). After the usual orders have been passed and recorded by the Court, the applicant shall tender the amount of his deposit together with the application to the Nazir who will fill in columns 1 to 7 of the "Register of Receipts," prepare a "Receipt" in foil and counterfoil on the prescribed form, and issue the foil to the depositor as a receipt for the money deposited after it is signed by the Officer in-charge. After the serial number of the "Register of Receipts" has been noted on the application by the Naib Nazir and the usual daily check exercised by the Officer-in-charge, the application should be returned to the Court concerned for record. The counterfoil receipts will be retained by the Naib Nazir and produced for audit.

During audit of Lahore High Court for the period 2014-16, it was observed that record of receipt of Rs.12,504,719,467 was either not maintained or not produced. In absence of which, financial transactions cannot be verified as authentic. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Name of record	Amount (Rs.)
1	Senior Civil Judge Pakpattan	2014-16	19476	refund and lapse of funds	2,548,620
2	senior civil Judge, Gujrat	2007-17	20270	revenue deposit	3,822,910,557
3	Senior Civil Judge Pakpattan	2014-16	19479	cash book of receipt	3,929,605
4	District & Session Judge, Faisalabad	2014-16	19567	log books	2,293,558
5	Senior Civil Judge, Multan	2014-16	18183	Sherriff petty account	1,156,900

Sr. No.	Name of formation	Period of audit	PDP No.	Name of record	Amount (Rs.)
6	Senior Civil Judge, Multan	2014-16	18467	refund and lapse refund	-
7	Senior Civil Judge, Multan	2014-16	17965	stationery	500,140
8	Senior Civil Judge, Gujrat	2007-17	20271	refund and lapse refund	612,480,288
9	Senior Civil Judge, Multan	2014-16	17959	receipt register of revenue deposits	8,003,747,474
10	Senior Civil Judge, Gujrat	2007-17	21253	receipt cash book	55,152,325
Total					12,504,719,467

Audit was of the view that due to non-production of record, the veracity of the accounts could not be verified.

The matter was pointed out to the formations during audit conducting from March 2017 to August 2017. The formations at Sr. No. 10 noted the observation for compliance. The formations at Sr. No.01 replied that record will be traced out and shown to audit. The rest of the formations replied that record will be maintained and shown to audit. The replies are not tenable as no documentary evidence in support of reply was produce to audit.

The matter was further reported to the administrative department. In DAC meeting held on 12.12.2017, the amount of the para at Sr. No.1 was reduced to the stated extent after verification of vouched account amounting to Rs. 4,687,713 and the para at Sr. No. 3 was kept pending for verification of cash book alongwith receipts statements. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends to fix the responsibility for the irregularity and make arrangements for the record to be maintained and shown to audit.

17.4.26 Non accountal of store-Rs. 90.41 million

As per Rules 15.4(a) of PFR Vol-I, all materials received should be examined, counted, measured and weighed, as the case may be, when delivery is taken, and they should be kept in charge of a responsible Government Servant. The passing and the receiving Government servants should see that the quantities are correct and their quality good, and record a certificate to this effect. The receiving Government servant should also be required to give a certificate that he has actually received the materials and recorded them in his appropriate stock registers.

During audit of accounts of Admin and Justice Department for the period 2012-16, it was noticed that expenditure of Rs. 90,410,114 was incurred on the purchase of misc. store items by the formations given below but stock entries were not found available in the stock registers. The details are as under:

Sr. No	Name of formation	Period of audit	PDP No	Amount (Rs.)
1	District & Session Judge Multan	2014-16	19482	130,722
2	District & Session Judge Faisalabad	2014-16	19569	1,1548,827
3	Senior Civil Judge Multan	2014-16	17964	2379729
4	District & Session Judge Gujranwala	2012-16	19468	76350836
Total				90,410,114

Audit was of the view that weak management and financial internal control resulted into non accountal of stores.

The matter was pointed out in April and May 2017. The formation at Sr. Nos. 1 & 3 stated that detailed reply would be submitted later on. The formation at Sr. No 2 stated that stock entries available in the stock register which may be verified. The formation at Sr. No 4 stated the assets register would be provided in DAC meeting.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the matter may be inquired and responsibility be fixed besides effecting recovery if pointed out in the inquiry.

Recoveries and overpayments

17.4.27 Unauthorized payment of allowances and non deduction of recoverable amount from employees-Rs.9.94 million

As pre clarification of Finance Department vide letter No.FD.SRT.9-4/86(P)(PR) dated 21.04.2014, the officers who are availing Government vehicles including bikes (sanctioned/pool) are not entitled to the facility of conveyance allowance. According to the instructions of Finance Department issued vide letter No. FD-(M-I) 1-15/82 P-1 dated 15.01.2000, house rent will not be allowed to the officers/officials to whom Govt. accommodation has been provided and 5% house rent (MA) will be deducted from the salary.

During audit of Lahore High Court, it was observed that formations as detailed below made payment of inadmissible allowances and did not deduct recoverable amounts of Rs.9,939,046 (Annexure-48) from employees salaries.

Audit was of the opinion that weak supervisory and financial controls resulted into unauthorized payment of allowances and non recovery of recoverable amounts from employees.

Audit pointed out the irregularity in February 2017 to October 2017. The management at Sr. Nos. 2, 5, 6, 7 to 11, 14 to 17 noted the

observation for compliance. The management at Sr. Nos. 4 & 13 did not offer any reply. The management at Sr. No. 1 stated that FESCO authorities will be approached for reconciliation. The management at Sr. No. 3 replied that matter would be referred to higher authority for guidance. The management at Sr. No. 12 replied that 30% disturbance allowance was admissible to honorable judges staff.

The matter was further reported to the administrative department. In DAC meeting held on 09.11.2017, the department in respect of para at Sr. No. 3 reported that same nature of para was pending in the Principal Seat before Honorable Administrative Committee as a policy matter. The para was kept pending till the final decision. The para at Sr. No. 8 was reduced to Rs. 49,893 after verification of partial recovery amounting to Rs.23,130. The para at Sr. No. 13 was kept pending for clarification from PPRA. Further progress was not reported by the department. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report.

Audit recommends that responsibility be fixed for non adherence of government instructions besides recovery of overpayments from the concerned besides strengthening of financial and internal controls.

17.4.28 Non deduction of taxes from the contractors/service providers-Rs.15.69 million

As per Section 153 of income Tax Ordinance 2001, withholding tax @ 4.5% on supplies and @ 10% on all type of services should be deducted at source w.e.f. July 2014. Moreover, 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. Further, according to Section (3) (1) of PST Act 2012, a taxable service is a service listed in Second Schedule.

During audit of Lahore High Court for the period 2007-17, it was observed that following formations made payment to service providers/contractors but did not withhold taxes amounting to Rs.15,686,723 (Annexure-49) in violation of tax deduction instructions mentioned above.

Audit was of the view that weak internal controls on “Taxation” resulted in a loss to the government to the tune of Rs.16,337,578.

The matter was pointed out from February 2017 to November 2017. The formations at Sr. Nos. 2 to 27 noted the observation for compliance, received the observation without offering any reply and stated that record will be shown later on. The formation at Sr. No.1 replied that income tax was included in the auction amount which was deducted and deposited into government treasury.

The matter was further reported to the administrative department. In DAC meeting held on 09.11.2017, the paras at Sr. Nos. 7 & 13 were kept pending for clarification from PRA. The para at Sr. No. 16 was kept pending for recovery. Further progress was not reported by the department. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report.

Audit recommends the department to recover the amount from the service provider/contractors and deposit it into government treasury.

CHAPTER 18

LAW AND PARLIAMENTARY AFFAIRS DEPARTMENT

18.1 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.

18.2 Comments on Budget & Accounts (Variance Analysis)

Introduction

The Appropriation Accounts for the year 2016-17 of Law & Parliamentary Affairs indicate expenditure on various specified services vis-à-vis appropriation authorized by the Government of the Punjab.

Summary of Appropriation Accounts

The summarized position of actual expenditure during 2016-17 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	361.431	(120.347)	241.084	234.735	(6.349)
PC21011	17,375.439	443.015	17,818.454	16,690.703	(1,127.751)
PC21036	83.230	46.358	129.588	92.574	(37.014)
Total	17,820.1	369.026	18,189.126	17,018.012	(1,171.114)

Overview of Expenditure

The final budget of Law & Parliamentary Affairs for the year ended 30 June, 2017 was Rs. 18,189.126 million. Out of this, actual expenditure was Rs. 17,018.012 million. 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	17,736,870,000	1,338,072,053	(16,398,797,947)	92.46
Development	83,230,000	92,574,445	9,344,445	11.23
Total	17,820,100,000	1,430,646,498	(16,389,453,502)	91.97

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	1,348,783,000	1,338,072,053	(10,710,947)	0.79
Development	129,588,000	92,574,445	(37,013,555)	28.56
Total	1,478,371,000	1,430,646,498	(47,724,502)	3.23

Anticipated savings not surrendered

As per para 14.3 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. (1,171.114) million at the close of the year 2016-17 under grants PC21010, PC21011 & PC22036 were not surrendered in time by the Department.

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.	1984-1985	3	1	2	33
2.	1988-1989	02	01	01	50
3.	1994-1995	01	01	0	100
4.	1996-1997	03	01	02	33
5.	1999-2000	10	1	9	10
6.	2001-2002	20	15	5	75
7	2013-2014	03	0	3	0
Total		42	20	22	48

The table reflects that compliance with PAC directives in Law & Parliamentary Affairs Department needs to be improved.

18.4 AUDIT PARAS

Non production of record

18.4.1 Non production of Record-Rs.70.11 million

As provided in 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. Further, Punjab Finance Department letter No. FD (M1) III-2/87(P-III), dated 22nd February, 1994 provides that DDO himself will be responsible for production of record to the audit party at the time of audit and that in case of any lapse on his part, severe disciplinary action will be taken against him by the Administrative Secretary personally apart from submitting a report to the Chief Minister/ Chief Secretary.

During audit of District Attorney, Toba Tek Singh for the period 2011-16, the following auditable record was not produced by the management. Due to non-production of record, audit could not ascertain the authenticity of accounts. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Type of record	Amount (Rs.)
1	Law & Parliamentary Affairs Department	2015-16	20670	Payroll and Schedule of payments	69,825,937
2	District Attorney, T.T. Singh	2011-16	17812	Various contingent vouchers	283,198
Total					70,109,135

When pointed out the matter, the formations replied that requisite record would be produced.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that responsibility be fixed for taking disciplinary action against the responsible besides production of record.

Irregularities & non-compliance

18.4.2 Irregular procurement of goods and services-Rs.5.09 million

According to Rule 9 of Punjab Procurement Rules 2014, a procuring agency shall announce in an appropriate manner all proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements so planned. Moreover, as per Rule 12 of Punjab Procurement Rules 2014, procurements over one hundred thousand rupees and up to the limit of two million rupees shall be advertised on PPRA website in the manner and format specified 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, it was observed that an expenditure of Rs. 5,090,825 was incurred on purchase of stationery, polishing of furniture items and repairs of Air Conditioners. The procurement was held irregular as the department split up the expenditure in violation of the above stated rules.

The details are as under:

Sr. No.	Name of Formation	Period of Audit	PDP No.	Nature of irregularity	Amount (Rs.)
1	Advocate General Punjab Lahore	2014-16	18518	Procurement of stationery was done by splitting the indent without advertisement on PPRA web site	3,941,772
2	Advocate General Punjab Lahore	2014-16	18522	Polishing of furniture was done by splitting the indent without advertisement on PPRA web site.	204,531
3	Advocate General Punjab Lahore	2014-16	18519	Repair of ACs were done without maintaining history sheets and repeatedly without advertisement on PPRA web site.	944,522
Total					5,090,825

Audit was of the view that non observance of Punjab Procurement Rules resulted in irregular procurement.

The matter was pointed out in February 2017, the management stated that detailed reply would be submitted later on.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that responsibility be fixed and the expenditure be got regularized from the Finance Department.

18.4.3 Irregular expenditure on entertainment-Rs.3.74 million

Paragraph 52 of Appendix-14 of PFR Volume-II provides that the refreshment served in official meeting shall be regulated as follows:

- a. The meeting called by various Departments fall under the following categories:
 - i. Meetings attended by officers of the Federal Government, other Provincial Governments or semi-official or public organizations;
 - ii. Meetings attended by foreigners representing foreign Governments or foreign organizations working in Pakistan;
 - iii. Meetings attended by officers of the Provincial Government; and
 - iv. Meetings attended by non-officials.
- b. The limits of expenditure on refreshments in connection with the meeting falling under categories (i) to (iv) shall be Rs.30 per head for refreshment & Rs.200 for lunch boxes. The expenditure shall be sanctioned by the Secretaries to Government and Heads of Attached Departments.

During audit of Law & Parliamentary Affairs Department for the period 2015-16, it was noticed that expenditure of Rs.3,737,052 was incurred on entertainment in contravention of above said rules. The lunch/ dinner were arranged on the eve of media and parliamentary briefing. The expenditure was held doubtful and irregular on the following grounds:

- i. In disregard of rate of Rs.200 per head fixed by the Finance Department for working lunch the formation expended Rs.1,324 & Rs.1,060 per head for Mutton & Chicken Qourma respectively without getting any relaxation of rules from the competent authority.

- ii. Names & Designation of the Officers/ Officials & non-officials, whom lunch was served, were not found recorded;
- iii. Financial sanctions were not accorded by the competent authority i.e. Secretary.

Audit was of the view that weak financial and internal controls resulted in irregular expenditure on entertainment.

When pointed out the matter, the management did not offer any reply.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the matter needs to be investigated and responsibility for the above lapses be fixed.

(PDP No. 17977- Law & Parliamentary Affairs Department-2015-16)

18.4.4 Irregular purchase of IT Equipment-Rs.1.98 million

As per Rule 59 (c)(iv) of Punjab Procurement Rules 2014, the procuring agency shall only engage in direct contracting if repeat orders do not exceed fifteen percent of the original procurement.

During audit of Law & Parliamentary Affairs Department for the period 2015-16, it was noticed that expenditure amounting to Rs.1,980,217 was incurred on purchase of IT Equipment. The expenditure was held doubtful and irregular on the following grounds:

- i. Quantities of the items were enhanced ranging from 33% to 100% of the advertised quantities which is in violation of PPRs 2014.

- ii. Approval of the competent authority was not found in record;
- iii. Performance warranty was not obtained from the supplier.
- iv. Income tax amounting to Rs. 128,714 was less deducted and stamp duty amounting to Rs.4,950 was not obtained from the supplier.

Audit was of the view that non observance of Punjab Procurement Rules resulted in irregular purchase of IT Equipment.

When pointed out the irregularity, the management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that responsibility be fixed besides taking corrective measures.

(PDP No. 17978-Law & Parliamentary Affairs Department -2015-16)

Internal control weakness

18.4.5 Non-surrendering of savings-Rs40.08 million

According to Para No. 14.3 of Punjab Budget Manual, the Heads of Departments should submit to the Finance Department the first statement of excesses and surrenders by 1st January and the 2nd statement of excesses and surrenders by 31st March.

During audit of Law & Parliamentary Affairs Department, it was observed that an amount of Rs. 40,079,911 was left unspent and got lapsed because of non-surrendering the same in time. Had this amount been

surrendered well in time, it could have been utilized for some useful purpose. The detail is as under:

Sr. No.	Name of Formation	Period of Audit	PDP No.	Amount (Rs.)
1.	Advocate General Punjab, Lahore	2014-16	18516	25,053,517
2.	District Attorney, Attock	2011-16	17973	15,026,394
Total				40,079,911

Audit was of the view that weak supervisory and financial controls resulted in non-surrendering of savings.

The matter was pointed out in February 2017. The formations noted the observations for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that responsibility be fixed for not adhering to government instructions besides condonation of irregularity from the Finance Department.

18.4.6 Non deposit of electricity charges-Rs.16.20 million

As per 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 Advocate General Punjab, Lahore for the period 2014-16, it was observed that a sum of Rs.16,195,365 was drawn against the head of electricity charges and shown as paid to the electric company. Whereas the above said amounts did not appear in the details of paid electricity bills (history of Bills).

Audit was of the view that non accountal of amount of Rs.16,195,365 in the history of paid bills could be due to non deposit of the stated amount and was indicative of the likely misappropriation.

Audit pointed out the lapse during February 2017. The management stated that detailed reply would be submitted later on.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department should probe the matter to find out the reasons for non depositing of the amount drawn to fix responsibility and deposit/seek adjustment of the stated amount.

(PDP No.19961- Advocate General Punjab, Lahore-2014-16)

18.4.7 Loss due to execution of translation contract on uneconomical rate -Rs.6.27million

As per rule 53 of Punjab Procurement Rules, 2014, the procuring agency may negotiations with the highest ranked bidder for consultancy regarding methodology, work plan, staffing, contract price and special conditions of the contract. In case of failure of negotiations, the procuring agency may invite the next ranked bidder. A committee of the procuring agency shall negotiate with the consultant and negotiation by a single person on behalf of the procuring agency shall not be allowed.

During audit of Law & Parliamentary Affairs Department for the period 2015-16, it was observed that the department sought expression of interest for translation of Provincial Laws, Principals from English into Urdu. One firm and University of Gujrat (UOG) qualified in pre-qualification. During technical evaluation only University of Gujrat

qualified and offered rate of Rs.3,770 per page inclusive all taxes vide financial proposal referred above. But the department made contract for translation with UOG of 15,000 pages at enhanced rate of Rs.4,188 per page without any cogent reason. The grounds for enhancement of rate were not on record. This action of the department caused a loss of Rs.6,270,000 [(Rs.4188-3770) *15000] to the public exchequer.

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

When the matter was pointed out the management stated that agreement with University of Gujrat was made after negotiation as UOG was the sole bidder. The reply of the entity was not acceptable because negotiations are held to reduce the rate and not for enhancement. The rate of Rs. 3,770 was totally ignored and not referred in the minutes of any meeting and also negotiations meeting held on 29.02.2016.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends fixation of responsibility for execution of contract on enhanced rates besides making the loss good.

(PDP No.17974-Law & Parliamentary Affairs Department -2015-16)

18.4.8 Irregular purchase without approval of the austerity committee-Rs.6.09 million

As per Para-2(vii) of Finance Department letter No.FD.SO (Goods)-44-4/2011 dated 06.08.2013, procurement of items of machinery and equipment including IT Equipment etc. shall not be allowed except with the prior concurrence of austerity committee.

During audit of Advocate General Punjab, Lahore for the period 2014-16, it was observed that department purchased machinery and equipment amounting to Rs.6,091,413 during the ban period without prior approval of the austerity committee. Moreover, the purchased items shown distributed to subordinate offices in the Punjab but further distribution among individual beneficiaries was not provided.

Audit was of the view that non observance of austerity measures resulted in irregular purchase of machinery and equipment.

Audit pointed out the lapse in February 2017, the management stated that detailed reply would be submitted later on.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department should adhere to the instructions of the government and seek regularization of the expenditure from the Finance Department.

(PDP No.18517- Advocate General Punjab, Lahore-2014-16)

18.4.9 Irregular opening of bank account

As per para 9.1 of STR, a Government servant may not, except with the special permission of the Government, deposit in a Bank moneys withdrawn from the Consolidated Fund or the Public Account of the Province under the provisions of Section VII of these rules. Further, as per Finance Department letter No.FD (FR)V-6/2 dated 29.10.1978 provided that in no case the government money coming into the hands of a government servant either on account of receipts of the government or by way of withdrawal from the Treasury should be kept in a commercial bank except with the specific sanction of the Finance Department. Any

violation of rules and these instructions will be regarded as a serious financial irregularity and the government servants concerned shall be held responsible for such irregularity.

During audit of District Attorney, Attock for the period 2011-16, it was observed that one bank account No.51108-8 in the National Bank of Pakistan at main branch Attock under title District Attorney Attock was being operated by the management. Audit observed the following shortcomings:

- Permission of the opening of above said bank account from the Finance Department was not shown/produce to audit to verify the status of bank account (i.e. either current or Profit & Loss Account)
- The date of opening of the above said bank account was also not produced to Audit.
- The cash book of bank account along with bank reconciliation statements of the said bank account since the date of opening of bank account till the date of current audit were either not available or were not shown to audit. The cheque book issuance requests sent to bank during 2011-12 to 2015-16 along with cheque book register showing how many cheques books have been received from the bank since the date of opening of bank account were either also not available or not shown to audit.

Audit was of the view that weak supervisory and financial controls resulted in irregular opening of bank account.

The matter was pointed out in February 2017. The management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till

the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that responsibility be fixed for not adhering to government instructions and record be produce to Audit.

(PDP No.17972-District Attorney, Attock -2011-16)

Recoveries and overpayments

18.4.10 Non/less deduction of taxes-Rs.1.06 million

According to Punjab Sales Tax Act 2012, 16% sales tax on services shall be applicable. Moreover, as per Section 153(1)(a) of Income Tax Ordinance, 2001 read with Finance Act 2015, every prescribed person making a payment in full or part including a payment by way of advance to a resident person or permanent establishment in Pakistan of a non-resident person for the sale of goods shall, at the time of making the payment, deduct tax from the gross amount at a prescribed rate. Furthermore, as per rule 2 and 6, withholding agent shall deduct an amount equal to 1/5th of total sales tax shown in sale tax invoices, issued by the supplier and make payment balance amount to him. Sales tax so deducted should be deposited into the designated Branch of National Bank of Pakistan under proper head of account. The withholding agent shall furnish all such information and data to the Collector of Sale Tax Department accordingly.

During audit of Law & Parliamentary Affairs Department, Income Tax, GST and Punjab Sales Tax were either not deducted at the time of payment or were less deducted. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Type of tax	Amount (Rs.)
1	Law & Parliamentary Affairs Department	2015-16	17975	Non deduction Punjab Sales Tax on consultancy services	689,655
				Less deduction of income tax on consultancy services	175,000

Sr. No.	Name of formation	Period of audit	PDP No.	Type of tax	Amount (Rs.)
2	Law & Parliamentary Affairs Department	2015-16	17979	Less deduction of GST on repair of transport	135,771
				Non deduction of Punjab Sales Tax on repair of transport	44,998
				Non deduction of income tax on repair of transport	9,998
Total					1,055,422

Audit was of the view that weak internal controls on taxation resulted in non/ less deduction of taxes.

The matter when pointed out, was noted for compliance by the management.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department should effect recovery of the stated amount and deposit the same into government treasury besides strengthening of internal controls to avoid such lapses in future.

CHAPTER 19

LITERACY & NON-FORMAL BASIC EDUCATION DEPARTMENT

19.1 *Introduction*

Literacy and Non-Formal Basic Education Department was created in August 2002 by the Provincial Government with the vision to eradicate illiteracy from the Punjab. Following tasks have been assigned to the Department.

- Promotion of Literacy through Non-Formal means.
- Research and development to achieve objectives for higher Literacy Rate.
- Adult Education.
- Training of Teachers and Material development for Non-Formal Education

Vision:

Literate skilled human capital sustains economic growth, social development, civic harmony, gender equality, people empowerment and reduction in poverty and burden of disease.

Mission statement:

"To Make Punjab Literate by 2020"

Millennium Development Goals

- Achieve Universal Primary Education;
- To ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling.
- Literacy rate (10+ years) shall be 88% by 2015.

19.2 Comments on Budget & Accounts (Variance Analysis)

Introduction

The Appropriation Accounts for the year 2016-17 of Literacy Department indicate expenditure on various specified services vis-à-vis appropriation authorized by Government of the Punjab.

Summary of Appropriation Accounts

The summarized position of actual expenditure during 2016-17 against the total of two 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	61.338	(8.677)	52.661	54.092	1.431
PC21036	1,883.000	(1,483.872)	399.128	399.598	0.469
Total	1,944.338	(1,492.549)	451.789	453.69	1.9

Overview of Expenditure

The final budget of Literacy Department for the year ended 30 June, 2017 was Rs. 451.789 million. Out of this, actual expenditure was Rs. 453.69 million. 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	61,338,000	54,091,906	(7,246,094)	11.81
Development	1,883,000,000	399,597,668	(1,483,402,332)	78.78
Total	1,944,338,000	453,689,574	(1,490,648,426)	76.67

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	52,661,000	54,091,906	1,430,906	2.72
Development	399,128,356	399,597,668	469,312	0.12
Total	451,789,356	453,689,574	1,900,218	0.42

Excess expenditure requiring regularization

As per para 14.3 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.1.90 million for the year 2016-17 under grant PC21010& PC22036 were not surrendered in time by the Department.

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

Audit report on the accounts of Government of the Punjab, Literacy and Non-formal Basic Education Department Audit Year 2013-14 and 2014-15 have not yet been discussed in PAC. Moreover, there is no other Report yet printed in any of the previous years. However, the department is requested to reconcile the matter with Audit Department regarding any discrepancy.

19.4 AUDIT PARAS

Irregularities & non-compliance

19.4.1 Irregular purchase of engine oil -Rs. 764,250

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, and that he will also be held personally responsible for any loss, arising from fraud or negligence.

During audit of Literacy & NFBE Department, for the period 2014-16, it was observed that an amount of Rs. 764,250 was incurred by the department on bulk purchase of engine oil from contractor M/s Naeem Sadiq Trader without advertising the tender on PPRA Web Site. Further, the engine oil consumption seemed to be doubtful/unjustifiable as for the same vehicles engine oil consumption/bills were also being claimed in regular purchase of oil from Petrol Pumps i.e. Jin Filling Station and PSO Filling Station. Engine oil was being changed within a week of oil change from direct Petrol Pump and after about average travelling of 1000 km .

Audit was of the view that weak supervisory and financial controls resulted in irregular purchase of engine oil.

When pointed out the matter in February 2017, the management did not offer any reply.

The matter was further reported to the administrative department. In DAC meeting held on 29.12.2017, the para was kept pending for regularization from Finance Department. Further progress was not reported till the finalization of this Report.

Audit recommends the department to probe the matter for double consumption of mobile oil, take the action against persons involved and get the expenditure regularized from Finance Department.

(PDP No. 21147 -Secretary Literacy and NFBE, Lahore- 2014-16)

19.4.2 Irregular purchase of stationary/store items- Rs 7.90 million

As per Rule 9 read with Rule 12 of Punjab Procurement Rules 2014, a procuring agency shall announce, in an appropriate manner, all proposed procurement for each financial year and shall proceed accordingly without any splitting or regrouping of the procurement so planned. The annual requirements thus determined would be advertised in advance on the PPRA's web site as well as on the website of the procuring agency in case the procuring agency has its own website. Further, procurement over rupees one hundred thousand and up to the limit of rupees two million shall be advertised in the PPRA's web site in the manner and format specified by regulation by the PPRA from time to time .

During audit of Literacy & NFBE Department, Lahore for the period 2014-16, it was observed that an amount of Rs.7,894,986 was incurred on purchase of stationery, printing and store items by split up the expenditure through simple quotations instead of floating the tender on the website of PPRA and on newspapers as warranted by the above rules.

Further, it was noticed that consumption account was not justifiable and seemed doubtful as stores were issued in the stock register without receiving of end user. Furthermore, all payments to contractors were made through cash instead through banking channels.

Audit was of the view that non observance of Punjab Procurement Rules 2014 resulted in irregular purchase of stationary/store items.

When pointed out the matter in February 2017, the management did not offer any reply.

The matter was further reported to the administrative department. In DAC meeting held on 29.12.2017, the para was kept pending for regularization from Finance Department. Further progress was not reported till the finalization of this Report.

Audit recommends fixing of responsibility for unjustifiable consumption of stationary and store items and get the expenditure regularize from Finance Department besides strengthening the supervisory internal controls

(PDP No. 21148 -Secretary Literacy and NFBE, Lahore- 2014-16)

19.4.3 Unauthorized sanction of expenditure beyond the prescribed competency - Rs.4.96 million

According to Rule 2(b)(i) (ii) of Delegation of Financial Power Rules 2006, Administrative Department and Category-I officers are competent to accord the sanction to incur expenditure of Rs.500,000 and Rs.400,00 respectively on local purchase of stationery (including computer stationery) during a financial year.

During audit of Literacy & NFBE Department, Lahore for the period 2014-16, it was observed that DDO sanctioned and incurred expenditure an on local purchase of stationary/computer stationary amounting to Rs. 4,956,767 during the period 2014-16. The DDO was competent to make purchases and accord sanction up to Rs. 1,000,000 on local purchase of stationary including computer stationary during the whole of the audit period, i.e., two years.

Audit was of the view that weak supervisory and financial controls resulted in unauthorized sanction of expenditure.

When pointed out the matter in February 2017, the management did not offer any reply.

The matter was further reported to the administrative department. In DAC meeting held on 29.12.2017, the para was kept pending for regularization from Finance Department. Further progress was not reported till the finalization of this Report.

Audit recommends the department to get the expenditure regularized from Finance Department under intimation to audit besides strengthening supervisory internal controls

(PDP No. 21154-Secretary Literacy and NFBE, Lahore- 2014-16)

Others

19.4.4 Unjustified Expenditure on purchase of tonners- Rs.392,000

As per 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, and that he will also be held personally responsible for any loss, arising from fraud or negligence.

During audit of Literacy & NFBE Department, for the period 2014-16, it was observed that an amount of Rs. 392,000 was incurred on the purchase of tonners. The expenditure on purchase of toners was held unjustified as the same was incurred for the machines which were either found out of order since long during physical verification or were not available in the department.

Audit was told about the unavailable machines that these were transferred to Minister office, but documentary proof was not produced to audit. History sheets of photocopy machines were also not maintained in

the absence of which audit could not authenticate the justification of purchase of toners.

The details are as under:

Machine Name	No. of Toner Purchased	Unit Price	Total Price	Status
Cannon 2525	07	10,200	71,400	Out of order
351 Di	09	14,000	126,000	Out of order
35301R	08	14,000	112,000	Not available in office
Cannon 6320	07	9,800	68,600	Not available in office
Toshiba 251	01	14,000	14,000	Not available in office
Printer 1005	4	-	-	Not available in office
Printer P1102	15	-	-	Not available in office
Total			392,000	

Audit was of the view that weak supervisory and financial controls resulted in unjustified Expenditure on purchase tonners.

When pointed out the matter in February 2017, the management did not offer any reply.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends the department to inquire the matter and fix responsibility for incurring expenditure on the machines which were actually not physically present on the premises and to effect recovery from the defaulter.

(PDP No. 21158-Secretary Literacy and NFBE, Lahore- 2014-16)

CHAPTER 20

LIVESTOCK AND DAIRY DEVELOPMENT DEPARTMENT

20.1 *Introduction*

Livestock and Dairy Development Department has two attached departments viz, Director General (Extension) and Director General (Research). The department was established in 1973. It 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.

20.2 Comments on Budget & Accounts (Variance Analysis)

Introduction

The Appropriation Accounts for the year 2016-17 of Live Stock and Dairy Department indicate expenditure on various specified services vis-à-vis appropriation authorized by Government of the Punjab.

Summary of Appropriation Accounts

The summarized position of actual expenditure during 2016-17 against the total of three grants/appropriations was as follows:

(Rupees in million)

Grant No.	Original Grant	Supple. Grant	Final Grant	Actual Expenditures	Saving (-) Excess (+)
(1)	(2)	(3)	(4)	(5)	(6)
PC21010	92.272	(46.247)	46.025	45.157	(0.868)
PC21020	4,244.941	3,523.593	7,768.534	7,191.427	(577.107)
PC22036	8,824.747	(2,084.851)	6,739.896	6,151.265	(588.631)
Total	13,161.96	1,392.495	14,554.455	13,387.849	(1166.606)

Overview of Expenditure

The final budget of Live Stock and Dairy Development Department for the year ended 30 June, 2017 was Rs. 14,554.455 million. Out of this, actual expenditure was Rs. 13,387.849 million. The breakup of current and development expenditure is given below:

(Amount in Rupees)

Grant Type	Original Grant	Actual Expenditure	Excess/ (Savings)	Variance %age
(1)	(2)	(3)	(4)	(5)
Current	4,337,213,000	7,236,584,490	2,899,371,490	66.85
Development	8,824,747,000	6,151,264,694	(2,673,482,306)	(30.30)
Total	13,161,960,000	13,387,849,184	225,889,184	(1.72)

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 %age
(1)	(2)	(3)	(4)	(5)
Current	7,814,559,000	7,236,584,490	(577,974,510)	(7.40)
Development	6,739,896,000	6,151,264,694	(588,631,306)	(8.73)
Total	14,554,455,000	13,387,849,184	(1,166,605,816)	(8.02)

Anticipated savings not surrendered

As per para 14.3 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.(1,166.606) million at the close of the year 2016-17 under grants PC21010, PC21020 & PC222036 were not surrendered in time by the Department.

20.3 *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	1984-85	13	13	0	100
2	1985-86	1	1	0	100
3	1986-87	22	20	2	91
4	1987-88	21	18	3	86
5	1988-89	8	5	3	63
6	1989-90	2	2	0	100
7	1990-91	5	4	1	80
8	1991-92	3	0	3	0
9	1992-93	4	4	0	100
10	1993-94	5	1	4	20
11	1994-95	12	5	7	42
12	1995-96	7	0	7	0
13	1996-97	4	2	2	50
14	1998-99	52	31	21	60
15	1999-00	36	22	14	61
16	2000-01	113	96	17	85
17	2001-02	46	22	24	48
18	2005-06	36	1	35	3
19	2006-07	28	25	3	89
20	2009-10	20	2	18	10
21	2010-11	16	5	11	31
22	2013-14	45	1	44	2
Total		499	280	219	56

The compliance of PAC Directives in Livestock and Dairy Development Department is not very encouraging. The department needs to improve it.

20.4 AUDIT PARAS

Fraud/Misappropriation

20.4.1 Likely misappropriation of diesel valuing Rs.1.16 million and improper maintenance of log books

As per paragraph 49 (vi) of the Appendix-14 to the Punjab Financial Rules Vol-II indicates that the officer using the Government vehicles should sign the relevant entries in the log books. Further rule 2.10 (a) (1) of PFR Vol-I provide that 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 Livestock Experimental Station, Chak Katora, Bahawalpur for the period 2014-16, it was observed that Rs.7,710,920 was incurred on the purchase of POL. Scrutiny of vouchers of bulk purchase of Diesel revealed as under:

Summary	Quantity in liters	Amount (in Rupees)
Opening Balance as on 1.7.2014	9,930	
Diesel purchased from 1.7.2014 to 30.6.2016	104,800	
Total	114,730	
Less Diesel consumed in Tractors/Generators	-73,467	
Less Diesel consumed in other vehicles from bulk purchase.	-17,829	
Total Consumption 2014-16	91,296	
Actual Closing Balance as on 30.6.2016	23,434	
Closing Balance as per POL register	8,525	
Diesel seems to misappropriated (Rate of Diesel as per bill Rs.77.90 of 6/2016)	14,909	1,161,411

The above table shows that 14909 liters diesel valuing Rs.1,161,411 seemed to be misappropriated.

Further, Scrutiny of log books of vehicles revealed following irregularities:

- Fuel Consumption Certificate from Motor Vehicle Examiner, Bahawalpur was not produced for comparison of POL purchased and consumed;
- Travelling Time “From/To” was not found recorded;
- Detail of Journey & Purpose of Journey was recorded as “Official” instead of recording of name of the visiting place/office/area and for what purpose the journey was performed;
- Name of Officer/officials who performed journey was not recorded;
- Meter reading of the vehicle was not match with the reading of log book;
- Monthly Summary Account was not properly prepared.

When pointed out the matter, the management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department should investigate the matter at appropriate level to fix responsibility on account of misappropriation of diesel besides taking disciplinary action against the officers/officials held responsible and to recover the loss from the concerned.

(PDP No.18221-Live Stock Experiment Station Chak Katora, Bahawalpur-2014-16)

Non production of record

20.4.2 Non production of record-Rs. 106.80 million

As provided in 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. Further, Punjab Finance Department letter No. FD (M1) III-2/87(P-III), dated 22nd February, 1994 provides that DDO himself will be responsible for production of record to the audit party at the time of audit and that in case of any lapse on his part, severe disciplinary action will be taken against him by the Administrative Secretary personally apart from submitting a report to the Chief Minister/ Chief Secretary.

During audit of Livestock & Dairy Development Department, the auditable record was not produced despite repeated requests. The details are as under:

Sr. No.	Name of management	Detail of record not produced	Period of Audit	PDP No.	Amount (Rs.)
1	University of Veterinary and Animal Sciences, Lahore	Tender record, Administrative Approval, Measurement Book and Test Reports etc	2016-17	20668	94,291,975
2	University of Veterinary and Animal Sciences, Lahore	Appointment record	2016-17	20595	8,882,075

Sr. No.	Name of management	Detail of record not produced	Period of Audit	PDP No.	Amount (Rs.)
3	Live Stock Experiment Station Chak Katora, Bahawalpur	Sale proceed of Nili Ravi and Goat	2014-16	18016	3,622,500
4	Director General (Extension), Livestock & Dairy Development, Lahore	Procurement record of buffaloes, cows, heifer, sheep/goat and motorcycles	2016-17	20643	*
Total					106,796,550

Audit was of the view that due to non-production of record, the authenticity of the accounts could not be verified.

The matter was pointed out in February, October and November 2017. The formations at Sr. Nos. 1 & 3 noted the observations for compliance. The management at Sr. No.2 replied that record was available. The management at Sr. No.4 replied that record & budget was available with Punjab Social Protection Authority, Division level (Divisional Directors) and Director Breed Improvement. It was requested to conduct the audit of these entities. The replies were not tenable, the department is required to produce auditable record for scrutiny.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department should produce record for scrutiny besides fixing responsibility for non-production of record.

* Amount could not be ascertained due to non production of record.

Irregularities & non-compliance

20.4.3 Irregular procurement due to non-transparent procurement process-Rs.1,924.85 million

As per Rule 32(1) of the Punjab Procurement Rules 2014, all bids shall be evaluated in accordance with the evaluation criteria and other terms and conditions set forth in the prescribed bidding document. Furthermore, Rule 25(4) *ibid* requires that where any change becomes essential in the procurement process, such change shall be made in a manner similar to that of the original advertisement.

During audit of Livestock & Dairy Development Department, it was observed that an amount of Rs.1,924,848,035 (Annexure-50) was expended on procurement of various items and services which was held irregular due to non-transparent procurement process in violation of PPRA rules.

Audit was of the view that weak internal control on “Procurement” resulted in irregular expenditure.

The matter was pointed out in October 2017. The formations at Sr. Nos. 1, 2 & 5 stated that detailed reply would be submitted after scrutiny of record. The formations at Sr. Nos. 6, 8 & 9 to 10 noted the observations for compliance. The formations at Sr. Nos. 3 and 4 replied that budget & record is available with LES Bhunekey District Kasur. Reply was not satisfactory because complete record regarding procurement was not shown. The management at Sr. No.7 replied that all expenditure was made after observing PPRA Rules. The reply was not satisfactory because it was not in accordance with the observation.

The matter was further reported to the administrative department. In DAC meeting held on 26.01.2018, the paras at Sr. Nos. 1 to 4 & 7 to 10 was kept pending for probe at administrative level and for regularization from Finance Department. As regards remaining paras, neither any reply was received nor was DAC meeting convened despite reminders issued in October, November and December 2017.

Audit recommends probe of the matter to fix the responsibility against the concerned and regularization of the expenditure from the competent authority besides strengthening the supervisory and financial controls.

20.4.4 Irregular drawal from SDA-Rs. 300.41 million

According to Finance Department letter No.SO(TT)6-1/2009.Pt-IX dated 31.07.2012, all Special Drawing Accounts (SDAs)/ Personal Ledger Accounts (PLAs)/ Assignment Accounts holders was advised to get their single signatory accounts converted into “Co-signatory” accounts from the Finance Department by 31st August 2012.

During audit of Livestock & Dairy Development, Lahore for the period 2016-17, it was observed that Rs.300,412,000 was drawn from SDA No. 202 maintained for the Secretary Livestock & Dairy Development and shown paid to Punjab Livestock & Dairy Development Board (PLDDB) vide cheque No. 444022 dated 14.03.17. Drawal was held irregular and non-transparent due to following reasons:

- (i) Amount was drawn from SDA by single signatory (i.e. Secretary Livestock & Dairy Development Department) instead of two signatories (i.e. co-signatory) in violation of the above said instructions of the Government.

- (ii) The monthly account of expenditure, supported with copies of the paid voucher were not submitted to AG Punjab for post audit purpose.
- (iii) A certificate as required under Rule 8.15 (d)(1 & 2) of the PFR Vol-1 that the grant sanctioned in the previous year has been utilized for the object for which it has been given and spent within prescribed time limit and containing fate about savings as well was not found enclosed with the voucher.

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

When pointed out the matter in August 2017, the management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that irregularity be got condoned with the sanction of the competent authority besides strengthening financial and supervisory controls to avoid recurrence of such lapses in future.

(PDP No.21512-Secretary Livestock & Dairy Development, Lahore – 2016-17)

20.4.5 Mis-procurement of goods-Rs.266.08 million

As per Rule 9, a procuring agency shall announce in an appropriate manner all proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements so planned. The procuring agency shall advertise in advance annual requirements for procurement on the website of the Authority as well as on its website. Moreover, as per Rule 37, a procuring agency shall

announce the results of bid evaluation in the form of a report giving justification for acceptance or rejection of bids at least ten days prior to the award of procurement contract. Furthermore, as per Rule 69 *ibid*, any violation of these rules shall be treated as mis-procurement.

During audit of Superintendent Livestock Experiment Station, (Feed Mil) Bahadurnagar Okara, for the period 2016-17, it was observed that expenditure to the tune of Rs.266,077,474 was incurred on procurements of raw material of anmol wanda and polythene bags of various kinds without observing above stated rules.

Following deficiencies/ violations in the process of tendering and procurement were noticed by audit:

- Annual requirement was not advertised in advance on PPRA web site; and
- Bid/Technical Evaluation Reports were not advertised on PPRA web site.

Audit was of the view that disregard to the Punjab Procurement Rules resulted in irregular/ uneconomical expenditure on purchase of raw material of Anmol Wanda and polythene bags Rs.266,077,474.

When audit pointed out the matter in August 2017, the management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends regularization of the expenditure from the Finance Department besides strengthening supervisory and financial controls.

(PDP No.19436-Livestock Experiment Station, Bahadurnagar, Okara – 2016-17)

20.4.6 Irregular expenditure on purchases without advertisement-Rs.37.04 million

As per Para 12 of Punjab Procurement Rules 2014, procurements over one hundred thousand rupees and up to the limit of two million rupees shall be advertised on the PPRA's website in the manner and format specified by regulation by the PPRA from time to time. Moreover, as per Rule 22 *ibid*, the procuring agencies shall use open competitive bidding as the principal method of procurement for the procurement of goods, services and works. Furthermore, as per Rule 9 *ibid*, a procuring agency shall announce in an appropriate manner all proposed procurements for each financial year and shall proceed according without any splitting or regrouping of the procurements so planned.

During audit of Livestock & Dairy Development Department, it was observed that an amount of Rs.37,041,001 (Annexure-51) was expended on purchase of various items which was held irregular because expenditure was split up to avoid sanction of higher authority and advertisement was not floated on PPRA website.

Audit was of the view that weak internal control on "Procurement" resulted in irregular expenditure.

The matter was pointed out in February, March and from August to November 2017. The formations at Sr. Nos. 1, 8 & 9 noted the observations. The management at Sr. No. 3 stated that purchase was less than Rs 2.00 million which was not agreed because by grouping the two purchases, amount was higher than two million. The management at Sr. Nos. 2, 4, 6, 7, 11,12 & 14 noted the observations for compliance. The management at Sr. No.15 stated that expenditure was made in emergency to hold camel and cattle mela in Cholistan. The formations at Sr. Nos.5, 10 & 13 stated that detailed reply would be given after scrutiny of record.

The management at Sr. No. 16 stated that boards were purchased and GST was paid accordingly. The replies being evasive were not acceptable.

The matter was further reported to the administrative department. In DAC meetings held on 19.12.2017 and 09.01.2018, the paras at Sr. Nos. 10, 11 & 15 were kept pending for regularization from Finance Department and the para at Sr. No. 12 was kept pending for taking advice from the PPRA. As regards remaining paras, neither any reply was received nor was DAC meeting convened despite reminders issued in October, November and December 2017.

Audit recommends that matter be got regularized from the Finance Department besides strengthening the supervisory and financial controls.

20.4.7 Utilization of medicine without batch numbers and standard DTL reports- Rs 150.40 million

According to Section 23(1)(i) of the Drug Act, 1976, no person shall himself or by any other person on his behalf sell any drug without having a warranty in the prescribed form bearing the name and batch number of the drug issued.

During audit of Director General (Ext.) Livestock & Dairy Development Department Punjab Lahore for the year 2016-17, it was observed that Rs 150,403,879 was drawn for purchase of medicine. The expenditure was held non-transparent due to the following reasons.

- (i) The bills were without batch numbers and warranty of medicines
- (ii) Medicines were utilized without obtaining standard DTL reports

Audit was of the view that utilizing medicines without batch numbers, warranty and standard DTL report may lead to use of substandard medicine

When the matter was pointed out in October 2017, the management stated that detailed reply would be given after scrutiny of record.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the irregularity got condoned with the sanction of the competent authority besides strengthening financial and supervisory controls to avoid recurrence of such lapses in future.

(PDP No.21509-Director General (Ext) Livestock & Dairy Development Department Lahore - 2016-17)

20.4.8 *Irregular purchase of old fermenter machine on the price of new one-Rs.64.70 million-Recovery of income tax-Rs.2.91 million*

As per 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.

During audit of Director Veterinary Research Institute, Lahore for the period 2016-17, it was observed that the Management had purchased Fermenter machine for production of vaccine from M/s RAYS Technologies for Rs.64,700,000. On physical checking of the said machine audit observed that the machine was an old one because some important parts of the machine were pertained to the year 2015 instead of 2017. From the above state of affair audit apprehended that the machine

was an old one and purchased as new one. Moreover, income tax amounting to Rs.2,911,500 was also not withheld on the plea that machine was imported by the firm and supplied to the VRI management without any value addition.

Due to the above lapse of the management, the Government not only suffered losses but also research work of the institution may hamper.

Audit pointed out the matter in July 2017. The management replied that as there was no bio-fermenter or its parts manufacturer in Pakistan, hence value addition in this machine is not possible in Pakistan. All the machine parts are imported from INFO Switzerland and design was approved by FDA. The reply of the management was self explanatory. Management admitted that the machine was provided by the contractor in the present condition which was an old one.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that matter being serious in nature be probed into at administrative level for fixing responsibility and replacement of old machine with the new one besides recovery of income tax.

(PDP No.19624- Director Veterinary Research Institute, Lahore - 2016-17)

20.4.9 Un-utilized Budget for Rs.26.27 million

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”.

During audit of Livestock & Dairy Development Department, it was observed that a sum of Rs. 26,270,268 were neither utilized for the intended purposes nor were surrendered. Had these amounts been surrendered in time, these could have been used for some useful purposes. The details of the unspent balances are as under:

Sr. No.	Name of management	Period of audit	PDP No.	Amount (Rs.)
1.	Livestock Experiment Station, Fazilpur, Rajanpur	2014-17	22676	9,595,449
2.	University of Veterinary and Animal sciences	2016-17	20582	9,184,005
3.	Livestock Experiment Station, Bahadurnagar Okara	2016-17	20096	7,490,814
Total				26,270,268

Audit was of the view that due to non compliance of Budget Manual, inefficient utilization of government funds and incorrect budget estimations occurred.

The matter was pointed out in August, September and November 2017. The formations at Sr. Nos. 2 & 3 noted the observations for compliance. The management at Sr. No. 1 just signed the observation.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department should strengthen its internal controls on “Appropriations” and seek condonation of irregularity from the Finance Department.

20.4.10 Irregular expenditure on purchases without obtaining NOC-Rs 11.35 million

In accordance with Finance Department Austerity Measures circulated vide letter no. FD. SO (GOODS) 44-4/2016 dated 19.09.2016, the purchase of local and imported vehicles were to be made after obtaining NOC from Austerity Committee.

During audit of University of Veterinary and Animal Sciences, Lahore for the year 2016-17, it was observed that purchase of one Suzuki Jimni and Cultus valuing Rs 2,450,000 by UVAS- Bahawalpur was made from Pak Suzuki. Likewise, Rs 8,900,000 was spent by Para Veterinary School Layyah on purchase of Hino bus but approval of the Austerity Committee was not obtained for the above mentioned purchases.

When pointed out in October 2017, the management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department should adhere to the government instructions and seek condonation of irregularity from the Finance Department besides strengthening of financial and supervisory controls.

(PDP No. 20594-University of Veterinary and Animal Sciences, Lahore - 2016-17)

20.4.11 Irregular appointment without advertisement -Rs.6.56 million

As per honorable Supreme Court of Pakistan ruling dated 19.01.1993, passed in Human Rights case No.104 (I to IV) 1992 read with

S&GAD's Notifications No. SOR-III-2-2/91 dated 05.01.1995 and No. DS(O&M)5-3/2004/Contract)(MF) dated 29.12.2004, no recruitment should be made against any post which is not advertised properly.

During audit of Livestock & Dairy Development Department, it was observed that an amount of Rs. 6,561,795 was paid to the contingent paid staff who were appointed by the management without advertisement in press and terms & conditions etc. The details are as under:

Sr. No.	Name of management	Period of Audit	PDP No.	Amount (Rs.)
1	Director Live Stock Farms Punjab , Lahore	2015-16	19127	3,590,910
2	Live stock Experiment station Bahdurnager Okara	2016-17	19433	2,970,885
3	University of Veterinary and Animal Sciences, Lahore	2016-17	20585	-
Total				6,561,795

Audit was of the view that weak internal controls on appointments resulted in irregular appointments.

The matter was pointed out in February, August and October 2017. The management at Sr.No.1 noted the observation for compliance. The management at Sr. No.2 stated that no appointments have been made, only services were hired for temporary arrangements for the smooth running of government business. The management at Sr. No.3 stated that as per university policy, appointments were made. Reply was not agreed because codal formalities were not fulfilled.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the irregularity be got regularized from Finance Department besides strengthening of financial and supervisory controls.

20.4.12 Irregular placement of funds in bank accounts other than Bank of Punjab - Rs. 5.15 million

As per Finance Department letter No.FD(W&M)1-1/70-Vol-XI dated 18.12.2013 regarding placing of funds in financial institutions other than Bank of Punjab, Chief Minister Punjab has taken strong exception to violation of above said policy instructions by various departments/ autonomous bodies/authorities/companies/special institution etc. and has desired such amounts placed in other commercial banks be immediately retrieved and placed in the Bank of Punjab in accordance with the notified policy. Moreover, as per Finance Department Letter No.FD(W&M)1-1/70-Vol-XI dated 24.12.2013 regarding placing of funds in financial institutions other than Bank of Punjab, it is further reiterated that immediate arrangements may please be made to transfer all funds/ accounts/ long term/ short term investments of the institution of the Government of the Punjab to the Bank of Punjab.

During audit of Superintendent, Government Livestock Farm Jugaitpeer, Bahawalpur for the period 2015-16, it was observed that private bank account was being maintained in National Bank of Pakistan Khairpur Tamewali Branch. Transactions amounting to Rs. 5,150,398 were made out of this account during the year 2015-16. It was further observed that the funds were not transferred to the Bank of Punjab in violation of the above instructions.

Audit was of the view that non adherence to government instructions resulted in irregular placement of funds.

The matter was pointed out in March 2017, the management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends condonation of irregularity from Finance Department besides adherence to government instructions.

(PDP No.18288-Livestock Farm Jugaitpeer, Bahawalpur - 2015-16)

20.4.13 Expenditure in violation of instructions of Chief Minister's-Rs.5.00 million

As per Chief Minister's summary approved on 01.05.2016, it was allowed to purchase of two Toyota single cabin vehicles to be converted as Mobile Veterinary Dispensaries one each for North and South Punjab to provide the extension services at the door steps of the livestock farmers.

During audit of Directorate of Livestock Farms Punjab, Lahore for the period 2015-16, it was observed that an amount of Rs. 3,290,000 was expended on purchase of two Toyota Single Cabin vehicles and amount of Rs. 1,080,000 was expended on conversion of the Single Cabin vehicles into Double Cabin vehicles. The expenditure was held in violation of Chief Minister's instructions as the same was incurred for conversion of vehicles into Double cabin vehicles instead of Mobile Veterinary Dispensaries. The details are as under:

Cheque No.	Date	Particulars	Amount (Rs)
2722566	17.06.2016	Purchase of Single Cabin	3,290,000
4745425	28.06.2016	Conversion of single into Double Cabin	1,080,000
Total			5,000,000

Audit was of the view that weak supervisory and financial controls resulted in irregular expenditure.

When the matter was pointed out in February 2017, the management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends probe of the matter to fix the responsibility for non compliance of Chief Minister's instructions and condonation of irregularity from the Finance Department.

(PDP No.19126-Director Livestock Farms Punjab, Lahore - 2015-16)

20.4.14 Irregular and doubtful purchase of diesel-Rs. 4.64 million

As per para 2.10 (a)(1) of PFR Vol-1, same vigilance should be exercised in respect of expenditure incurred from Government revenues, as a person of ordinary prudence would exercise in respect of the expenditure of his own money. Further, as per para 15.1 of PFR Vol-1, The departmental officers entrusted with the care, use or consumption of stores are responsible for maintaining correct records and preparing correct returns in respect of the stores entrusted to them. They are also responsible for keeping them in proper custody and in good and efficient condition.

During audit of Superintendent, Government Livestock Farm Jugaitpeer, Bahawalpur for the period 2015-16, it was observed that an amount of Rs.4,635,400 was shown expended on purchase of 60,000 liter diesel during Jan to June 2016. Following irregularities were noticed:

- Purchase of diesel was made without immediate requirement just to show the utilization of budget in June 2016 as evident from balance of 44925 liters shown on 30.06.2016.
- The farm does not have the capacity of storage of 44925 liters as tanks to store such a huge quantity were not available in the farm. The stated quantity was shown utilized in only three months which also needs justification.
- 1325 liter diesel was shown issued to each bulldozer at a time whereas tank capacity of each bulldozer was not of 1325 liter.

When audit pointed out the matter in March 2017, the management replied that land leveling of farm land is in progress through agriculture department and provision of diesel was responsibility of the Government Livestock Farm Jugaitpeer and huge quantity of diesel was required for this activity.

The reply was not tenable. Issuance and consumption of POL provided to Agriculture Department was not supported with the log books of bulldozers, average consumption of bulldozers, total hours work conducted and measurement books of the work done were not provided in the support of the reply. Moreover, method of procurement, issuance and further utilization seems to be unrealistic which needs to be investigated under report to audit.

The matter was further reported to the administrative department. In DAC meeting held on 09.01.2018, the committee kept the para pending for recovery of GST and probe of the consumption of fuel. Further progress was not reported till the finalization of this report.

Audit recommends that thorough probe may be held in the matter and the responsibility be fixed for non adherence to rules.

(PDP No.18283-Livestock Farm Jugaitpeer, Bahawalpur - 2015-16)

20.4.15 Expenditure excess than budget allocations-Rs. 865,888

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.

During audit of Livestock & Dairy Development Department, it was observed that the department incurred excess expenditure than the budgetary provisions under various heads of accounts. The details are as under:

Sr. No.	Name of management	Period of audit	PDP No.	Amount (Rs.)
1.	Livestock Experiment Station, Fazilpur, Rajanpur	2014-17	22675	608,919
2.	Livestock Experiment Station, Qadirabad, Sahiwal	2016-17	19516	256,969
Total				865,888

Audit was of the view that lapse occurred due to non compliance of Budget Manual and lack of control over expenditure against allocated budget.

The matter was pointed out in September and November 2017. The management at Sr. No. 3 noted the observation for compliance. The management at Sr. No.2 just signed the observation.

The matter was further reported to the administrative department. In DAC meeting held on 19.12.2017, the para at Sr. No.2 was kept pending for regularization from Finance Department. As regards remaining para, neither any reply was received nor was DAC meeting

convened despite reminders issued in October, November and December 2017.

Audit recommends that the management should take effective steps to apply checks over expenditure to keep it within budget allocations and seek regularization of expenditure.

20.4.16 Irregular mode of payment- Rs.4.27 million

All payments exceeding Rs.100,000 should be made to contractors/suppliers through Bank Pay Order instead of cash transactions as required in Rule 4.49 (a) of Punjab STR read with Government instructions issued by the Finance Department vide their letter No. F.D (FRV-6/75(P) dated 20.06.2007. Moreover, as per Finance Department letter No. SO(TT) 2-2/72-pt-I dt. 19.07.2008, the monthly salary of Government employees may strictly be disbursed through their bank accounts alone.

During audit of Livestock & Dairy Development Department, it was observed that payments to contingent staff and contractors were made in cash. The details are as under:

Sr. No.	Name of management	Payment made to	Period of audit	PDP No.	Amount (Rs.)
1	Livestock Experiment Station, Bahadurnagar, Okara	Contingent staff	2016-17	19431	4,018,065
2	Livestock Farm Jugaitpeer, Bahawalpur	Contractors	2013-14	18287	251,790
Total					4,269,855

Audit was of the view that the deviation from the rules/government instructions resulted into irregular payments.

The matter was pointed out in March and August 2017. The management at Sr. No. 1 noted the observation for future compliance. The

management at Sr. No. 2 replied that payments were made in emergency in Cattle & Camel Mela in Cholistan.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that irregularity got condoned from the Finance Department.

20.4.17 Irregular payment to LESCO in advance to avoid lapse of fund-Rs.1.63 million

As per rule 17.19 and rule 2.10 (b) (5) of PFR Vol-I, 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 Director Veterinary Research Institute, Lahore for the period 2016-17, it was observed that a sum of Rs.1,634,508 was paid to LESCO in advance without getting prior approval of the Finance Department. The details are as under:

Sr. No.	Cheque No	Cheque Date	Amount Rs)
1.	2973466	30.06.2017	1,447,037
2.	2973356	29.06.2017	165,765
3.	2973358	29.06.2017	21,706
Total			1,634,508

Audit was of the view that weak supervisory and financial controls resulted in irregular advance payment.

The matter was pointed out in July 2017. The management replied that arrangements were made to pay LESCO in advance. The reply of the management being vague and evasive, was not acceptable.

The matter was further reported to the administrative department. In DAC meeting held on 19.12.2017, the para kept pending for probe at the administrative level. Further progress was not reported till the finalization of this report.

Audit recommends that irregularity be got condoned with the sanction of Finance Department besides action against the responsible.

(PDP No.19628- Director Veterinary Research Institute, Lahore - 2016-17)

20.4.18 Irregular opening of bank accounts

As per para 9.1 of STR, a Government servant may not, except with the special permission of the Government, deposit in a Bank moneys withdrawn from the Consolidated Fund or the Public Account of the Province under the provisions of Section VII of these rules. Further, as per Finance Department letter No.FD(FR)V-6/2 dated 29.10.1978, in no case the Government money coming into the hands of a Government servant either on account of receipts of the Government or by way of withdrawal from the Treasury should be kept in a commercial bank except with the specific sanction of the Finance Department. Any violation of rules & these instructions will be regarded as a serious financial irregularity and the Government servants concerned shall be held responsible for such irregularity.

During audit of Director, Barrani Livestock Production Research Institute Kherimurat, Attock for the period 2015-16, it was observed that two bank accounts Nos.1685-5 & 4438-4 were maintained by the management with National Bank of Pakistan, Fateh Jang and Bank of Punjab, Fateh Jang respectively. Permission for opening of said bank accounts from the Finance Department was not shown/produced to Audit to verify the status of bank accounts (i.e. either current or Profit & Loss Account).

The gross negligence of the management resulted into irregular opening of bank accounts due to weak supervisory, financial and internal controls.

The matter was pointed out in March 2017. The management replied that the matter is under process with the Finance Department.

The matter was further reported to the Administrative Department. In DAC meeting held on 29.09.2017, the para was kept 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 government instructions, and seek condonation of irregularity from the Finance Department.

(PDP No.18007-Director, Barrani Livestock Production Research Institute Kherimurat, Attock - 2015-16)

Internal control weakness

20.4.19 Illegal occupation of livestock farm land-Rs. 37.50 million

As per letter No.SO (R&E) 10-149/2000 dated 6-2-2004 issued by Chief Secretary to govt. of the Punjab to all administrative secretaries to govt. of the Punjab, it has been desired by the Chief Minister Punjab that agriculture departments should pursue the matter vigorously for retrieval of the land already encroached upon. It has been further directed to take immediate corrective measures to rectify the situation as well as to put in place such mechanism which could prevent such events in future.

During audit of Livestock Farm Jugaitpeer, Bahawalpur for the period 2015-16, it was observed that land (Square No.13 of Block No.156) was allotted to Government Livestock Farm Jugaitpeer, District

Bahawalpur along with other squares by Cholistan Development Authority/ Board of Revenue in 1982.

The above stated land was illegally occupied by an individual since 1982. Orders for dismissal from his illegal occupation were issued by the Director Revenue Cholistan on 19.10.2007. The illegal occupant lodged different cases in different courts and was still continuing his illegal occupation. Matter was already in the notice of Government of the Punjab, Livestock and Dairy Development Department.

It is pertinent to mention here that audit already pointed out the matter in the Audit and Inspection Reports for the financial year 2000-04, 2007-08 and 2008-11 but even after the laps of 35 years Livestock Department could not get the illegal occupation vacated, causing loss of land valuing Rs.37,500,000 and loss of income Rs.750,000 per year approximately.

Audit was of the view that strenuous efforts were required to get the possession of illegally occupied land vacated with the legal support of District Coordination Officer and Provincial Police Officer Punjab immediately after the decision given by Cholistan Development Authority and Board of Revenue in favour of Livestock Farm Jugaitpeer.

The matter was pointed out in March 2017. The management replied that the case is under trial in Honorable High Court Lahore, Bahawalpur Bench.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that strenuous efforts be made to pursue the case vigorously in the court and govt. property may be recovered from illegal occupation under report to audit.

(PDP No.18289-Live Stock Farm Jugaitpeer, Bahawalpur-2015-16)

20.4.20 Non completion of left over civil works–Rs.34.94 million

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

During audit of Livestock Farm Jugaitpeer, Bahawalpur for the year 2015-16, it was observed that Civil works under the scheme “Development of Cholistani Breed of Livestock through provision of better animal service” (ADP) scheme No.4093/2009-10 group-1 i.e., construction of buildings for wheat store, calf shed, cow shed, feed mixing unit and working shed etc. were still pending. The details are as under:

- The scheme was launched for financial year 2006-07 to 2008-09 and extended upto 2009-10.
- Funds amounting to Rs.86.645 million were released to the Building Department out of which Rs.46.245 million were utilized and balance Rs.40.200 million remained unutilized and surrendered.
- In the subsequent years the scheme became unfunded. Resultantly the buildings like wheat store, calf shed, animal shed, feed mixing unit and working shed etc. constructed upto roof level and further work was not completed as

evident from the physical and financial progress report of the Building Department for 2009-10. The buildings have not so far been completed and standing roof less / incomplete and un-utilized uptill now even after lapse of six years. Due to non completion of the stated buildings the expenditure already incurred became wasteful uptill now and loss due to deterioration may also occur in future.

Moreover, it was noticed during the audit of Livestock Farm Jugaitpeer, Bahawalpur that 17 C-type and D-type quarters were shown vacant due to non repair of quarters, sewerage, water supply, electricity system, doors, windows, boundary wall etc. and repair of paddock of young animals etc. Estimated requirement of expenditure Rs.1,914,252 were sent to the Executive Engineer Provincial Building Division Bahawalpur vide letter No.672/BWP dated 03.02.15 by sub Divisional Officer but no repair of above stated buildings had been carried out by Building Department uptill now. These quarters are also deteriorating with the passage of time.

The matter was pointed out in March 2017. The management stated that reply would be given after detailed scrutiny of record.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that government left over civil works may be got completed as early as possible to avoid further deterioration of government property.

(PDP No.18290-Live Stock Farm Jugaitpeer, Bahawalpur-2015-16)

Recoveries and overpayments

20.4.21 Non recovery/deposit of outstanding amount-Rs.423.90 million

As per 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 Livestock and Dairy Development Department, it was observed that an amount of Rs. 423,896,175 (Annexure-52) was outstanding against different parties, officials/ officers.

Audit was of the view that weak internal controls with regard to recoveries resulted in accumulation of outstanding balances.

The matter was pointed out from February to April 2017 and from July to October 2017. The management at Sr. No. 1 stated that record for verification would be produced at next SDAC meeting. The management at Sr. No. 4 replied that the matter is subjudice and the recovery will be made effective after decision of the court. The formations at Sr. Nos. 2, 3, 5, 6, 8, 13 & 14 noted the observations for compliance. The management at Sr. Nos. 7 & 9 stated that case was under process. The management at Sr. No. 10 stated that Chancellor has accepted his appeal. The reply against Sr. No. 6 was being unsatisfactory not acceptable as the facts were verified at site by Audit. The management at Sr. No.12 replied that amount was received in cash against first case, amount mentioned at case two is being collected and amount mentioned at case three was paid in advance by M/s Plan International Pakistan and no vaccine was provided to them. The reply of the management was not tenable without any documentary evidence. The management at Sr. No. 12 stated that all allottees were required to pay only Rs.1000.

The matter was reported to the administrative department. In DAC meetings held on 29.09.2017 and 19.12.2017, the department contended in respect of para at Sr. No. 4 that amount of Rs.1,119,484 had been recovered and deposited into government treasury through challans. Rs. 1,242,442 had been written off by the Finance Department. DAC kept the para pending for remaining recovery of Rs.9,322,373. The amounts of the paras at Sr. Nos. 2, 6, 11 & 14 were reduced to the stated extent after recovery. As regards remaining paras, neither any reply was received nor DAC meeting was convened till the finalization of this report.

Audit recommends that the department should effect recovery of the stated amount and, strengthen its internal controls to avoid such lapses in future.

20.4.22 Non recovery of lease money-Rs.112.92 million

As per 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 an amount of Rs. 112,915,243 was outstanding against different parties, on account of lease money for various pieces of leased land and from contractors. The details are as under:

Sr. No.	Name of Management	Period of audit	PDP No.	Defaulters	Amount (Rs.)
1.	Livestock Experimental Station Bahadurnagar, Okara	2016-17	19428	Lease money from 88 <i>pattedars</i>	93,068,033
2.	Livestock Experimental Station Fazilpur, Rajanpur	2014-17	22679	Lease money from 97 <i>pattedars</i>	12,181,931
3.	Supdt. Livestock Experiment Station, Qadirabad, Sahiwal	2016-17	19522	Lease money from 21 <i>pattadars</i>	4,846,412

Sr. No.	Name of Management	Period of audit	PDP No.	Defaulters	Amount (Rs.)
4.	Livestock Experiment Station, Chak Katora Tehsil Hasil Pur, Bahawalpur	2014-16	18014	Lease money from 82 <i>pattedars</i>	2,818,867
Total					112,915,243

Audit was of the view that weak internal controls with regard to management of assets and recoveries resulted in accumulation of outstanding balances on account of leased money.

The matter was pointed out in February, August and September 2017. The formations at Sr. Nos. 1, 3 & 4 noted the observations for compliance. The management at Sr.No.2 just signed the observation.

The matter was further reported to the administrative department. In DAC meeting held on 19.12.2017, the para at Sr. No. 3 was kept pending for recovery. As regards remaining paras, neither any reply was received nor was DAC meeting convened despite reminders issued in October, November and December 2017.

Audit recommends that the department should effect recovery of the stated amount and strengthen its internal controls to avoid such lapses in future.

20.4.23 Non recovery of income tax, stamp duty and Punjab sales tax-Rs.11.95 million

According to Income Tax Ordinance 2001, Punjab Sales Tax on Services Act 2012, Stamp Act 1899 and Sales Tax Act 1990, the department was required to withhold taxes at prescribed rates at the time of payment.

Scrutiny of the accounts of following formations of Livestock & Dairy Development Department revealed that payment was made on account of supply of goods, rendering of services, honorarium, services

(regarding repair, maintenance, other services etc.) but income tax, stamp duty and Punjab Sales Tax Rs.11,952,660 at prescribed rates was not withheld and deposited into government treasury.

Sr. No.	Name of formation	Period of audit	PDP No.	Tax on	Nature of tax	Amount of recovery (Rs.)
1	Director Veterinary Research Institute, Lahore	2016-17	19635	Supply of plant & machinery	Income Tax	8,132,777
2	University of Veterinary and Animal Sciences, Lahore	2016-17	20669	Auction of various items	Income Tax	2,770,142
3	University of Veterinary and Animal Sciences, Lahore	2016-17	20581	Supply of machinery & equipment	Stamp Duty	449,629
4	Principal, Live Stock Training Center, Sheikhpura	2014-16	17607	Supply of goods	Income Tax	214,312
5	Livestock Experimental Station Bahadurnagar, Okara	2016-17	16434	Supply of goods	GST	166,821
6	Director Live Stock Farms Punjab, Lahore	2015-16	19122	Supply of goods	Stamp Duty	138,492
7	Supdt. Camel Breeding and Research Station, Rakh Mahni, Bhakkar	2014-16	18959	Supply of goods and Services rendered	Income Tax	80,487
Total						11,952,660

Audit was of the view that weak supervisory and financial controls resulted in non-recovery of taxes.

The matter was pointed out from February to April 2017 and July to November 2017. The formations at Sr. Nos. 1, 3, 5 & 6 noted the observations for compliance. The management at Sr. No. 2 stated that income tax was not applicable on rent which was not agreed. The management at Sr. No. 4 stated that the income tax on agricultural produce is exempt. The management at Sr. No. 7 did not offer any reply.

The matter was further reported to the administrative department. In DAC meetings held on 19.12.2017 and 26.01.2018, the para at Sr. No. 1 was kept pending for production of exemption certificates issued by the Commissioner Income tax in favor of said firms and the para at Sr. No. 7 was kept pending for compliance. As regards remaining paras, neither any reply was received nor was DAC meeting convened despite reminders issued in October, November and December 2017.

Audit recommends that early steps may be taken for recovery of amount involved & its deposit into government treasury besides adoption of remedial measures.

Others

20.4.24 Loss to Govt. due to less accountal of vaccine by the supply section-Rs. 2.96 million

As per rule 15.12 of PFR Vol-I, a reliable list, inventory or account of all stores in the custody of Government servants must be maintained, to enable a ready verification of stores and check of accounts at any time. Transactions must be recorded in it as they occur.

During audit of Director veterinary research institute, Lahore for the period 2016-17, scrutiny of production sections and supply section record revealed that vaccines worth Rs.2,957,875 were less counted for by the supply section.

Audit was of the view that weak supervisory and financial controls resulted in less accountal of vaccine.

The matter was pointed out in July, 2017. The management replied that real figures will be produced in next SDAC meeting.

The matter was further reported to the administrative department. In DAC meeting held on 19.12.2017, the para was kept pending for want of probe by the DG (Res.), L&DD, Punjab Lahore. Further progress was not reported till the finalization of this report.

Audit recommends that look into the matter for fixing responsibility and effecting recovery besides strengthening its internal controls.

(PDP No. 19633-Director Veterinary Research Institute, Lahore -2016-17)

20.4.25 Undue retention of government receipt-Rs.1.83 million

According to Chapter-IV Rule 4.7(1) of Punjab Financial Rules, 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 Directorate of Livestock Farms Punjab, Lahore for the period 2015-16, it was observed that an amount to the stated extent was lying as on 30.06.2015 in the Bank of Punjab. The detail of undue retention of amount was not provided to audit and this amount was not disbursed during the financial year 2015-16.

Audit was of the view that weak supervisory and financial controls resulted in undue retention of government receipt.

The matter was pointed out in February 2017. The management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends to recover the amount from the concerned and deposited into government treasury.

(PDP No.19123-Director, Live Stock Farms Punjab, Lahore-2015-16)

20.4.26 *Doubtful drawl of pay and allowances-Rs.1.15 million*

As per rule 2.31(a) 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 Livestock Experiment Station, Bahadurnagar Okara for the period 2016-17, scrutiny of the data relating to Pay & Allowances from the SAP/R3 system of Accountant General, Punjab, Lahore revealed that a large nos. of transactions amounting to Rs.1,153,542 were made with the District Accounts Office, Okara for drawing arrears of pay and allowances of the staff / officers through computerized change forms under the major object A01 'Employees Related Expenses'.

Audit noticed the following irregularities:

- No record has been maintained for drawing arrear of pay and allowances through computerized changes from the District Accounts Office, Okara.

- In case of non-gazetted employees, no entry has been made/ produced to audit for scrutiny, in their respective service book.

Audit was of the view that weak internal controls on pay and allowances resulted in doubtful payment of arrear of pay and allowances.

The matter was pointed out in August 2017. The management noted the observation for future compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that requisite record may be produced to audit for scrutiny besides strengthening internal and administrative controls.

(PDP No.19430- Live Stock Experiment Station Bahadurnagar, Okara-2016-17)

20.4.27 Unauthorized expenditure on vehicles not at the strength of the management-Rs.583,273

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 Livestock and Dairy Development Department Lahore, it was observed that an amount to the stated extent was incurred on purchase of POL/Diesel and repair & maintenance of vehicles, which were not on the strength of the management.

The details are as under:

Sr. No.	Name of management	Period of audit	PDP No.	Amount (Rs.)
1	Director Livestock Farms Punjab, Lahore	2015-16	19124	341,833
2	Camel Breeding and Research Station Rakh Mahni, Bhakkar	2014-16	18021	241,440
Total				583,273

Audit was of the view that weak supervisory and financial controls resulted in unauthorized expenditure on vehicles.

The matter was pointed out in February and April 2017. The management at Sr. No. 1 noted the observation for compliance. The management at Sr. No. 2 just seen the observation.

The matter was further reported to the administrative department. In DAC meeting held on 26.01.2018, the para at Sr. No. 2 was kept pending for probe at the level of Administrative Department. As regards remaining paras, neither any reply was received nor was DAC meeting convened despite reminders issued in October, November and December 2017.

Audit recommends to recover the amount from the concerned and deposited into government treasury besides strengthening internal controls.

CHAPTER 21

MINES AND MINERALS DEPARTMENT

21.1 *Introduction*

This is an organization for promotion of mineral resources in Punjab Province. It was functioning as 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.

21.2 Comments on Budget & Accounts (Variance Analysis)

Introduction

The Appropriation Accounts for the year 2016-17 of Mines & Minerals indicate expenditure on various specified services vis-à-vis appropriation authorized by Government of the Punjab.

Summary of Appropriation Accounts

The summarized position of actual expenditure during 2016-17 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	50.107	(8.825)	41.282	39.510	(1.772)
PC21022	393.456	(27.989)	365.467	358.973	(6.494)
PC21036	1,848.668	(95.480)	1,753.188	1,736.590	(16.598)
Total	2,292.231	(132.294)	2,159.937	2,135.073	(24.864)

Overview of Expenditure

The final budget of Mines & Minerals for the year ended 30 June, 2017 was Rs. 2,159.937 million. Out of this, actual expenditure was Rs. 2,135.073 million. 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	443,563,000	398,482,256	(45,080,744)	10.16
Development	1,848,668,000	1,736,589,625	(112,078,375)	6.06
Total	2,292,231,000	2,135,071,881	(157,159,119)	6.86

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	406,749,000	398,482,256	(8,266,744)	2.03
Development	1,753,188,000	1,736,589,625	(16,598,375)	0.95
Total	2,159,937,000	2,135,071,881	(24,865,119)	1.15

Anticipated savings not surrendered

As per para 14.3 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. (24.864) million at the close of the year 2016-17 under grants PC21010, PC21022 & PC22036 were not surrendered in time by the Department.

21.3 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	01	01	0	100
2	1986-87	03	03	0	100
3	1987-88	11	03	08	27
4	1988-89	03	0	03	0
5	1989-90	04	0	04	0
6	1993-94	04	02	02	50
7	1996-97	12	01	11	1
8	1997-98	10	0	10	0
9	2013-14	11	4	7	4
Total		59	14	45	24

The compliance with PAC directives in Mines and Minerals Department needs improvement.

21.4 AUDIT PARAS

Non production of record

21.4.1 *Non production of record of Guest Speaker Hostel & Students Hostel*

As provided in 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. Further, Punjab Finance Department letter No. FD (M1) III-2/87(P-III), dated 22nd February, 1994 provides that DDO himself will be responsible for production of record to the audit party at the time of audit and that in case of any lapse on his part, severe disciplinary action will be taken against him by the Administrative Secretary personally apart from submitting a report to the Chief Minister/ Chief Secretary.

During audit of Director, Punjab School of Mines, Katas, Chakwal for the period 2012-16, it was observed that there were Guest Speaker Hostel & Students Hostel but the management did not produce the record like fee/charges collection register of Guest Speaker Hostel. Further, record of student hostel like mess, electricity & other related record (i.e. fee and funds collections with its expenditure) was not produced. The DDO gave in written a certificate that Guest Speaker Hostel has been in use of Chinese alongwith the security staff since July 2012 and this office has handed over the building to the allied agencies but in support of this contention the approval of the competent authority was not shown to audit.

Audit was of the view that due to non-production of record, the authenticity of the accounts could not be verified.

Audit pointed out the irregularity in February 2017. The management noted the observation.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that responsibility be fixed for non-adherence to government instructions and the relevant record be produced to audit.

(PDP No.17464 – Director, Punjab School of Mines, Katas, Chakwal - 2012-16)

Irregularities & non-compliance

21.4.2 Irregular expenditure on purchases-Rs. 57.16 million

As per Rule 9 of Punjab Procurement Rules 2014, a procuring agency shall announce in an appropriate manner all proposed procurements for each financial year. The procuring agency shall advertise in advance annual requirements for procurement on the website of the Authority as well as on its website. Moreover, as per Rule 12 of Punjab Procurement Rules 2014, a procuring agency shall advertise procurement of more than one hundred thousand rupees and up to the limit of two million rupees on the website of the Authority in the manner and format specified by regulations.

During audit of Mines & Minerals Department, it was observed that expenditure to the stated extent was incurred by avoiding quotations, advertisement on PPRA website and advertisement on newspapers by splitting the indents. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	Director, Punjab school of Mines, Katas (District Chakwal)	2012-16	17459	45,410,563

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
2.	Mines Labour Welfare Officer, Choa Saiden Shah, Chakwal	2003-16	18984	5,519,000
3.	Secretary Mines & Mineral, Lahore	2015-17	19159	5,490,270
4.	Secretary Mines & Mineral, Lahore	2015-17	19161	627,000
5.	Director, Punjab school of Mines, Katas (District Chakwal)	2012-16	17456	112,000
Total				57,158,833

Audit was of the view that the lapse occurred due to non-adherence to Punjab Procurement Rules 2014.

Audit pointed out the lapse in February, March & July, 2017. The formations at Sr. Nos. 1, 2 & 5 noted the observations for compliance. The formations at Sr. Nos. 3 & 4 stated that reply would be submitted after detailed checking.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that responsibility be fixed for non-adherence to PPRs 2014 besides regularization of the matter from the Finance Department and strengthening of financial and internal control system.

21.4.3 Irregular Cash payments-Rs.2.50 million

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

During audit of Mines & Minerals Department for the period 2015-17, it was observed that a sum of Rs. 2,503,223 was drawn through

cheques in favour of Drawing & Disbursing Officer instead of vendors/suppliers. The payments were made to concerned vendors in cash.

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

The matter was pointed out in July 2017. The management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that matter may be inquired into, responsibility be fixed against concerned and irregularity be got condoned from the Finance Department.

(PDP No.19148- Mines & Minerals Department, Lahore - 2015-17)

21.4.4 Irregular advance payments of utility charges-Rs. 1.07 million

As per rule 17.19 of PFR Vol-1, It is also not permissible to draw advances from the treasury to prevent the lapse of appropriations. Further, as per 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 Mines & Minerals Department, it was observed that management made payments of utilities amounting to Rs.1,066,967 in advance just to prevent the lapse of appropriations, which was clear violation of above rule.

The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Remarks	Amount (Rs.)
1.	Director, Punjab school of Mines, Katas (District Chakwal)	2012-16	17458	Gas Charges Bills	690,848
2.	Director, Punjab school of Mines, Katas (District Chakwal)	2012-16	17457	Electricity Bills	376,119
Total					1,066,967

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

Audit pointed out the irregularity in February 2017. The formation noted the observation.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that responsibility be fixed for non-adherence to government instructions and matter be got regularized from the Finance Department and adjustment of the advance payment be sought from the concerned agencies in the subsequent bills.

21.4.5 Unauthorized sanction of expenditure-Rs.891,727

According to Rule 2(b) of Punjab Delegation of Powers Rules, category-IV officers are competent to accord sanction to incur expenditure on stationery including toners, ribbons, and computer related stationery upto Rs. 200,000 during a financial year

During audit of Mines and Minerals Department Lahore for the period 2015-17, it was observed that Section Officer being officer in

Category IV accorded sanctions for purchase of stationary and computer stationary amounting to Rs.395,511 and Rs.496,176 respectively, during the financial year 2015-16. This resulted into irregular expenditure of Rs.891,727.

Audit was of the view that weak internal controls on “Punjab Delegation of Powers” resulted in irregular expenditure on purchase of stationery.

The matter was pointed out in July 2017. The management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that matter be got regularized from the Finance Department after fixing the responsibility.

(PDP No.19155 - Mines & Minerals Department, Lahore - 2015-17)

21.4.6 Irregular payment due to drawl of excess post than the sanctioned strength-Rs.645,832

As per revised estimates 2016-17 printed in the budget book, there were three posts of Senior Clerks.

During audit of Mines & Minerals Department Lahore for the period 2015-17, Scrutiny of payroll and sanctioned strength revealed against three posts of Senior Clerks, four posts were drawn. The pay and allowances of one post was being drawn in excess than the sanctioned strength. This resulted into irregular expenditure of Rs. 645,835.

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

The matter was pointed out in July 2017. The formation noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that matter may be inquired into, responsibility for excess drawl of post be fixed against concerned besides regularization of irregular expenditure from the competent authority.

(PDP No.19162-Mines & Minerals Department, Lahore - 2015-17)

21.4.7 Non/less recovery of income tax, Punjab sales tax and stamp duty-Rs.2.20 million

As per section 153(1) (a) of Income Tax Ordinance 2001, income tax was to be deducted at source on supplies @ 4.5% & 6.5% and services @ 10% & 15% from filer and non-filer respectively. As per Sr. No. 38 of the Second Schedule of the Punjab Sales Tax on Services Act 2012, sales tax is deductible @ 16% services provided by specialized workshops or undertakings (auto-workshops; workshops for industrial machinery, construction and earth moving machinery or other special purpose machinery etc; workshops for electric or electronic equipment or appliances etc. including computer hardware; car washing or similar service stations and other workshops). As per Sr. No. 39 of the second schedule of the Punjab Sales Tax on Services Act 2012, Punjab sales tax is deductible @ 16% on repair & maintenance of machinery and equipment.

During audit of Mines & Minerals Department, payments were made to various firms on account of supply of goods and rendering services but income tax and Punjab sales tax on services was either not deducted or was less deducted at source.

The details are as under:

Sr. No.	Name of formation	Period of Audit	PDP No.	Description of observation	Amount (Rs.)
1.	Secretary Mines & Minerals Department	2015-17	19160	Less deduction of withholding tax on consultancy services	1,283,346
2.	Secretary Mines & Mineral, Lahore	2015-17	19151	Non deduction of Punjab sales tax on services	344,151
3.	Chief Inspector of Mines, Punjab Lahore	2014-16	18171	Non deduction of Punjab sales tax on services	154,026
4.	Secretary Mines & Mineral, Lahore	2015-17	19152	Non/less deduction of income tax at source	308,227
5.	Punjab School of Mines, Katas, Chakwal	2012-16	17462	Non deduction of Stamp duty	107,699
Total					2,197,449

Audit was of the view that lapse occurred due to weak internal controls on "Taxation".

The matter was pointed out in February, March and July 2017. The formations at Sr. Nos. 1, 2 & 4 stated that after checking record, recovery would be effected. The formations at Sr. Nos. 3 & 5 noted the observations for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that responsibility be fixed against concerned for less deduction of tax besides recovery of the amount from the concerned and its deposit into government treasury.

Others

21.4.8 Non-surrendering of savings-Rs.46.80 million

As per rule 17.20 of PFR, Vol-I, the department incurring the expenditure is responsible to notify the savings and surrender the same in time. Para 14.3 of Punjab Budget Manual requires that the Heads of Departments should submit to the Finance Department the First Statement of Excesses & Surrenders by 1st January and the Second Statement of Excesses and Surrenders by 31st March.

During audit of Mines & Minerals Department, it was observed that above said rules were not observed and an amount to the stated extent was not left utilized, in violation of above government instructions. Had this amount been surrendered in time, it would have been utilized for some useful purpose. The detail are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	Chief Inspector of Mines, Punjab Lahore	2014-16	18173	46,490,777
2.	Assistant Mines Labour Welfare Commissioner, Rawalpindi at Choa Saidu Shah, District Chakwal	2006-16	17467	310,365
Total				46,801,142

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

Audit pointed out the irregularity in March & July 2017. The formations noted the observation.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

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

21.4.9 Irregular payment of rent of building-Rs.4.48 million

As per foot note of Rule 5 of Delegation of Financial Powers Rules 2006, Category I officer has full power to sanction expenditure on account of rent of building subject to the following conditions that (i) the accommodation is according to the scale prescribed by the government, (ii) the rent does not exceed the rent assessed by the Excise & Taxation Department for the purpose of urban immovable property tax. In case the rent exceeds from the rent assessed by the Excise & Taxation Department, the Administrative department shall give rent reasonability certificate (iii) the rent is made the basis of property tax.

During audit of Mines & Minerals Department, Punjab Lahore, it was observed that the department hired private buildings for official accommodation. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	Secretary Mines & Mineral, Lahore	2015-17	19157	2,592,558
2.	Chief Inspector of Mines, Punjab Lahore	2014-16	18172	1,884,925
Total				4,477,483

The expenditure was held irregular due to the following reasons:

- The building was rented /hired without obtaining rent assessment certificate from Excise & Taxation Department
- The accommodation was not according to the scale approved by the government.
- The rent was not made the basis of property tax.

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

Audit pointed out the irregularity in March & July 2017. The formations noted the observations.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that responsibility for the lapses should be fixed and expenditure be got regularized from the Finance Department besides strengthening of financial and supervisory controls.

CHAPTER 22

PLANNING AND DEVELOPMENT DEPARTMENT

22.1 *Introduction*

The Planning and Development Department of the Government of Punjab is entrusted with planning, processing and approval of the development plan of the various Provincial Government Departments, keeping in view Economy, Efficiency and Effectiveness in the utilization of resources available. It is headed by Chairman Planning and Development Board. The field offices of Planning and Development Department have been established at Divisional/District level, in order to coordinate with the field functionaries of the administrative departments engaged in development activities throughout the Province.

22.2 Comments on Budget & Accounts (Variance Analysis)

Introduction

The Appropriation Accounts for the year 2016-17 of Planning & Development Department indicate expenditure on various specified services vis-à-vis appropriation authorized by Government of the Punjab.

Summary of Appropriation Accounts

The summarized position of actual expenditure during 2016-17 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	390.073	(12.686)	377.387	367.624	(9.763)
PC21023	194.621	(19.738)	174.883	172.955	(1.928)
PC21031	86.737	(19.217)	67.520	65.145	(2.375)
PC22036	50,325.919	(34,568.504)	15,757.415	12,321.573	(3,435.842)
Total	50,997.35	(34,620.145)	16,377.205	12,927.297	(3,449.908)

Overview of Expenditure

The final budget of Planning & Development Department for the year ended 30 June, 2017 was Rs. 16,377.205 million. Out of this, actual expenditure was Rs. 12,927.297 million.

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	671,431,000	605,723,675	(65,707,325)	9.79
Development	50,325,919,000	12,321,572,736	(38,004,346,264)	75.52
Total	50,997,350,000	12,927,296,411	(38,070,053,589)	74.65

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	619,790,000	605,723,675	(14,066,325)	2.27
Development	15,757,415,000	12,321,572,736	(3,435,842,264)	21.80
Total	16,377,205,000	12,927,296,411	(3,449,908,589)	21.07

Anticipated savings not surrendered

As per para 14.3 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. (3,449.908) million at the close of the year 2016-17 under grants PC21010, PC21023, PC21031& PC22036 were not surrendered in time by the Department.

22.3 *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.	1984-85	4	4	0	100
2.	1985-86	2	0	2	0
3.	1988-89	2	1	1	50
4.	1999-2000	9	3	6	33
5.	2001-02	9	3	6	33
6.	2002-03	0	0	0	0
7.	2003-04	0	0	0	0
8.	2004-05	0	0	0	0
9.	2005-06	0	0	0	0
10.	2006-07	0	0	0	0
11.	2007-08	0	0	0	0
12.	2008-09	7	7	0	100
13.	2000-10	0	0	0	0
14.	2010-11	0	0	0	0
15.	2011-12	0	0	0	0
16.	2012-13	0	0	0	0
17.	2014-15	17	0	0	0
Total		50	18	15	36

Except for the years 1984-85 and 2008-09, the compliance status of PAC directives in Planning and Development Department is not satisfactory. The situation needs to be improved.

22.4 AUDIT PARAS

Non production of record

22.4.1 Non-Production of record-Rs.165.18 million

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

During audit of the under mentioned for the period 2016-17, the auditable record was not produced despite repeated requests. The details are as under:

Sr. No.	Name of formation	PDP No.	Nature of record	Amount (Rs.)
1	D.G. ABAD	21761	Construction of water tank storage	7,511,678
2	D.G. ABAD	21762	Construction of water tank storage and installation of Solar Water Pump	16,360,775
3	Secretary P&DD	21171	POL	1,985,132
4	D.G.ABAD	21767	Construction of spill way, rain wall and EB etc.	61,607,495
5	D.G.ABAD	21765	Physical inspection report of sites	6,278,371
6	D.G.ABAD	21766	Irregular payment to the farmer without IDP reports on Rain Water Schemes: <ul style="list-style-type: none">• Incomplete IDP record which was not signed by the IDP committee,• Recommendation of IDP in the favor of farmers prior to approval of PCC was not available.• The department also failed to	71,441,289

Sr. No.	Name of formation	PDP No.	Nature of record	Amount (Rs.)
			produce any evidence that the IDP team visited the site.	
7	D.G. ABAD	21760	Pay Roll	
8	D.G. Monitoring and Evaluation	21777	<ol style="list-style-type: none"> 1 Application received against project scheme promotion of alternate energy report. 2 PC-II, PC-III, PC-IV of the development scheme i.e. Rain Water Harvesting Project “Promotion of alternate energy for Command area” and GIS. 3 Replaced article Register. 4 Durable Goods Register. 5 Donation Stock Register. 6 Post Audit Register. 7 IDP committee notification, tour program of IDP, vehicle details on which they visited, 8 Court cases list. 	*
9.	D G Monitoring & Evaluation	21211	<ol style="list-style-type: none"> 1. The list of candidates was not made available to audit. 2. The merit criteria was not informed. 3. The list of members of the recruitment committee along with notification not was produced. 4. The merit list / gradation list / minutes of the meeting of recruitment committee duly stamped were not produced. 5. The qualification certificates were not got verified from respective BISE / University. 	*
Total				165,184,740

* Amount could not be ascertained due to non production of record.

Audit was of the view that due to non-production of record, the authenticity of the accounts could not be verified.

Audit pointed out the lapse in October 2017. The management replied that record would be produced for verification, but no such record was produced for audit verification.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that responsibility be fixed for non-production of record and the requisite record may be produced for verification.

22.4.2. *Non-receipt of vouched account of deposit work-Rs. 1.99 million*

According to Finance Department letter No.FD/FR/11-S/82 dated 15-09-2000 and IT(FD)3-7/2000 dated 01.01.2001, in case of deposit work, after completion of work the executing agency should submit the vouched account to the concerned department and the unspent balance may be refunded into government treasury.

During audit of Planning & Development Department for the period 2016-17, it was observed that an amount of Rs. 1,996,800 was paid to XEN 5th Building Division Lahore for renovation of rented building. It was observed that neither the Technical Sanction was available in record nor the complete vouched account was obtained from the executing agency. The detail of unspent balance was also not available.

Audit was of the view that due to non-production of record, the authenticity of the accounts could not be verified.

Audit pointed out the lapse in October 2017. The management replied that a certificate to this effect obtained from building department will be shown to audit.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that responsibility be fixed for non-adherence of government instructions. The vouched Account of stated amount may be obtained and produced to Audit for verification.

(PDP No. 21174 - Planning & Development Department-2016-17)

22.4.3 Non submission of adjustment accounts-Rs.5.60 million

According to Para 1(V) of the sanction order, the Finance Department directed that Adjustment Accounts with supporting vouchers shall be furnished to AG Punjab within a period of one month of the withdrawal of advance for adjustment in the book accounts.

During audit of Planning & Development Department for the period 2016-17, it was observed that a sum of Rs. 5.60 million was sanctioned by the Finance Department for advance withdrawal and for payment in advance for the purchase of 02 vehicles . Neither the vehicles were received in the office till the closing day of audit nor the adjustment account was submitted to AG Punjab for adjustment.

Audit was of the view that weak supervisory and financial controls resulted in non-submission of adjustment accounts.

Audit pointed out the lapse in October 2017. The management stated that the vouched account would be provided to AG as and when the vouchers are received.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that vouched account and related documents may be obtained and shown to audit for verification purpose.

(PDP No.21177 - Planning & Development Department-2016-17)

Irregularities & non-compliance

22.4.4 Irregular expenditure on consultancy services-Rs.22.79 million

As per agreement executed between Director General Monitoring & Evaluation and different firms for consultancy services, it was agreed to provide detail of reimbursable expenditure. Moreover, as per Government of the Punjab Finance Department letter No. SO(Tax) 1-2/97 (withholding) dated 18.07.2014 Sr. No. 38, PST@ 16% on service provided for specialized workshops or undertakings (auto- workshops); workshops for industrial machinery, construction and earth moving machinery, including consultancy services was levied.

During audit of D.G. Monitoring and Evaluation, P&D Department for the period 2015-17, it was noticed an amount of Rs. 22,791,209 was paid to various consultancy firms on account of services rendered. The firms were engaged for third party validation. The following irregularities were noticed:

- Detail of reimbursable expenditure was not provided by the consultancy firm.
- Firms were required to engage technical staff but detail of staff engaged by firms were not provided to audit.

- The result of Third Party Validation was negative but detail of action taken was not reported (compaction of some roads in Sahiwal).
- PST amounting to Rs 161,000 was less deducted.

Audit pointed out the lapse in September 2017. The management did not offer any reply.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that relevant record be produced to audit besides recovery of PST.

(PDP No.21205-D.G. Monitoring and Evaluation, P&D Department- 2015-17)

22.4.5 Hiring of consultancy services without advertisement- Rs.121.58 million

As per clause No. ii, section 4 of Limitation to PC-I of Capacity Building of Directorate General Monitoring and Evaluation for Improved Project Planning, Monitoring and Evaluation of Development Projects in Punjab, keeping in view the limited capacity of Consultants, one Consultant may be engaged in maximum two packages of the project. Moreover, as per Punjab Procurement Rule 12, subject to rule 59, a procuring agency shall advertise procurement of more than one hundred thousand rupees and up to the limit of two million rupees on the website of the Authority in the manner and format specified by regulations but if deemed in public interest, the procuring agency may also advertise the procurement in at least one national daily newspaper.

During audit of D.G. Monitoring and Evaluation, P&D Department for the period 2016-17, it was observed that contracts of the consultancy services were awarded to various consultants. The award of the contracts to the consultants were held irregular as the same were entered into without advertisement in the press and engaging some consultants for more than two projects. The details are as under:

Sr. No.	PDP No.	Period of Audit	Amount
1	21209	2016-17	99,926,562
2	21206	2016-17	21,652,664
Total			121,579,226

Audit was of the view that disregard to the provision of Punjab Procurement Rules and PC-I resulted in irregular hiring of consultancy services.

Audit pointed out the lapse in September 2017. The management in respect of Para at Sr. No. 1 replied that advertisement for individual consultancy was not needed. The reply was not agreed because there was conflict between PC-I and PPRA. As regards para at Sr. No. 2 the management replied that payments were made from PC II of KPPR which was separate from capacity building. The reply being vague and evasive, was not acceptable.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department should seek condonation of the irregularity from the Finance Department.

22.4.6 Irregular expenditure on purchase of machinery and equipment-Rs.6.45 million

As per Rule 9 read with Rule 12 of Punjab Procurement Rules 2014, a procuring agency shall announce in an appropriate manner all proposed procurement for each financial year and shall proceed accordingly without any splitting or regrouping of the procurement so planned. The annual requirements thus determined would be advertised in advance on the PPRA's web site as well as on the website of the procuring agency in case the procuring agency has its own website. Further, procurement over one hundred rupees and up to the limit of two million rupees shall be advertised in the PPRA's web site in the manner and format specified by regulation by the PPRA from time to time.

Furthermore, as per Rule 10 *ibid*, a procuring agency shall determine specifications in a manner to allow the widest possible competition which shall not favour any single contractor nor put others at a disadvantage. The specifications shall be generic and shall not include references to brand names, model numbers, catalogue numbers or similar other classifications.

During audit of D.G. Monitoring and Evaluation, P&D Department for the period 2016-17, it was noticed that various machinery/ equipment and furniture amounting to Rs. 6,451,206 were purchased. Scrutiny of record, revealed following irregularities:

- advertisement was not given on PPRA website as well as newspapers.
- Computer items of different nature were purchased but lowest rates of other firms were ignored due to non-quoting of rates of all items.

- specification were not generic and lowest offers of other firms were rejected on account of minor observations.
- cost of tender form money was not remitted into government treasury.
- security was not obtained from all contractors.
- warranty of computer items was not obtained.

Audit was of the view that non observance of Punjab Procurement Rules resulted in irregular purchase of machinery and equipment.

When pointed out the lapse in September 2017, the management did not offer any reply.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the matter may be got regularized from the competent authority.

(PDP No.21210 -D.G. Monitoring and Evaluation, P&D Department- 2015-17)

22.4.7 Irregular hiring of office building-Rs. 8.09 million

In accordance with Finance Department letter No. 1528-D(B)-63 dated 03.12.1963, the requirement of an office accommodation may be reckoned on the basis of the following scale of carpet areas which is adopted in the planning of office accommodation:

Category of officer	Covered area (sft)
Regional officers	350
Class-I officers	250
Class-II officers	150
Supdt. And Head Clerks	100
Assistants	70
Stenographers	60
Senior / junior clerks / daftries and restores	50

During audit of D.G. Monitoring and Evaluation, P&D Department for the period 2016-17, it was noticed that building @ Rs. 1,200,000 per month was hired for office having covered area of 12200 square feet. Audit worked out the covered area required on the basis of the above criteria and the staff strength. The required covered area thus worked out came out 5350 square feet. Thus, an excess amount of Rs. 8,085,240 was spent on hiring of excess covered area. The details are as under:

Particulars	Details
Total covered area	12200
Covered area needed	5350
Excess covered area occupied	6850
P,m rental charges	12,00,000
Excess payment on account of rental charges of excess covered area (12,00,000/12200 * 6850)	Rs. 637,770
Excess payment for the year (673,770*12)	Rs. 8,085,240

Audit was of the view that non observance of government instructions resulted in hiring of office building having covered area in excess of office requirements.

When pointed out in September 2017, the management replied that due to non-availability of space at P&D, the building was hired.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department should probe the matter to fix the responsibility and seek condonation of irregularity by getting the irregularity condoned from the Finance Department.

(PDP No.21213 -D.G. Monitoring and Evaluation, P&D Department- 2015-17)

**22.4.8 Non-payment of 70% subsidy by the farmers to the firms
-Rs.2.57 million**

According to PC-1 of “Promotion of Alternate Energy for Command Area Development of Mini Dams/Ponds Completed in Potohar Region” (6.6 financial management Page 11 & 12), the subsidy will be paid to the farmer through cheque on work done basis by ensuring the installation of solar water pumping system as per design/technical guidance and specification approved by the notified technical committee. Moreover, under above mentioned scheme, 70% subsidy was given by the Government of the Punjab through ABAD to the farmers.

During audit of Director General Agency for Barani Area Development (ABAD) Rawalpindi for the period 2016-17, it was observed that payments amounting to Rs. 2,570,000 were made by D.G ABAD to various farmers on account of 70% subsidy under above mentioned scheme to farmers (owner of interventions) for onward payment to the relevant firms from whom the solar panel and other allied items were purchased for installation in interventions. But, it was surprising that the payments were not made to the suppliers by the farmers.

Audit was of the view that non observance of provision of PC-I resulted in non-payment of 70% subsidy by the farmers to the firms.

Audit pointed out the lapse in October 2017. The management replied that a notice had already been issued to the farmers.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that matter may be investigated besides strengthening of financial and internal control system.

(PDP No.21759 -DG ABAD, Rawalpindi- 2016-17)

22.4.9 Unjustified expenditure on Solar Water Pump and Water Storage-Rs. 32.76 million

Rule 2.10 a (1) of PFR Vol-I provides that 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. As per para 6.4.1 of project scheme “alternate energy for command area development” farmers having mini dams / pond with minimum storage capacity of 20 aft and command area 20 acres, and willing to install solar pumping station.

During audit of Director General Agency for Barani Area Development (ABAD) Rawalpindi for the period 2016-17, it was observed that the an amount Rs.32,760,000 was incurred on the construction of water tank storage and installation of Solar Water Pump in violation of above criteria due to the reason that the farmers were not having 20 Acre (160 Knalas) land.

Audit was of the view that non observance of rules resulted in unjustified expenditure on Solar Water Pump and Water Storage.

Audit pointed out the lapse in October 2017.The management stated that detailed reply would be submitted after security of record.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that expenditure may be got regularized with the sanction of competent authority besides strengthening of financial and internal control system.

(PDP No.21763 -DG ABAD, Rawalpindi- 2016-17)

22.4.10 Non-recovery of stamp duty-Rs.202,958

As per Section 22(A)(b) of Schedule-I of Stamp Act 1899 read with Finance Act 1995 (Act-VI of 1995) provides that Government of the Punjab levied the 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 paise for every Rs.100 or part thereof of the amount of contract.

During audit of Director General Agency for Barani Area Development (ABAD) Rawalpindi for the period 2016-17, it was observed that the formation entered into contract with various contractors for procurement of stores and material amounting to Rs.81,183,280 but the stamp duty prescribed at the above mentioned rate was not recovered amounting to Rs. 202,958.

Audit was of the view that weak financial controls resulted in non-recovery of stamp duty.

Audit pointed out the lapse in October 2017. The management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that recovery may be made from the concerned besides strengthening of financial and internal control system.

(PDP No.21764 -DG ABAD, Rawalpindi- 2016-17)

22.4.11 Irregular expenditure incurred excess than estimates of PC-I-Rs. 11.86 million

As per revised PC-I of the projects “Rain Water Harvesting Project” and “Promotion of alternate energy for Command area”, the operational costs of the projects are Rs. 9.314 million and Rs. 6.000 million respectively.

During audit of Director General Agency for Barani Area Development (ABAD) Rawalpindi for the period 2016-17, it was observed that on operational cost amounting to Rs. 11,864,455 was incurred in excess of the estimates mentioned in PC-I of the projects. The details are as under:

Sr. No	Name of Project Scheme	Budget of operational cost	Expenditure of operational cost	Excess (Rs.)
1	Rain Water Harvesting Project	9,314,000	18,558,455	(9,244,455)
2	Promotion of alternate energy for Command area	6,000,000	8,620,000	(2,620,000)
Total		15,314,000	27,178,455	(11,864,455)

Audit was of the view that non observance of estimates of PC-I resulted in excess expenditure.

Audit pointed out the lapse in October 2017. The management replied that detailed reply would be submitted after scrutiny of record.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the matter may be investigated at the administrative department level to fix responsibility against those involved.

(PDP No.21769 -DG ABAD, Rawalpindi- 2016-17)

22.4.12 Non/Less deduction of taxes-Rs. 176,919

According to Income Tax Ordinance 2001 and Punjab Sales Tax on Services Act 2012, the department was required to withhold taxes at prescribed rates at the time of payment and agreement.

During audit of Director General Agency for Barani Area Development (ABAD) Rawalpindi for the period 2016-17, it was observed that an amount of Rs.637,820 was incurred on entertainment but income tax and Punjab Sales Tax amounting to Rs.74,868 and Rs. 102,051 respectively was not/ less deducted.

Audit was of the view that weak financial controls on taxation resulted in non/less deduction of taxes.

Audit pointed out the lapse in October 2017. The management replied that amount would be recovered and deposited in to government treasury.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that recovery be effected from the concerned and deposited into government treasury.

(PDP No.21774 -DG ABAD, Rawalpindi- 2016-17)

22.4.13 Unjustified payment to farmers-Rs. 767,834

As per Para 6.5 of project scheme “Rain Water Harvesting”, farmers having mini dams / pond with minimum storage capacity of 20 aft and command area 20 Acres can be given benefit.

During audit of Director General Agency for Barani Area Development (ABAD) Rawalpindi for the period 2016-17, it was observed that the an amount Rs.767,834 was paid on account on fodder, EB, and rain wall to farmers having less than 20 Acre (160 Kanals) land in violation of above criteria. The details are as under:

Sr. No.	Date	Cheque No	Head	Amount
1.	19.10.2016	637352	Fodder	27,020
2.	19.10.2016	637353	EB	120,000
3.	29.12.2016	678741	Rain Wall	200,814
4.	29.12.2016	678779	Rain Wall	420,000
Total				767,834

Audit was of the view that weak supervisory and financial controls resulted in unjustified expenditure on Rain Water Harvesting Project.

Audit pointed out the lapse in October, 2017. The management replied that record would be traced and shown to audit.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that matter may be investigated besides strengthening of financial and internal control system.

(PDP No. 21778 -DG ABAD, Rawalpindi- 2016-17)

22.4.14 Unjustified expenditure on Rain Water Harvesting Project-Rs. 61.53 million

Para 3 of instruction for posting in the measurement book provide that detailed measurement should be recorded only by the Executive, Assistant Executive or Assistant Engineer or by Executive subordinate

incharge of works to whom MB have been supplied for the purpose. Further, Para 4 to 18 of instructions for posting in the measurement book stated detail to recoding the MB.

During audit of Director General Agency for Barani Area Development (ABAD) Rawalpindi for the period 2016-17, it was observed that the an amount Rs.61,531,238 was incurred on Rain Wall, EB , spill way, “*bund*” etc. Scrutiny of measurement book revealed that the engineering staff of ABAD did not checked the entries recorded in the measurement book nor counter signed on MB. It is also added that the date wise measurement was not recorded in the measurement book by the Deputy District officer Soil Conservation of Tehsil Gujar Khan and Sohawa. The pay order was also not recorded on the measurement book. Further, the Deputy Director Soil Conservation recorded entries in the MB but he was not authorized as per rule referred above.

Audit pointed out the lapse in October 2017. The management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the matter needs to be regularized from Finance Department and responsibility be fixed besides strengthening of financial and internal control system.

(PDP No. 21779 -DG ABAD, Rawalpindi- 2016-17)

22.4.15 Overpayment due to incorrect application of rate -Rs. 482,480

As per Finance Department Notification No.R.O (Tech) F.D -2-3/2004 dated 02.08.2004, the Engineer incharge was required to fix the rate of each item of work for rough cost and technical sanctioned estimate on the basis of MRS for the respective district / quarter.

During audit of Director General Agency for Barani Area Development (ABAD) Rawalpindi for the period 2016-17, it was observed that an amount of Rs. 482,480 was overpaid against the different works executed by Deputy District Officer Soil Conservation, Gujar Khan due to incorrect application of rate.

Audit was of the view that overpayment was made due to incorrect application of rate.

Audit pointed out the lapse in October 2017. The management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that amount may recovered from the concerned under intimation to audit.

(PDP No.21955 -DG ABAD, Rawalpindi- 2016-17)

22.4.16 Unauthorized payment from incorrect head of accounts- Rs. 7.17 million

According to New Accounting Model (NAM) and Accounting Policies and Procedure Manual (APPM) and PIFRA, the funds are allocated object-wise to meet the expenditure from the relevant object As

per para No.3 (A) of Finance Department letter No.PS/F8/808/78 dated 26.02.1978 funds allocated to a Department may be spent for the purpose for which they were allocated.

During audit of Planning & Development Department for the period 2016-17, it was observed that expenditure of Rs. 7,169,526 was incurred from the irrelevant object in violation of appropriation authorized by the Legislature.

Audit was of the view that weak financial controls resulted in unauthorized payment from incorrect head of accounts.

Audit pointed out the lapse in October 2017. The management replied that the expenditure was incurred in the relevant head of account in stationery.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that responsibility be fixed for non-adherence of government instructions besides regularization of the matter from Finance Department and strengthening of financial and internal control system.

(PDP No.21164 - Planning & Development Department-2016-17)

22.4.17 Excess expenditure than budget allocation- Rs.5.86 million

According to Rule 17.15 of PFR Vol-I, no government servant may, without previously obtain an extra appropriation, incur expenditure in excess of the amount provided for expenditure under the head

concerned and when a government servant exceeds the annual appropriation he may be held responsible for the excess.

During scrutiny of expenditure statements of Planning & Development Department, Lahore for the period 2016-17, it was observed that an amount of Rs.5,862,170 was incurred in excess of budget allocation under various heads of accounts. The details are as under:

Cost Center	Object	Final Grant	Expenditure	Excess (Rs.)
LO-4194	A01106	4,989,289	7,850,771	2,861,482
	A0120N	11,592,000	12,989,072	1,397,072
	A01225	6,000,000	7,143,299	1,143,299
	A01236	85,711	98,203	12,492
	A01238	600,000	684,324	84,324
	A01239	400,000	554,569	154,569
	A01273	10,989,000	11,197,932	208,932
Total		34,656,000	40,518,170	5,862,170

Audit was of the view that negligence of the management resulted in the excess uses of funds than budget allocation.

Audit pointed out the lapse in October 2017. The management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that responsibility be fixed for non-adherence of government instructions besides regularization of the matter from Finance Department and strengthening of financial and internal control system.

(PDP No.21179 - Planning & Development Department- 2016-17)

Performance

22.4.18 Non surrendering of savings-Rs. 123.36 million

As per Rule 17.20 of PFR, Vol-I, the department incurring the expenditure is responsible to notify the savings and surrender the same in time. Moreover, as per para 14.3 of Punjab Budget Manual, the heads of departments should submit to the Finance Department the First Statement of Excesses & Surrenders by 1st January and the Second Statement of Excesses and Surrenders by 31st March.

During scrutiny of expenditure statements of Planning & Development, Lahore for the period 2016-17, it was observed that an amount of Rs.123,357,324 was not utilized which required justification besides regularization from Finance Department. The details are as under:

Cost Center	Final Grant	Total Expenditure	Savings (Rs.)
LO-4194	360,879,000	339,307,226	21,571,774
LZ-4479	71,935,500	69,092,209	2,843,291
LZ-4509	163,289,257	65,249,818	98,039,439
LZ-4851	9,300,000	8,397,180	902,820
Total	605,403,757	482,046,433	123,357,324

Audit was of the view that negligence of the management resulted in the lapse of funds.

Audit pointed out the lapse in October, 2017. The management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that responsibility be fixed for non-adherence of Government instructions besides regularization of the matter from Finance Department and strengthening of financial and internal control system.

(PDP No.21180 - Planning & Development Department- 2016-17)

CHAPTER 23

POPULATION WELFARE DEPARTMENT

23.1 *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.

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

Introduction

The Appropriation Accounts for the year 2016-17 of Population Welfare Department indicate expenditure on various specified services vis-à-vis appropriation authorized by Government of the Punjab.

Summary of Appropriation Accounts

The summarized position of actual expenditure during 2016-17 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	64.990	(0.131)	65.121	62.587	(2.534)
PC21023	32.401	206.651	239.052	222.206	(16.846)
PC22036	1,321.274	3,662.506	4,983.790	4,370.482	(613.308)
Total	1,418.665	3,869.036	5,287.963	4,655.275	(632.688)

Overview of Expenditure

The final budget of Population Welfare Department for the year ended 30 June, 2017 was Rs. 5,287.963 million. Out of this, actual expenditure was Rs. 4,655.275 million. 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	97,391,000	284,793,515	187,402,515	192.42
Development	1,321,274,000	4,370,481,691	3,049,207,691	230.78
Total	1,418,665,000	4,655,275,206	3,236,610,206	228.14

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	304,173,000	284,793,515	(19,379,485)	6.37
Development	4,983,790,000	4,370,481,691	(613,308,309)	12.31
Total	5,287,963,000	4,655,275,206	(632,687,794)	11.96

Anticipated savings not surrendered

As per para 14.3 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. (632.688) million at the close of the year 2016-17 under grant PC21010, PC21023 & PC22036 were not surrendered in time by the Department.

23.3 *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	0	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
10	2013-14	4	0	4	0
Total		244	91	153	37

The status of compliance with PAC Directives is very low except for the year 1998-99. The department is required to improve it.

23.4 AUDIT PARAS

Non production of record

23.4.1 Non production of vouched account-Rs.6.96 million

As provided in 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. Further, Punjab Finance Department letter No. FD (M1) III-2/87(P-III), dated 22.02.1994 provides that DDO himself will be responsible for production of record to the audit party at the time of audit and that in case of any lapse on his part, severe disciplinary action will be taken against him by the Administrative Secretary personally apart from submitting a report to the Chief Minister/Chief Secretary.

During audit of the accounts of following formations of the Population Welfare Department, it was observed that an amount of Rs. 6,963,497 were drawn from government exchequer on account of repair of building and paid to Executive Engineer Provincial Building Divisions. But vouched accounts of payment was neither received nor the same was shown to audit to verify the genuineness of expenditure incurred.

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	RHSA, (Family Health Clinic) Pasrur Sialkot	2014-16	18952	3,123,000
2.	RHSA, (Family Health Clinic) Nankana Sahib	2009-16	19146	2,115,000

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
3.	RHSA, (Family Health Clinic) Pattoki, Kasur	2012-16	18863	982,000
4.	RHSA, (Family Health Clinic) General Hospital, Lahore	2012-16	18218	568,682
5.	District Population Welfare Officer, Toba Tek Singh	2013-16	18212	174,815
Total				6,963,497

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

Audit pointed out the matter in March and May 2017. The formations of all formations noted the observations for compliance while at Sr. No. 2, it was replied that detailed reply would be given after scrutiny of record.

The matter was further reported to the administrative department. In DAC meeting held on 10.01.2018, the committee kept the paras at Sr. Nos.1, 3 & 4 pending with the direction to provide complete vouched account to audit for verification and the para at Sr. No. 5 kept pending for regularization from Finance Department. As regards remaining para, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that responsibility be fixed and taking disciplinary action against the responsible besides production of record.

23.4.2 Non production of record

According to rule 2.20 of PFR Vol-I, every payment for whatever purpose must be supported by a voucher setting forth full and clear particulars of the claim. According to article 169 and 171 of the

Constitution of the Islamic Republic of Pakistan, the Auditor General may require any official document for audit purpose.

During audit of Family Health Clinic Okara for the period 2013-17, it was noticed that the following record pertaining to financial year 2013-14 was not available/produced to audit for verification purpose.

- (i) Copies of budget allocation
- (ii) Expenditure statements
- (iii) Consolidated budget & expenditure statements
- (iv) Contingent register
- (v) Complete vouched accounts/vouchers
- (vi) Schedule of payments

Weak supervisory and financial controls led the non production of record.

When the matter was pointed out, the management stated that detailed reply would be submitted later on.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October and November 2017.

Audit recommends that the matter may be looked into at appropriate level and action be taken against the persons for negligence and complete record may be produced for verification.

(PDP No.22671- RHSA, Family Health Clinic Okara– 2013-17)

Irregularities & non-compliance

23.4.3 Irregular purchase of medicines-Rs. 7.94 million

As per Rule 9 of Punjab Procurement Rules 2014, a procuring agency shall announce in an appropriate manner all proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements so planned. The procuring agency shall advertise in advance annual requirements for procurement on the website of the Authority as well as on its website.

During audit of Population Welfare Department, it was observed that in contravention to above rule neither annual requirement of medicines were neither prepared nor the same were advertised on PPRA website for economical purchase. All medicines were purchased from firms of own choice in piecemeal. The procurement was made on monthly basis by calling quotations from local market while the open tender procedure was not adopted. Hence, the factor of competitive rates through wider publicity was ignored. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs)
1.	Director General Population Welfare, Lahore	2014-16	17534	3,127,155
2.	RHSA, Family Health Clinic , General Hospital, Lahore	2012-16	18219	2,709,634
3.	RHSA, Family Health Clinic, Ganga Ram Hospital, Lahore	2012-16	18883	1,922,466
4.	Director General Population Welfare, Lahore	2014-16	17533	180,000
Total				7,939,255

Audit was of the view that non observance of Punjab Procurement Rules resulted in irregular purchase of medicines.

Audit pointed out the matter in April and May 2017. The formations noted the observations for compliance.

The matter was further reported to the administrative department. In DAC meeting held on 03.01.2018, the paras at Sr. Nos.1, 2 & 4 were kept pending for regularization from Finance Department. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that matter may be got regularized from competent authority under intimation to audit besides strengthening of internal controls.

23.4.4 Irregular purchase of contraceptives without requirement and planning in spite of availability of stocks in hand-Rs. 337.94 million

As per letter No. MD (PPRA)1-1/2011 of PPRA dated 23.05.2011 and further vide No. MD(PPRA)10-1/2011 dated 10.01.2012 , Rule 8 of the Punjab Procurement Rules, 2009 stipulates: “Within one year of commencement of these rules, all procuring agencies shall devise a mechanism, for planning in detail for all proposed procurements with the object of realistically determining the requirements of the procuring agency, within its available resources, delivery time or completion date and benefits that are likely to accrue to the procuring agency in future.” Similarly, Rule 11 of ibid Rules requires procuring agencies to provide clear authorization and delegation of powers for different categories of procurement and shall only initiate procurements once approval of the competent authorities concerned has been accorded. Any defiance to the Punjab Procurement Rules makes the procurement, mis-procurement in terms of Rule 50 of the ibid Rules.

During audit of Director General Population Welfare Lahore for the period 2016-17, it was observed that department was making procurement of different goods/services without procurement planning or clear authorization and delegation of powers for different categories of procurement.

The detail of procurements is as under:

Sr. No.	Name of formation	PDP No.	Nature of procurement	Amount (Rs)
1	Director General Population Welfare, Lahore	20720	Procurement of contraceptives, Syringes, machinery and equipment	295,000,000
2	Director General Population Welfare, Lahore	20735	Gloves ,medicines-ORS, Syp- Ampiciline	12,561,470
3	Director General Population Welfare, Lahore	20726	transportation of contraceptive from Karachi to 36 Districts @ Rs 59 per Kg for 182602 Kgs	12,497,311
4	Director General Population Welfare, Lahore	20723	disposable syringes,	6,361,717
5	Director General Population Welfare, Lahore	20725	125000 no. packs of gloves	2,984,375
6	Director General Population Welfare, Lahore	20727	Contraceptives for newly established 11 FHCs	1,545,201
7	Director General Population Welfare, Lahore	20732	Printing	6,986,000
Total				337,936,074

The following observations were raised that:

- i. Huge stock of contraceptives, syringes to meet needs of 5 to 10 years was available in the stores but department made

- procurement of contraceptives of Rs. 295 million merely to avoid lapse of funds.
- ii. Machinery and equipment of 11 Family Health Centers were purchased but three were incomplete.
 - iii. For purchase of gloves, medicines, RS, Syp. Ampiciline etc. the annual consumption was not assessed.
 - iv. Firms were not prequalified.
 - v. Estimated costs were not determined.
 - vi. Income tax was not deducted. (for PDP no. 20735, 20723)
 - vii. Rs 12,497,311 was paid on account of transportation charges of contraceptives from Karachi to 36 district of Punjab without any need of contraceptives. The piled up stock may also lose value due to non availability of proper storage.
 - viii. It was not ensured whether the transport contractors had fleet of vehicles maintaining temperature upto 25C.
 - ix. For supply of disposable syringes, gloves, firms were disqualified without assigning any reason or in some observations, without showing rejected bids.
 - x. Technical specification of firms was not standardized and expenditure was incurred out of irrelevant head.
 - xi. Detailed specification of gloves was not given in tender documents.
 - xii. Sales tax invoice of gloves was not available.

- xiii. An amount of Rs. 1,545,201 on account of supply of contraceptive was drawn in favour of DDO and was placed in bank, without any justification.
- xiv. Rs. 858,278 were transferred to bank for opening letter of credit but stock was not received till the date of audit.
- xv. DTL reports of contraceptives were not obtained.
- xvi. Advance payment for printing was made to Director Population Press without assessing requirements.

Audit was of the view that weak supervisory and financial controls resulted in irregular purchase of contraceptives without requirement and planning in spite of availability of stocks in hand.

The matter was pointed out in August 2017. The formations stated that procurements were made after obtaining indents / demands. Detailed specifications were mentioned in the bidding documents and sales tax was not leviable. Prequalification was necessary in case procurement exceeds rupees one hundred million. Framework contract was executed. Estimation clause was amended. Tendering process was initiated in December, 2015. The purchase of contraceptives was made as per provisions of PC-I. The reply was not accepted as the same was not supported with documentary evidences.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October and November 2017.

Audit recommends that the matter be probed into for fixing responsibility for purchasing stores without necessity, placing amount in private bank, not deducting and depositing income tax besides adoption of remedial measures.

**23.4.5 Irregular/unauthorized payment of office rent building-
Rs. 97.88 million**

As per Note 3 of Sr. No. 3 of part -1 of the second schedule of the Punjab Delegation of Financial Power Rules, 2016, hiring of buildings on rent would be subject to the conditions that; accommodation is according to the scale approved by the Government. The rent does not exceed the tax assessed by the Excise, Taxation and Narcotics Department, and, Non-availability certificate by the C&W Department that there is no official building available for housing a particular office.

During the scrutiny of rent payment record of following formations of Population Welfare Department, it was observed that a sum of Rs. 97,877,672 was paid on account of rental charges.

Sr. No.	Name of formation	Period of audit	PDP no.	Amount (Rs)
1.	Secretary, Population Welfare Department, Lahore	2016-17	19403	92,869,846
2	District Population Welfare Officer, Sheikhpura	2014-17	21101	3,472,600
3.	Director General Population Welfare Department, Lahore	2016-17	20731	1,535,226
Total				97,877,672

The expenditure was considered irregular and unauthorized due to the following reasons:

1. The lease agreements during the period under audit between the owners and the allottees were not been shown.
2. The sanction of rate of monthly rent accorded by the competent authority was not obtained.
3. The accommodation of the building is not according to the scale approved by the Government.

4. The rent of the office building during the period under audit was found higher than the tax assessed by the Excise, Taxation Department whereas no rent reasonability certificate was obtained from administrative department.
5. The payment of property tax by the owner was not shown in order to ascertain that the rent was made on the basis of property tax.
6. Non availability certificate was not obtained from the building / C&W department to the effect that there is no official building available for housing a particular office.
7. As per Delegation of Financial Powers Rules amended upto 2012, DPWO being officer in category-III can accord sanction to incurred expenditure up to Rs.90,000 per annum in each case whereas the expenditure in excess of these powers was sanctioned.
8. The owner was also residing in rented accommodation in portion which was not justified and requirements of office were not assessed.

Audit was of the view that weak supervisory and financial controls resulted in un-justified payment of rent.

Audit pointed out the matter in August and October 2017. The formations at Sr. Nos. 1 & 2 noted the observations for compliance while against Sr. No.3 did not offer any reply.

The matter was further reported to the administrative department. In DAC meeting held on 10.01.2018, the para at Sr. No.1 was kept pending for probe the matter at administrative level. As regards remaining paras, neither any reply was received nor any DAC meeting was convened

till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the matter be probed to fix responsibility for the irregularities, the expenditure be got regularized and steps be taken for shifting in govt. owned buildings.

23.4.6 Excess expenditure than budget allocation for Rs.40.51 million

According to Rule 17.15 of PFR Vol-I, no government servant may, without previously obtain an extra appropriation, incur expenditure in excess of the amount provided for expenditure under the head concerned and when a Government servant exceeds the annual appropriation he may be held responsible for the excess.

During scrutiny of expenditure statements of following offices of the Population Welfare Department, it was observed that an amount of Rs. 40,510,159 was incurred over and above the budget allocation under various heads of accounts.

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	District Population Welfare Officer, Sialkot	2014-16	19188	8,917,349
2.	District Population Welfare Officer, Lahore	2014-17	19421	5,978,466
3.	District Population Welfare Officer, Khushab	2016-17	21119	4,614,209
4.	Director General Population Welfare, Lahore	2014-16	17544	1,936,325
5.	District Population Welfare Officer, Multan	2014-17	20227	4,773,784
6.	District Population Welfare Officer, Attock	2013-17	22550	14,290,026
Total				40,510,159

Audit was of the view that negligence of the management resulted in the excess uses of funds than budget allocation.

Audit pointed out the matter in February and September 2017. The formations noted the observations for compliance.

The matter was further reported to the administrative department. In DAC meeting held on 10.01.2018, the paras at Sr. Nos.1, 2 & 4 were kept pending for regularization from Finance Department. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the irregularity be condoned from Finance Department and ensure strengthening of internal controls.

23.4.7 Irregular drawal of pay and allowances due to shifting of headquarter- Rs. 5.11 million

According to Rule 3.3 of T.A rules read with Government of the Punjab, Finance Department letter No. FD-SR (IV)/ 8-1/ 76, dated 16-01-1998, shifting of headquarter of a government servant to work at a station other than that for which his post was originally sanctioned, for a period not exceeding three months, was not admissible without prior approval of Finance Department.

During audit of Population Welfare Department for the financial years 2012-16, it was observed that officers / officials were drawing pay & allowances from the below mentioned offices but were serving in the office of the Secretary and Director General Population Welfare. The headquarter of the officials was shifted to other places for a period exceeding three months without approval of the competent authority in violation of above government instructions.

Sr. No.	Name of formation	PDP No.	Amount (Rs.)
1	RHSA, Family Health Clinic, Ganga Ram Hospital, Lahore	18884	3,112,121
2	RHSA, Family Health Clinic, General Hospital Lahore	18217	1,993,058
Total			5,105,179

Audit was of the view that lapse was occurred due to weak supervisory and financial control.

Audit pointed out the matter during April and May 2017. The formations noted the observations for compliance.

The matter was further reported to the administrative department. In DAC meeting held on 10.01.2018, the para at Sr. No.2 was kept pending for regularization from Finance Department. As regards remaining para, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that matter may kindly be got regularized from competent authority under intimation to audit besides strengthening of internal controls.

23.4.8 Irregular payment to Social Mobilizers and wastage of public money - Rs .4.97 million

As per Standard Operating, the performance of Social Mobilizes will be assessed by the DPWO for their retention in service after every year and their contract will be renewed. The field attendance of the Social Mobilizes will be validated by the elected representative/ religious leaders village management committee civil organization/ NGOs/ CBOs soldiers boards etc. Moreover, Rule 2.10 (a) (1) of PFR Vol-I provides that 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 RHSA, Family Health Clinic, Nankana Sahib for the period 2014-16, it was observed that an amount of Rs. 4,965,776 was paid to Social Mobilizers and staff without keeping in view/assessing the performance of social mobilizers. The following observations were raised:

- i. Attendance of the social mobilizers were not authenticated by any village committee or Tehsil Population Welfare office. Many social mobilizers did not perform any other activity except sale of contraceptive but their contracts were being renewed.
- ii. That salary of the social mobilizers were shown disbursed by drawing salary through DDO and than disbursed through scroll in the accounts of social mobilizes but audit observed that no documents were available which shows that bank accounts were submitted by concerned Social Mobilizes for shifting salary in their bank accounts duly attested by the Bank.
- iii. Not a single contraceptive surgery was performed in RHSA Nankana up to February 2013 as evident from the performance reports. Expenditure incurred on the pay and allowances of staff and contingencies was wasted as the entity failed to serve the purpose for which the same was established.

Audit was of the view that weak supervisory and financial controls resulted in irregular payment to Social Mobilizers and wastage of public money.

The matter was pointed out in March 2017. The management stated that detailed reply would be submitted after scrutiny of record.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October and November 2017.

Audit recommends that the matter may be inquired at the administrative level to fix the responsibility besides adoption of remedial measures.

(PDP No.19144- RHSA, Family Health Clinic, Nankana Sahib-2014-16)

23.4.9 Irregular cash drawl of Fixed TA/DA - Rs.2.30 million

As per notification of Director General Population Welfare Department vide No. PWD/Finance/Misc./8-35/8052 dated 14.10.2005, rate of TA/DA of Rs. 350 per month was fixed for Family Welfare Assistant w.e.f. 01.07.2005 and as per Finance Department letter No.SO(TT)2-2/72-Pt-I dated 19.07.2008, monthly payments of all Government employees may strictly be disbursed through their bank accounts.

During audit of Population Welfare Department, it was noticed that stated amount was paid on account of Fixed TA /DA in cash instead of through bank accounts. The amount was drawn through manual bills for the years 2013-17. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount overpaid
1	District Population Welfare Officer, D. G. Khan	2014-17	22659	1,077,200
2	District Population Welfare Officer, Sialkot	2014-17	19180	1,225,150
3	District Population Welfare Officer, Layyah	2013-17	22348	712, 200
Total				2,303,262

Audit was of the view that weak supervisory and financial controls resulted in irregular cash drawl of Fixed TA/DA.

When pointed out the matter in September 2017. The management stated that matter would be taken up with the administrative department and compliance would be made.

The matter was further reported to the administrative department. In DAC meeting held on 10.01.2018, the para at Sr. No.2 was kept pending for regularization from Finance Department. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends to take up the matter with the administrative department to review / rationalize the mode of payment of fixed TA/DA to all Family Welfare Assistants.

23.4.10 Irregular opening of bank account and non-placement of bank accounts into the bank of Punjab

As per Para 9.1 of STR, a government servant may not, except with the special permission of the Government, deposit in a Bank moneys withdrawn from the Consolidated Fund or the Public Account of the Province under the provisions of Section VII of these rules. Further, as per Finance Department letter No.FD(FR)V-6/2 dated 29.10.1978, in no case the Government money coming into the hands of a Government servant either on account of receipts of the Government or by way of with drawal from the Treasury should be kept in a commercial bank except with the specific sanction of the Finance Department. Government of the Punjab, Finance Department letter No.FD(W&M)1-1/70(Vol-XI) dated 20.11.2013 directed all the department, autonomous bodies, semi-

autonomous bodies, boards, foundation etc. to take immediate steps and retrieve such amount from the commercial banks for placing them in the bank of Punjab.

During audit of the accounts of following formations of the Population Welfare Department, it was observed that bank accounts were being operated by the management but permission for opening of bank accounts from the Finance Department was not obtained and accounts were not maintained with the Bank of Punjab.

Sr. No.	Name of formation	Period of audit	PDP No.
1.	RHSA, Family Health Clinic, Lady Willingdon Hospital, Lahore	2012-16	18958
2.	RHSA, Family Health Clinic, Nishtar Hospital, Multan	2013-16	17993

Audit was of the view that non observance of government instructions resulted in

Audit pointed out the matter during April and May 2017. The management at Sr. No. 1 noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October and November 2017.

Audit recommends that matter may kindly be got regularized from competent authority under intimation to audit besides strengthening of internal controls.

23.4.11 Non surrendering of savings -Rs.331.05 million

As per Rule 17.20 of PFR Vol-I, the department incurring the expenditure is responsible to notify the savings and surrender the same in time. Moreover, as per Para 14.3 of Punjab Budget Manual requires that

the Heads of Departments should submit to the Finance Department the First Statement of Excesses & Surrenders by 1st January and the Second Statement of Excesses and Surrenders by 31st March.

During the scrutiny of expenditure statements of D.G. Population Welfare, Lahore for the period 2014-16, it was observed that an amount of Rs.331,046,042 was not utilized. Further, expenditure statements of cost centers LZ-4131 & LO-5237 for the period 2014-16 & 2015-16 respectively were not reconciled from AG Office.

Audit was of the view that negligence of the management resulted in the lapse of funds amounting to Rs.331,046,042.

When pointed out in February 2017, the management noted the observation for compliance.

The matter was further reported to the administrative department. In DAC meeting held on 10.01.2018, the para was kept pending for regularization from Finance Department. Further progress was not reported till the finalization of this report.

Audit recommends that appropriate action be taken against responsible besides reconciliation of expenditure statements.

(PDP No.17543-Director General Population Welfare Department, Lahore – 2014-16)

23.4.12 Irregular payment of pending liabilities- Rs. 49.74 million

As per Rule 17.18 of PFR Vol-I, under no circumstances any charges incurred be allowed to stand over to be paid from the grant of another year. Moreover, as per Rule 17.17 (A) *ibid*, every Disbursing Officer shall maintain a register of liabilities in P.F.R. Form No. 27 in which he should enter all those items of expenditure for which:

- Payment is to be made by or through another officer;
- Budget allotment or sanction of a higher authority is to be obtained; or
- Payment would be required partly or wholly during the next financial year or years.

During audit of Director General, Population Welfare Department, Lahore for the period 2016-17, it was observed that an amount of Rs. 49,737,816 irregularly was paid relating to financial year 2015-16 out of budget for the year 2016-17.

Sr. No.	V. No.	Cheque No.	Date	Head of Account	Description of vouchers	G. Amount (Rs.)
1	32	2817333	16.11.16	A09370	Contraceptive	26,588,292
2	46	2819229	2.12.16	A09601	Purchase of M & E	32,640
3	112	2826882	25.01.17	A03907	Publicity and Advertisement	71,131
4	121	00	00	A03907	Publicity and Advertisement	67,209
5	80	2820105	13.12.16	A03907	Publicity and Advertisement	422,020
6	1	2800709	19.10.16	A03907	Publicity and Advertisement	11,035,359
7	4	2800712	19.10.16	A03907	Publicity and Advertisement	11,521,165
Total						49,737,816

Audit was of the view that weak supervisory and financial controls resulted in irregular payment of pending liabilities.

When the matter was pointed out in August 2017, the management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October and November 2017.

Audit recommends to get the irregularity condoned from competent authority besides adoption of remedial measures.

(PDP No.20738 –Director General Population Welfare Department, Lahore – 2016-17)

Performance

23.4.13 Non completion of project “Population welfare program Punjab”-Rs.7.16 million

As per approved PC-I gestation period of the project was from July 2010 to June 2015.

During audit of WMO/In-charge FHC (RHS-A) Chunian at Kasur for the period 2013-16, it was observed that under the said project office of the RHS-A Chunian was required to be constructed at THQ Chunian up to June 2015 but the secretary concerned gave administrative approval on 19.05.2015 for construction of RHS-A building at THQ hospital Chunian for Rs.7,160,000. Up till March 2017 only 60% work could be completed and rest of the work was stopped due to lack of funds. The office of the RHS-A Chunian was housed temporarily at DHQ Hospital Kasur.

Audit was of the view that due to non-completion of the said building the people of Chunian were deprived of the family health facility.

When the matter was pointed out, the management replied that the building and patient welfare need is the first priority of the Population Welfare Department. We will complete the deficit work in the current year.

The matter was further reported to the administrative department. In DAC meeting held on 10.01.2018, the committee kept the para pending with the direction that matter may be probed at administrative level. Further progress was not reported till the finalization of this Report.

Audit recommends that project be completed at the earliest besides action against those responsible for delay

(PDP No.17992 – RHSA, Chunian, Distt, Kasur, 2013-16)

Internal control weakness

23.4.14 Irregular expenditures on advertisement due to improper planning and monitoring - Rs. 42.09 million and loss due to non-fulfillment the commitments of agreement- Rs. 2.50 million

As per contract between Department and M/S creative junction provided that the procuring agency bids for the installation of bill boards, Streamer, Banners, branding of Qingqi and branding of Auto Racksaws in 36 districts of Punjab in pursuance, whereas M/S Creative junction being the prequalified advertising agency in Pakistan and ancillary services offered for Electronics, print and outdoor media items and the procuring agency has accepted the bid by the contractor for the installation of bill boards, streamers & Banners services in sum of Rs. 2,535,240 for the installation of 16 Bill Boards, 14300 Streamers and 9200 Banners.

During audit of D.G. Population Welfare Department for the period 2016-17, it was observed that department expended stated amount for installing bill boards, streamer, banner, branding of Qingqi rikshaw etc. but the firm dispatched the streamer and banners in 36 District Population Welfare Offices instead of placement on specified places. Audit presumed that if 20% of total contract is taken as labour cost for placement of banners and streamer, then recovery of estimated amount of Rs.2,489,000 on account of labour cost should be recovered from contractor. It was further observed that:

- The prequalification or assessment of the firm was not made.
- Office deducted income Tax @ 8% on services instead of 10% causing less deduction of income tax of Rs 496,844.

Audit was of the view that due to non-execution of contract as per clauses of the contract resulted in loss to Department.

When the matter was pointed out in August 2017, the management did not offer any reply.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October and November 2017.

Audit recommends the department to inquire the matter to fix responsibility for making payment without execution of the contract and get recover the placement cost from the firm.

(PDP No.20724 -Director General Population Welfare Department, Lahore-2016-17)

23.4.15 Non surrendering of saving of budget grant-Rs.14.31 million

Para 14.3 of the Punjab Budget Manual requires that all the anticipated saving should be surrendered in the 1st statement of excess and surrenders by 1st January and 2nd statement by 31st March, so that it could be utilized where it actually needed

During scrutiny of expenditure statements of following offices of the Population Welfare Department, it was observed that that an amount of Rs.14,312,313 was not surrendered and thus lapsed at the close of financial year. Had the amount been surrendered well in time, the same could have been utilized for other useful purpose.

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	District Population Welfare Officer, Khushab	2016-17	21113	17,569,316
2	District Population Welfare Officer, Sialkot	2014-16	19187	13,999,361
3	Secretary, Population Welfare Department, Lahore	2015-16	17887	312,952
Total				14,312,313

When pointed out in January and September 2017, the formations did not offer any reply.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October and November 2017.

Audit recommends that matter may kindly be got regularized from competent authority under intimation to audit

23.4.16 Irregular purchase of stationery without getting competitive rates-Rs. 2.82 million

As per Rule 9 of Punjab Procurement Rules 2014, a procuring agency shall announce in an appropriate manner all proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements so planned. The procuring agency shall advertise in advance annual requirements for procurement on the website of the authority as well as on its website.

According to Rule 2 (b) (i) (ii) of Delegation of Financial Power Rules 2006, Category-I officer was competent to accord the sanction to incur expenditure of Rs.400,000 on purchase of stationery (including computer stationery) during a financial year.

During audit of Population Welfare Department, it was observed that an amount of Rs. 2,818,779 was incurred on local purchase of stationery (including computer stationery) without assessing and advertising the same on PPRA website. Moreover, the DDO being category-I officer accorded sanction of the expenditure in violation of above rule.

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs)
1	Director General Population Welfare, Lahore	2014-16	17529	1,646,729
2	Secretary, Population Welfare Department, Lahore	2016-17	19406	495,806
3	Secretary, Population Welfare Department, Lahore	2015-16	17886 & 17884	676,244
Total				2,818,779

Audit was of the view that lapse was occurred due to weak supervisory and financial control.

Audit pointed out the matter in January and April 2017. The formations at Sr. Nos. 1 & 3 noted the observations for compliance. The management at Sr. No. 2 stated that relevant record would be shown.

The matter was further reported to the administrative department. In DAC meeting held on 06.10.2017, the amount of the para at Sr. No. 2 was reduced to Rs. 495,806 and kept pending to the stated extent for regularization from Finance Department. The paras at Sr. Nos. 3 were kept pending for regularization. The para at Sr. No. 1 kept pending for compliance. Further progress was not reported till the finalization of this report.

Audit recommends that matter may kindly be got regularized from competent authority under intimation to audit besides strengthening of internal controls.

23.4.17 Un-justified repair of 37 MSU new vehicles-Rs. 4.07 million

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 Family Health Clinic, Pattoki for the period 2012-16, it was observed that 37 Master Fort Land vehicles were provided to RHS-A (FHC) in 2006. Since then the vehicles remained with the RHS-A without being operated, due to which the same became out of order.

In 2015 the Government had decided to fabricate the vehicle as Mobile Service Unit from M/s Razmak Industries Peshawar but the vehicles were found not able to travel to Peshawar. The Government provided funds of Rs. 4,070,810 for the repair of these vehicles which did not travel even a single mile. After getting the vehicles repaired to become road worthy the same were send to M/s Razmak Industries Peshawar. The payment of fabrication of the same vehicles was made directly from Population Welfare Department. From the above state of affair, audit apprehend that due to negligence of the RHS-A management, poor planning of the Department, the Government had put to loss of Rs.4,070,810.

When pointed out the matter in March 2017, the management noted the observation for compliance.

The matter was further reported to the administrative department. In DAC meeting held on 10.01.2018, the para was kept pending for verification of record. Further progress was not reported till the finalization of this Report.

Audit recommends that matter be probed into for fixing responsibility for early purchase of vehicles in 2006, fabrication of the same vehicles in 2016 after 10 years and expenditure be got regularized.

(PDP No.18864 -RHSA, Pattoki, Kasur -2012-16)

Recoveries and overpayments

23.4.18 Non / less deduction of taxes-Rs. 59.05 million

According to Income Tax Ordinance 2001, Punjab Sales Tax on Services Act 2012, Sales Tax Act 1990 and Stamp Duty Act 1899, the departments are required to deduct taxes at prescribed rates at the time of payment. Moreover, as per Finance Department letter No.SO(M-I)1-1/2000(P-I) dated 20.05.2011, it was clarified that professional tax becomes due at prescribed rates by first day of July each year.

During audit of Population Welfare Department, it was observed that income tax, provincial sales tax, sales tax and professional tax were either not deducted or were less deducted at source on goods and services from the concerned firms/contractor. Moreover, in some cases the payment of the stamp duty at the prescribed rates was not made.

The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Nature of tax	Amount (Rs.)
1.	Director General Population Welfare, Lahore	2016-17	20729	PST	33,516,727
2.	Director General Population Welfare, Lahore	2014-16	17528	PST	16,813,908
3.	Director General Population Welfare, Lahore	2016-17	20728	Income tax	3,342,366
5.	Director General Population Welfare Officer, Lahore	2014-16	17535	Stamp duty	613,540
6.	District Population Welfare Officer,	2014-17	22660	Income tax	948,032
7.	Director General Population Welfare Officer, Lahore	2016-17	20730	Stamp duty	928,741
8.	Director General Population Welfare, Lahore	2014-16	17530	Income tax	832,419

Sr. No.	Name of formation	Period of audit	PDP No.	Nature of tax	Amount (Rs.)
9.	Director General Population Welfare, Lahore	2014-16	17536	1/5 GST	532,196
10.	Director General Population Welfare, Lahore	2014-16	17532	PST & Income tax	425,683
11.	Director General Population Welfare, Lahore	2016-17	20736	PST	285,876
12.	District Population Welfare Officer, Sialkot	2014-17	19184	Income tax	151,216
13.	District Population Welfare Officer, Layyah	2013-17	22344	PST & Income tax	213,445
14.	Director General Population Welfare Officer, Lahore	2014-16	17541	Professional tax	135,000
15.	District Population Welfare Officer, Multan	2014-17	20226	Income tax	105,750
16.	Director General Population Welfare, Lahore	2014-16	17538	PST	86,778
17.	District Population Welfare Officer, Layyah	2013-17	22343	PST & Income tax	76,655
18.	District Population Welfare Officer, Toba Tek Singh	2013-16	18215	Income tax	40,508
Total					59,048,840

Audit was of the view that weak internal controls on taxation resulted in non-deduction of taxes and payment of stamp duty.

Audit pointed out the matter in February, August and September 2017. The formations at Sr. Nos. 1 & 10 stated that specification was given in bidding documents, which was not relevant. The management at Sr. No. 7 replied that matter would be taken up with higher ups. The formations at Sr. Nos. 2 to 6, 8 to 18 noted the observations for compliance.

The matter was further reported to the administrative department. In DAC meeting held on 10.01.2018, the paras at Sr. Nos. 2, 8, 12 & 14 were kept pending for recovery; the amounts of the paras at Sr. Nos. 5, 16

& 18 were reduced to stated extent; the para at Sr. No.10 was kept pending for clarification from Punjab Revenue Authority and the para at Sr. No. 9 was kept pending with the direction that either to provide the deposited record of sales tax or effect recovery from the concerned. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department should strengthen its internal controls on taxation, effect recovery of the stated amount of the taxes and deposit the same into relevant treasuries.

23.4.19 In-admissible payments of pay & allowances-Rs. 1.64 million

As per para 4& 5 of terms and conditions of appointment, after regularization, the contract employees were not entitled to 30% Social Security and pay was to be fixed on minimum of scale. As per Population Welfare Department letter no. PWD /SO(B) 1-6/2012 dated 28.04.2016, Non Practicing Allowance @ Rs 4000 and Health Professional Allowance @ Rs 16200 was allowed to doctors working in BPS-17 with salary package of Rs 30,000 p.m.

During audit of Population Welfare Department for the period 2014-17, it was observed that inadmissible pay & allowances were drawn by the officers/officials of the department. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Details of in-admissible payments	Amount overpaid
1.	Director General Population Welfare Officer, Lahore	2016-17	20734	Non practicing allowance & Health Professional allowance was paid to Doctors working on administrative posts	784,427

Sr. No.	Name of formation	Period of audit	PDP No.	Details of in-admissible payments	Amount overpaid
2.	District Population Welfare Officer, Sialkot	2014-17	19183	After regularization, pay was not fixed at minimum of scale and payment of social security benefit was not stopped.	360,140
3.	District Population Welfare Officer, Khushab	2016-17	21121	Payment of pay and allowances during EOL, conveyance allowance, social security benefit,	151,230
4.	District Population Welfare Officer, Attock	2013-17	22551	Payment of Non Practicing Allowance & Health Professional allowance	72,000
5.	RHSA, (Family Health Clinic) Sahiwal	2013-17	22864	Payment of Health Sector Reform Allowance	122,522
6.	District Population welfare Officer, Layyah	2013-17	22346	Payment of pay & allowances	150,224
Total					1,640,543

Audit was of the view that weak supervisory and financial controls resulted in payment of in-admissible pay and allowances.

The matter was pointed out in August and September 2017. The formations noted the observations for compliance.

The matter was further reported to the administrative department. In DAC meeting held on 10.01.2018, the para at Sr. No.2 was kept pending for recovery. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that steps may be taken for early recovery of the amount involved and its deposit into government treasury.

23.4.20 Non deposit of sale proceeds of contraceptives-Rs.1.55 million

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 DPWO, Layyah for the period 2013-17, it was observed that an amount to the above extent was collected on account of sale proceeds of contraceptives but the same was not deposited into Government account. The details are as under:

Sr. No.	Name of item	OB 01.07.13	Receipt during 2013 to 2017	Total	Consumed during	Balance 30.06.17	Rate	Amount	
1.	Condom	56,500	2,875,000	2,931,500	2,185,969	745,531	0.50	1,092,985	
2.	POP	-	5,760	5,760	5,760	-	3.00	17,280	
3.	COC	-	84,960	84,960	64,207	20,753	3.00	192,621	
4.	EC	-	5,100	5,100	5,100	-	3.00	15,300	
5.	Cu-T	1,800	49,200	51,000	37,683	13,317	3.00	113,049	
6.	Multiload	-	-	-	-	-	3.00	-	
7.	Norigest Inj.	-	-	-	-	-	3.00	-	
8.	Famila Inj/Mag	2,025	52,400	54,425	39,848	14,577	3.00	119,544	
9.	Implanon	-	896	896	808	88	3.00	2,424	
10.	Jadelle	-	600	600	269	331	3.00	807	
Total									1,554,010

Audit was of the view that weak supervisory and financial controls resulted in non-deposit of sale proceeds of contraceptive.

The matter was pointed out in November 2017. The management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October and November 2017.

Audit recommends that matter be probed into for fixing responsibility and taking action against the defaulter besides recovery of the stated amount from the person held responsible.

(PDP No.22654-District Population Welfare Officer, Layyah – 2013-17)

Others

23.4.21 Irregular hiring of services of unregistered Non Government Organization-Rs.120.89 million

As per Government of the Punjab, Population Welfare Department letter No.PWD/Dir.(R&T)/F.O.C.S/2016 dated: 16.08.2016, NGO must be registered with the Government and have NOC from the Interior Ministry.

During audit of DPWO Layyah for the period 2013-17, scrutiny of the PC-I of the project “Franchising of clinical services” with gestation period July 2016 to June 2018 revealed that the department intended to acquire services of NGO as service provider to family patients in un-served or underserved areas of the district. But the management failed to identify un-served and underserved areas of the district before acquiring services of the NGO. Moreover, NGO was not registered with the Government. Service provider NGO was required to induct 5 doctors and 20 paramedics registered with Pakistan Medical & Dental Council (PMDC) and Pakistan Nursing Council (PNC) in the first year of the project with the consent of the district management but the NGO selected the doctors and paramedics on their own without obtaining registration certificates of the concerned forum.

In first year 22500 to 27500 new family patients were required to be treated through franchise clinics but franchise clinics could only treat 2534 patient in the first year, which far below the target of the project.

Due to irregular hiring of services of NGO and subsequent selection of doctors and paramedics, objectives of the project were not achieved.

When the matter was pointed out in November 2017, the management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October and November 2017.

Audit recommends that matter be probed into for fixing responsibility and taking action against the defaulter besides regularization of irregularity with the sanction of Finance Department

(PDP Nos.22340 & 22341-District Population Welfare Officer, Layyah-2013-17)

23.4.22 Irregular appointments of community based family patient workers

As per advertisement appear in the newspapers, age limit for apply of the post was 25 to 35 years and applications must reached up till 02.01.2016. Applications received afterwards will not be accepted.

During audit of DPWO Layyah for the period 2013-17, it was observed that the management advertised vacant posts of community based family patient workers in the newspapers. Applications were required to be submitted up to 02.01.2016. A perusal of appointment record revealed that 45 applicants were appointed as community based family patient workers. Out of selected candidates 8 were found over age.

Sr. No.	Sr. No. of the list	Name of the candidate	Name of village	Date of Birth	Age (25-43) 18-04-16
1.	71	Sajida Perveen w/o M. Jameel	Chowk Azam Rural Layyah	29-06-1977	38-09-24
2.	76	Ruqia Bibi W/o Jaafer Hussain	Pahar Pur Thal Layyah	06-04-1980	36-00-12

Sr. No.	Sr. No. of the list	Name of the candidate	Name of village	Date of Birth	Age (25-43) 18-04-16
3.	87	Nusrat Bibi W/o Faiz Muhammad	Chak No. 156/TDA Ladhana	01-01-1979	37-03-17
4.	196	Riffat Yasmeen W/o Badr-ul-deen	Chak No. 90/ML Karor	04-05-1979	36-11-14
5.	236	Rashida Umer W/o Umer Hayyat	Ada Awan Abad Khairay Wala	29-10-1978	37-05-22
6.	237	Sakeena Elahi W/o Mulazim Hussain	Nawan Kot Tehsil Choubra	12-09-1975	40-07-06
7.	257	Farzana Naaz D/o Ghulam Hussain	Chak No. 109/TDA Basti Subani	01-01-1975	41-03-17
8.	260	Kausar Perveen D/o Laal Deen	Chak No.371/TDA Choubara	01-01-1971	45-03-00

Moreover, two candidates had applied for the post on 18.04.2016 instead of 02.01.2016 and the same were appointed by the appointing authority irregularly.

Name of the candidate	Name of village	Date of Birth	Age (25-43) 18-04-16	Date of application
Sumaira Saeed D/o Saeed Ahmed	Chak No. 125-A/TDA Mandi town	10-06-90	25-10-12	18.04.16
Rashida Umer W/o Umer Hayyat	Ada Awan Abad Khairay Wala	29-10-78	37-05-22	18.04.16

Audit was of the view that weak supervisory and financial controls resulted in irregular appointment.

When pointed out in November 2017, the management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October and November 2017.

Audit recommends that matter be probed into for fixing responsibility and taking action against the defaulter besides regularization of irregularity with the sanction of Finance Department

(PDP No.22342-District Population Welfare Officer, Layyah-2013-17)

23.4.23 Mis-procurement of medicines-Rs. 603,599

According to Rule 12 of Punjab Procurement Rules 2014, procurement over one hundred thousand rupees and upto the limit of two million rupees, shall be advertised on the PPRA website. These procurement opportunities may also be advertised in print Media, if deemed necessary.

During audit of Family Health Clinic Okara for the period 2013-17, it was noticed that expenditure of Rs. 603,599 was incurred for the procurement of medicines but tender was neither floated on PPRA website nor in print media in violation of above mentioned rule. Furthermore, medicines were purchased on maximum retail price instead of on discounted price as per government policy. Due to non-receipt of discount the department sustained a loss.

Audit was of the view that non observance of Punjab Procurement Rules resulted in mis-procurement of medicines.

When pointed out, the management stated that the medicines were purchase on day to day basis on demand of the clinic.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October and November 2017.

Audit recommends that the responsibility be fixed and the irregular expenditure may be got regularized from the Finance Department.

(PDP No.22673-RHSA/FWC, Okara – 2013-17)

CHAPTER 24

SERVICES AND GENERAL ADMINISTRATION DEPARTMENT

24.1 *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.

24.2 Comments on Budget & Accounts (Variance Analysis)

Introduction

The Appropriation Accounts for the year 2016-17 of S&GAD Department indicate expenditure on various specified services vis-à-vis appropriation authorized by Government of the Punjab.

Summary of Appropriation Accounts

The summarized position of actual expenditure during 2016-17 against the total of five grants/appropriations is 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)
PC21010	4,799.330	2,223.333	7,022.663	6,747.947	(274.716)
PC21011	17,375.439	443.015	17,818.454	16,690.703	(1,127.751)
PC21031	1,721.066	2,174.300	3,895.366	3,843.835	(51.531)
PC24045	1.600	0	1.600	2.400	0.800
PC22036	53.463	1,027.412	1,080.875	1,045.396	(35.479)
Total	23,950.898	5,868.06	29,818.958	28,330.281	(1,488.68)

Overview of Expenditure

The final budget of S&GAD Department for the year ended 30 June, 2017 was Rs. 29,818.958 million. Out of this, actual expenditure was Rs. 28,330.281 million. 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	23,897,435,000	27,284,884,580	3,387,449,580	14.17
Development	53,463,000	1,045,396,324	991,933,324	1,855.36
Total	23,950,898,000	28,330,280,904	4,379,382,904	18.28

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	28,738,083,000	27,284,884,580	(1,453,198,420)	5.06
Development	1,080,875,000	1,045,396,324	(35,478,676)	3.28
Total	29,818,958,000	28,330,280,904	(1,488,677,096)	4.99

Anticipated savings not surrendered

As per para 14.3 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. (1,488.68) million at the close of the year 2016-17 under grants PC21010, PC21011, PC21031 & PC22036 were not surrendered in time by the Department.

Excess expenditure 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.0.800million for the year 2016-17 under grant PC24045 had not been got regularized so far. This was breach of legislative control over appropriations.

24.3 *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	1984-85	5	1	4	20
2	1985-86	7	5	2	71
3	1986-87	8	6	2	75
4	1990-91	1	1	0	100
5	1991-92	3	1	2	33
6	1992-93	1	1	0	100
7	1993-94	2	1	1	50
8	1994-95	7	3	4	46
9	1996-97	22	0	22	0
10	1997-98	2	0	2	0
11	1998-99	19	15	4	79
12	1999-00	46	26	20	57
13	2000-01	47	39	8	83
14	2003-04	37	20	17	54
15	2005-06	9	1	8	11
16	2006-07	9	1	8	11
17	2009-10	35	8	27	23
18	2010-11	8	2	6	25
19	2011-12	7	1	6	14
20	2013-14	12	3	9	25
Total		287	135	152	47

The status of compliance with PAC directives in Services & General Administration Department is less than 50 percent. The department needs to improve it.

24.4 AUDIT PARAS

Non production of record

24.4.1 Non production of record-Rs.374.62 million

Section 14 (2) & (3) 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 Services and General Administration Department, the auditable record was not produced for audit scrutiny despite of repeated requests. (Annexure-53)

Audit was of the view that due to non-production of record, the authenticity of the accounts could not be verified.

The matter was pointed out in March to November 2017. The management at Sr. No. 1 replied that Secret Service Expenditure was not to be audited by Accountant General. Rest of the formations noted the observations for detailed reply/compliance.

The matter was further reported to the administrative department. The DAC meetings were held on 28.11.2017, 13.12.2017 and 02.01.2018, the amount of the para at Sr. No. 3 was reduced to stated extent after verification of record and kept pending for regularization from Finance department. The para at Sr. No. 9 was kept pending for compliance. The department in respect of paras at Sr. Nos. 7 & 14 explained that entire purchase was made by PITB as per direction of CM. The committee kept the paras pending for production of original record through PITB. Para at

Sr. No. 8 was kept pending with the direction to submit vouched accounts of the concerned offices to AG Punjab for reconciliation/adjustment. In respect of Sr. No. 10, para was kept pending for detail verification of the log books. Further progress was not reported till the finalization of this Report.

Audit recommends the department to produce the relevant record to audit for scrutiny besides fixing of responsibility for non-production of record.

Irregularities & non-compliance

24.4.2 *Mis-procurement due to violation of Punjab Procurement Rules-Rs.200.17 million*

According to Rule 69 of Punjab Procurement Rules 2014, any violation of these rules (Punjab Procurement Rules) shall be treated as mis-procurement.

During audit of Additional Chief Secretary, Services and General Administration Department Lahore, it was observed that Punjab Procurement Rules and terms & conditions of procurement were violated while making procurements valuing Rs. 200,174,589 (Annexure-54).

Audit was of the view that disregard to government rules resulted into mis-procurement/irregular expenditure.

The irregularity was pointed out during March to November 2017. The management at Sr. No. 3 replied that it was its first tender. The management at Sr. No. 7 replied that no violation of Punjab Procurement Rules had been made. Rest of the formations noted the observations for compliance/detailed reply.

The matter was further reported to the administrative department. In DAC meeting held on 28.11.2017, the paras at Sr. Nos.1 & 19 were kept pending for regularization from Finance Department. Further

progress was not reported by the department till the finalization of this Report. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October and November 2017.

Audit recommends regularization of the expenditure from Finance Department besides strengthening internal and supervisory controls.

24.4.3 Irregular payment of rent of building-Rs. 96.94 million

As per Section No.5 (2, 3, 5 & 6) of Punjab Rented Premises Act 2009, a landlord shall present the tenancy agreement before the Rent Registrar. Further, according to Note 3 of Serial No. 3 of Punjab Delegation of Financial Powers Rules 2016, Hiring of buildings on rent would be subject to the conditions that (a) the accommodation is according to the scale approved by the Government, (b) the rent does not exceed the tax assessed by the Excise, Taxation and Narcotics Department for the purpose of Urban Immovable Property Tax. In case the rent exceeds as assessed by the Excise, Taxation and Narcotics Department, the Administrative Department shall give rent reasonability certificate and, (c) non-availability certificate by the C&W Department that there is no official building available for housing a particular office. As per Section 35(a)(ii) and 15(ii) of Schedule-I of Stamp Act 1899 read with Finance Act 1995 (Act-VI of 1995) Government of the Punjab, where the lease purpose to be for a term of not less than one year but not more than three years, stamp duty shall be charged @ 2% the amount or value of the average annual rent reserved.

During audit of Punjab Public Service Commission, Lahore for the period 2016-17, it was observed that an amount of Rs.96,941,250 was incurred on rent of official buildings but registered Lease agreement, assessment certificate by E&T Department, Non Availability Certificate

from Buildings Department and documents showing payment of property tax were either not available or were not shown to Audit.

Audit was of the view that weak supervisory and financial controls led to irregular payment of rent of building.

When pointed out the matter in October 2017, the management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October and November 2017.

Audit recommends for fixing responsibility for non-adhering to the laid down procedure besides regularization and strengthening of supervisory and financial controls.

(PDP No. 20053- PPSC (S&GAD), Lahore-2016-17)

24.4.4 Non-submission of monthly accounts to treasury- Rs.86.54 million

According to Finance Department Notification No.SO (TT) 6-1/2007 dated 26.10.2007, the operator of SDA would be required to submit monthly accounts of expenditure supported with copies of paid vouchers to the concerned AG/DAO/TO for post audit purpose by 15th of month following the month in which expenditure was incurred.

During audit of Deputy Commissioner, Rawalpindi for the period 2016-17, it was observed that monthly accounts of expenditure amounting to Rs. 86,542,194 were not submitted to treasury office for post audit in violation of government instructions.

Audit was of the view that non observance of government instructions resulted in non-submission of monthly accounts.

When the matter was pointed out in October 2017, the management stated that detailed reply would be submitted after scrutiny of record.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October and November 2017.

Audit recommends to submit monthly accounts of expenditure duly supported with copies of paid vouchers to the concerned DAO for post audit.

(PDP No. 20240-Deputy Commissioner, Rawalpindi (S&GAD)-2016-17)

24.4.5 Irregular expenditure on purchases-Rs.73.82 million

According to Rule 8 and 22 of Punjab Procurement Rules 2014, a procuring agency shall:

- Announce in an appropriate manner all proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements so planned.
- Use open competitive bidding or publication of request for tender as the principal method of procurement for the procurement.

During audit of Additional Chief Secretary, Services and General Administration Department, it was observed that an expenditure amounting to Rs. 73,820,742 was incurred without using open competitive bidding.

The details are as under:

Sr. No.	Name of management	Period of audit	PDP No.	Amount (Rs.)
1.	Additional Chief Secretary (S&GAD), Lahore (Welfare Wing)	2016-17	22972	25,998,717
2.	Additional Chief Secretary (S&GAD), Lahore (I & C Wing)	2016-17	22977	14,127,699
3.	Additional Chief Secretary (S&GAD), Lahore (Cabinet Wing)	2016-17	22978	12,272,218
4.	Additional Chief Secretary (S&GAD), Lahore (Services Wing)	2016-17	22979	8,297,673
5.	Additional Chief Secretary (S&GAD), Lahore (Comptroller Banquet Hall)	2016-17	22982	5,947,372
6.	Additional Chief Secretary (S&GAD), Lahore (S.O. Accounts)	2016-17	22988	3,695,015
7.	Additional Chief Secretary (S&GAD), Lahore (O & M Wing)	2016-17	22991	2,969,603
8.	Additional Chief Secretary (S&GAD), Lahore (Liaison Officer)	2016-17	22954	512,445
Total				73,820,742

Audit was of the view that weak internal and management controls led to irregular/uneconomical expenditure.

The irregularity was pointed out in November 2016. The formations at Sr. No. 2 and 3 replied that purchase was made on case to case basis, other formations noted the observations for compliance/detailed reply.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October and November 2017.

Audit recommends regularization of expenditure besides strengthening internal controls.

24.4.6 Expenditure in excess of budget allocation-Rs. 27.36 million

According to Rule 17.15 of PFR Vol-I, no government servant may, without previously obtaining an extra appropriation, incur expenditure in excess, of the amount provided for expenditure, under the heads concerned, and when a Government servant exceeds the annual appropriation he may be held responsible for the excess.

During audit of Additional Chief Secretary, Services and General Administration Department, it was observed that expenditure amounting to Rs.27,363,955 was incurred in excess of the budget allocation.

Audit was of the view that weak internal and supervisory controls led to excess expenditure.

The irregularity was pointed out in November 2017. The formations noted the observations for compliance/detailed reply.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October and November 2017.

Audit recommends regularization of the expenditure from Finance Department besides strengthening internal and supervisory controls.

(PDP No. 22971-(Welfare Wing) ACS (S&GAD), Lahore-2016-17)

24.4.7 Irregular mode of payment-Rs. 3.69 million

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

During audit of Chief Pilot VIP Flight, Lahore for the period 2014-16, it was observed that a sum of Rs. 26,208,904 was paid in cash in violation of above rule.

Audit was of the view that lapse occurred due to weak financial and supervisory controls on expenditure.

The matter was pointed out in May 2017. The department replied that the most of the payments pertains to POL charges paid to M/s Pakistan State Oil Ltd which is state enterprise.

The matter was further reported to the administrative department. In DAC meeting held on 02.01.2018, the amount of the para was reduced to Rs. 3,686,726 after verification of record and kept pending for regularization from Finance Department. Further progress was not reported till the finalization of this report.

Audit recommends that irregular expenditure may got regularized from the competent authority.

(PDP No. 18736- Chief Pilot VIP Flight (S&GAD), Lahore-2014-16)

24.4.8 Irregular expenditure due to non accountal of POL Rs.25.03 million

According to Section 49 of Apendix-14 of PFR Vol-II, the accounts of petrol, oil, lubricants and spare parts should be maintained separately for each vehicle and the matters of vehicles should always be kept in order.

During audit of Additional Chief Secretary, Services and General Administration Department, Lahore, it was observed that POL valuing Rs. 25,027,035 was not accounted for in the logbooks resulting into irregular and unauthenticated expenditure.

The details are as under:

Sr. No.	Name of management	Period of audit	PDP No.	Nature of irregularity	Amount (Rs.)
1	Additional Chief Secretary, S & GAD, Lahore(Motor Transport Wing)	2016-17	22975	POL not entered in the logbooks due to not mentioning vehicle numbers on logbooks. No entries of lubricants made in logbooks	16,285,204
2	Additional Chief Secretary, S & GAD, Lahore(Motor Transport Wing)	2016-17	22986	Logbooks not maintained.	4,017,002
3	Additional Chief Secretary, S & GAD, Lahore(Motor Transport Wing)	2016-17	22989	Logbooks not maintained	3,234,837
4	Additional Chief Secretary, S & GAD, Lahore(Motor Transport Wing)	2016-17	22949	Logbooks not maintained	1,144,746
5	Additional Chief Secretary, S & GAD, Lahore(Motor Transport Wing)	2016-17	22957	POL not entered in the logbooks due to not mentioning vehicle numbers on logbooks.	345,246
Total					25,027,035

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

The lapses were pointed out in August and November 2017. The management did not offer reply against observation at Sr. No. 3. Rest of the observations were noted for detailed reply/compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October and November 2017.

Audit recommends for probing the matter for fixing responsibility besides regularization of expenditure from Finance Department.

24.4.9 Irregular advance drawl and retention of money-Rs. 23.44 million

As per Rule 17.19 of PFR, Vol-I, it is also not permissible to draw advances from the treasury to prevent the lapse of appropriations. Further, as per Rule 2.10 (b) (5) *ibid*, 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 Punjab Public Service Commission, Lahore for the period 2016-17, it was observed that cashbook of SDA showed closing balance of Rs. 23,442,675 which implies that entire amount of Rs.130,000,000 allocated in the SDA of the Chairman/Secretary, Punjab Public Service Commission was drawn from treasury and placed in bank account to prevent the lapse of appropriation in violation of above rule.

Audit was of the view that irregularity occurred due to weak supervisory and financial controls.

When the matter was pointed out in October 2017, the management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till

the finalization of this Report despite issuance of reminders in October and November 2017.

Audit recommends for probing the matter to fix responsibility besides regularization and strengthening of financial and internal control system.

(PDP No. 20055- PPSC (S&GAD), Lahore-2016-17)

24.4.10 Payment of utility bills of CM Secretariat Rs.15.58 million

According to Rule 17.2 (1) and (2) of PFR Vol-I, sanction to the expenditure of money becomes operative only when funds have been appropriated to meet such expenditure, and does not become operative until they have been so appropriated. There are, thus two elements necessary before public-money can be spent on any object or work; There must be an act of sanction of an authority competent to sanction; There must be an act of appropriation of funds for the purpose by an authority competent to appropriate. Further According to Para 5 of Finance Department letter No. PS/FS/808/78 dated 26.02.1978, Principal Accounting Officers should issue instructions to the Controlling and Disbursing Officers under him that all payments are correctly classified under the appropriate heads of account.

During audit of Additional Chief Secretary, Services and General Administration Department, Lahore for the period 2016-17, it was observed that utility charges of CM Secretariat amounting to Rs.15,583,695 were paid by SO Welfare-I without having budget appropriation to incur said expenditure and despite the fact that CM Secretariat was separate entity having its own financial resources in shape of separate budget appropriation which not only caused misclassification

of expenditure but also overstating the expenditure of S&GAD and understating the expenditure of CM Secretariat.

Audit was of the view that weak internal and supervisory controls led to unjustified, irregular, unauthorized and misclassified expenditure.

The matter was pointed out in April and November 2017. The management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October and November 2017.

Audit recommends regularization of expenditure besides strengthening internal and supervisory controls.

(PDP No.22976- (Welfare Wing) ACS (S&GAD), Lahore-2016-17)

24.4.11 Irregular payment to guest speakers-Rs. 8.05 million

As per Para 16 (1) of Punjab Government Rules of Business 2011, no department shall, without previous consultation with the Finance Department, authorize any orders, other than orders in pursuance of any general or special delegation made by the Finance Department, which directly or indirectly affect the finance of the province.

During audit of Management & Professional Development Department, Lahore for the period 2014-16, it was observed that an amount of Rs. 8,049,150 was paid to the guest speakers without getting approval of rates from Finance Department.

Audit was of the view that lapse occurred due to weak supervisory and financial control.

When the matter was pointed out in April 2017, the management noted the observation for compliance.

The matter was further reported to the administrative department. In DAC meeting held on 28.11.2017, the Para was kept pending with the direction to seek the rates of payments to guests speakers notified from the Finance Department. Further progress was not reported by the department till the finalization of this Report.

Audit recommends for regularization of expenditure besides strengthening internal and supervisory controls.

(PDP No. 18247-Secretary MPDD (S&GAD), Lahore 2014-16)

24.4.12 Irregular discharge of pending liabilities Rs. 3.72 million

As per 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. If possible, expenditure should be postponed till the preparation of a new budget has given opportunity of making provision, and till the sanction of that budget has supplied means; but on no account may charges be actually incurred in one year and thrown on the grant of another year.

During audit of accounts of Chief Pilot, VIP Flight Lahore for the period 2014-16, it was observed that amount of Rs.3,716,987 was drawn against pending liabilities in violation of above rules.

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

The irregularity was pointed out in May 2017. The management noted the observation for future compliance.

The matter was further reported to the administrative department. In DAC meeting held on 02.01.2018, the para was kept pending for regularization from Finance Department. Further progress was not reported till the finalization of this report.

Audit recommends that irregular expenditure may be got regularized from the competent authority.

(PDP No.18735- Chief Pilot VIP Flight (S&GAD), Lahore-2014-16)

24.4.13 Irregular sanction of entertainment charges-Rs. 2.44 million

As per Rule 52(e) of PFR Vol. II, the expenditure on entertainment shall be sanctioned by the Secretaries to Government, Heads of attached Departments and Regional offices out of the contingent grant at their disposal. Further, paragraph 52, Appendix-14, PFR Volume-II, read with the amendments made by the Finance Department letter No. FD (FR) II-2/89(P) dated 29th November, 2006 regulates expenditure incurred on entertainment charges of meetings.

During audit of Overseas Pakistanis Commission, Lahore, it was observed that expenditure on account of entertainment charges amounting to Rs. 2,440,486 was incurred by obtaining sanction from DDO instead of Head of Department and allowing rates higher than the approved rates. Lists of participants were either not available on record or were not shown to Audit. Other discrepancies were also observed. The details are as under:

Sr. No.	Name of management	Period of audit	PDP No.	Amount (Rs.)
1.	Overseas Pakistanis Commission, Lahore	2014-16	19583	1,700,000
2.	Overseas Pakistanis Commission, Lahore	2014-16	19575	740,486
Total				2,440,486

Audit was of the view that weak internal and management controls led to irregular expenditure.

When pointed out in May 2017, the management did not offer any relevant reply.

The matter was further reported to the administrative department. In DAC meeting held on 13.12.2017, the paras were kept pending for regularization from Finance Department. Further progress was not reported till the finalization of this Report.

Audit recommends for probing the matter besides regularization and recovery of overpaid amount.

24.4.14 Irregular recruitment and expenditure on Contingent Paid Staff- Rs. 1.50 million

As per honorable Supreme Court of Pakistan ruling dated 19.01.1993, passed in Human Rights case No.104 (I to IV) 1992 read with S&GAD's Notifications No. SOR-III-2-2/91 dated 05.01.1995 and No. DS (O&M) 5-3/2004/Contract (MF) dated 29.12.2004, no recruitment should be made against any post which is not advertised properly. Moreover, as per Finance Department Letter No. FD. SO.(GOODS)44-4/2011- Dated 6.7.2015 "no contingent paid staff shall be appointed without prior approval of Finance Department".

During audit of Deputy Commissioner Sheikhpura for the period 2016-17, it was observed that expenditure amounting to Rs. 1,496,475 was incurred on payment to contingent paid staff recruited by the department without advertisement and prior approval of Finance Department.

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

When the matter was pointed out, the management noted the observation for future compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till

the finalization of this Report despite issuance of reminders in October and November 2017.

Audit recommends that, irregular expenditure be got condoned with the sanction of competent authority.

(PDP No.20101-DC Sheikhpura-2016-17)

24.4.15 Irregular expenditure due to misclassification-Rs.1.27 million

According to Para 5 of Finance Department letter No. PS/FS/808/78 dated 26.02.1978, Principal Accounting Officer should ensure by using suitable instructions to the Controlling and Disbursing Officers under him that all payments are correctly under the appropriate heads of account.

During audit of Services & General Administration Department, it was observed that expenditure amounting to Rs. 1,274,411 was charged to wrong heads of account resulting into irregular expenditure. The details are as under:

Sr. No.	Name of management	Period of audit	PDP No.	Amount (Rs.)
1	Additional Chief Secretary, S & GAD, Lahore(Welfare Wing)	2016-17	22950	1,140,815
2	Deputy Commissioner, Rawalpindi	2016-17	20239	133,596
Total				1,274,411

Audit was of the view that weak internal and supervisory controls led to irregular expenditure.

The lapse was pointed out in October and November 2017. The management noted the observations for detailed reply/compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till

the finalization of this Report despite issuance of reminders in October and November 2017.

Audit recommends regularization of expenditure from Finance Department besides strengthening internal and supervisory controls.

24.4.16 Irregular expenditure on account of TA/DA-Rs. 1.07 million

According to Account Code Vol-I, Para 31 (1), the whole pay and allowances of a Government servant holding a post substantively or in an officiating capacity should be taken against the department and the post in which he is actually serving.

During audit of Chief Pilot, VIP Flight Lahore for the period 2014-16, it was observed that TA/DA amounting to Rs.1,071,979 was paid to officers of federal government in violation of above rule.

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

The irregularity was pointed out in May 2017. The management replied that the matter has already been taken up with the Civil Aviation Authority in the context. However, further clarification would be sought from the S&GAD/Finance Department for necessary instructions.

The matter was further reported to the administrative department. In DAC meeting held on 02.01.2018, the para was kept pending for clarification from Finance Department. Further progress was not reported till the finalization of this report.

Audit recommends that stated amount be recovered from the officers of the Civil Aviation Authority.

(PDP No. 18905- Chief Pilot VIP Flight (S&GAD), Lahore-2014-16)

Internal control weakness

**24.4.17 Irregular operation of Special Drawing Account-
Rs.86.54 million**

As per Finance Department letter No. SO (TT) 6-1/2009.Pt-IX dated 31.07.2012, all Special Drawing Accounts (SDAs)/Personal Ledger Accounts (PLAs)/ Assignment Accounts (AAs) holders was advised to get their single signatory accounts converted into “Co-signatory” accounts from the Finance Department by 31st August 2012. Further, section 17.3.1.2 of Accounting Policies and Procedure Manual (APPM) requires signing of cheques drawn on the account, by the authorized cheque signatory, and counter sign by a co-signatory from the responsible ministry or department.

During audit of Deputy Commissioner, Rawalpindi for the period 2016-17, it was observed that an amount of Rs. 86,542,194 was drawn from SDA account by signing of cheques by single signatory in violation of the above instructions of the government.

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

The irregularity was pointed out in October 2017. The management noted the observation for detailed reply.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October and November 2017.

Audit recommends regularization of the matter besides strict compliance of government instruction and strengthening supervisory and financial controls.

(PDP No. 20228-Deputy Commissioner Rawalpindi (S & GAD)-2016-17)

24.4.18 Non-compliance of order of CM Punjab

According to summary of Chief Minister Punjab dated 17.02.2009, damaged Beach jet 400-A (RK-80) Aircraft may not be sold and VIP Flight may be allowed to utilize its parts after proper/appropriate procedure. Further 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 losses of stores.

During audit of Chief Pilot, VIP Flight, Lahore for the period 2016-17, it was observed that neither any spare part of damaged Beach jet 400-A (RK-80) was utilized nor was the aircraft auctioned or got repaired despite lapse of several years resulting into loss to government in the shape of deterioration in the value of spares parts and aircraft.

The irregularity was pointed out in May 2017. The management replied that case was already in process and under consideration of the higher authorities for decision.

The matter was further reported to the administrative department. In DAC meeting held on 02.01.2018, the para was kept pending for compliance. Further progress was not reported till the finalization of this report.

Audit recommends for fixing responsibility for non compliance of CM's order and recovering the financial loss besides auctioning the damaged aircraft.

(PDP No. 18734- Chief Pilot VIP Flight (S&GAD), Lahore-2016-17)

24.4.19 Irregular opening of bank account

According to Finance Department's letter No. FD(FR)V-6/2, dated 29.10.1978, a government servant may not, except with the special permission of the Government deposit in Commercial bank moneys withdrawn from the Provincial Consolidated Fund or Public Account of

the Province. Further, as per Rule 9 (1) of Treasury Rules Punjab, a government servant may not, except with the special permission of the Government, deposit in a Bank moneys withdrawn from the Consolidated Fund or the Public Account of the Province under the provisions of Section VII of these rules.

During audit of Deputy Commissioner, Rawalpindi for the period 2016-17, it was observed that bank accounts were opened without seeking permission from Finance Department. The details are as under:

Name of management	Period of Audit	PDP No.	Account No.
Deputy Commissioner, Rawalpindi	2016-17	20246	67316530700636

Audit was of the view that weak supervisory and financial controls resulted in irregular Opening of Bank Account.

When pointed out the matter in October 2017, the management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October and November 2017.

Audit recommends for probing the matter to fix responsibility besides regularization.

(PDP No. 20246-Deputy Commissioner Rawalpindi (S & GAD)-2016-17)

Recoveries and overpayments

24.4.20 Unauthorized allotment of vehicles-Rs.20.10 million

Policy for Retention of Transport Strength in Government Departments circulated vide letter No. MTO (S & GAD) AT-II/ (2-9)

2006 dated 22.04.2008 states that Secretary of the Department/Head of the Department shall be authorized one car as per entitlement (Normally 1300cc); Additional Secretaries and equivalent posts may also be allowed to retain one car of either 1000cc or 1300cc; Deputy Secretaries and equivalent status officers may be allowed to use one car up to 1000cc. The size of general pool shall be very clearly established and no department shall retain vehicles beyond the following parameters in the general pool:

- (a) One car or touring vehicle
- (b) General duty vehicles in accordance with a formula based on strength of Section Officers or equivalent officers available in the department. One vehicle may be allowed to be retained for three Section Officers/equivalent officers to cater for their requirements to attend various meetings outside the office from time to time.

During audit of Services & General Administration Department, it was observed that vehicles were allotted to various officers in violation of above policy which not only led to retention of vehicles in excess of the requirement but also resulted in unnecessary and unjustified expenditure amounting to Rs. 20,102,894. The details are as under:

Sr. No.	Name of management	Period of audit	PDP No.	Nature of Recovery	Amount (Rs.)
1.	Additional Chief Secretary (S&GAD), Lahore (MT Wing)	2016-17	22974	Expenditure of un-authorized vehicles on POL and R & M	16,323,782
2.	Additional Chief Secretary (S&GAD), Lahore (I & C)	2016-17	22987	Expenditure of un-authorized vehicles on POL and R & M	3,779,112
Total					20,102,894

Audit was of the view that non adherence to government instructions and weak financial controls led to unjustified expenditure.

The matter was pointed out in September and November 2017. The management at Sr. No. 1 noted the observation for detailed reply. The management at Sr. No. 2 replied that record will be checked and reconciled and progress will be shown.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October and November 2017.

Audit recommends to recover the amount from the concerned officers and strict implementation of policy for retention of transport strength within the department.

24.4.21 Non/Less deduction of taxes & duties-Rs. 8.16 million

As per Section 153 of income Tax Ordinance 2001, withholding tax @ 4.5% on supplies and @10% on all type of services should be deducted at source w.e.f. July 2014. Moreover, 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 paise for every Rs.100 or part thereof of the amount of contract. Further, according to Section (3) (1) of PST Act 2012, a taxable service is a service listed in Second Schedule.

During audit of Services and General Administration Department, it was observed that taxes and duties amounting to Rs.8,164,607 were either not deducted or were less deducted from the concerned.

The details are as under:

Sr. No.	Name of management	Period of audit	PDP No.	Type of Tax	Amount (Rs.)
1.	Punjab Public Service Commission, Lahore	2016-17	20067	I. Tax	4,981,028
2.	Deputy Commissioner, Rawalpindi	2016-17	20242	Income Tax	502,111
3.	Punjab Public Service Commission, Lahore	2016-17	20077	I. Tax	468,600
4.	Deputy Commissioner, Rawalpindi	2016-17	20243	I. Tax, PST, GST	349,618
5.	Deputy Commissioner, Shiekhupura	2016-17	20099	I. Tax	288,995
6.	Secretary, MPDD, Lahore	2014-16	18244	I. Tax, PST	246,497
7.	Secretary, MPDD, Lahore	2014-16	18242	Stamp Duty	198,496
8.	Additional Chief Secretary (S&GAD), Lahore (MT Wing)	2016-17	22960	Stamp Duty	187,911
9.	Deputy Commissioner, Rawalpindi	2016-17	20244	I. Tax, PST, GST	172,187
10.	Secretary, MPDD, Lahore	2014-16	18243	I. Tax	168,489
11.	Additional Chief Secretary (S&GAD), Lahore (Motor Transport Wing)	2016-17	22962	I. Tax	121,005
12.	Additional Chief Secretary (S&GAD), Lahore (Comptroller Banquet Hall)	2016-17	22963	I. Tax	116,870
13.	Additional Chief Secretary (S&GAD), Lahore (Welfare Wing)	2016-17	22942	I. Tax	109,945
14.	Chief Pilot VIP Flight, Lahore	2014-16	18733	PST	105,464

Sr. No.	Name of management	Period of audit	PDP No.	Type of Tax	Amount (Rs.)
15.	Additional Chief Secretary (S&GAD), Lahore (I & C Wing)	2016-17	22965	I. Tax	82,699
16.	Chief Minister Inspection Team	2014-16	19338	PST	64,692
Total					8,164,607

Audit was of the view that weak internal controls and financial mismanagement led to non-deduction of taxes/duty.

The irregularities were pointed out during March to November 2017. The formations noted the observations for compliance/detailed reply.

The matter was further reported to the administrative department. In DAC meetings held on 28.11.2017 and 02.01.2018, the para at Sr. No.6, 7, 10 & 14 were kept pending for compliance. Further progress was not reported by the department till the finalization of this Report. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October and November 2017.

Audit recommends that the stated amount be recovered from concerned and deposited into government treasury besides fixing of responsibility for non-adherence to rules.

24.4.22 Outstanding recovery of clearance charges from consignees-Rs. 6.12 million

According to Rule 4.1 read with Rule 4.7 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 government treasury accordingly.

During audit of Additional Chief Secretary, Services and General Administration Department (Liaison Officer) Lahore for the period 2016-17, it was observed that clearance charges amounting to Rs.6,121,573 were outstanding against the consignees on account of items imported.

Audit was of the view that non adherence to government rules and weak management controls led to non-recovery of clearance charges.

The matter was pointed out in November 2017. The management did not offer any reply.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October and November 2017.

Audit recommends to probe the matter to fix responsibility and effect recovery besides strengthening of financial controls.

(PDP No.22981-Liaison Officer-ACS (S&GAD), Lahore-2016-17)

24.4.23 Unauthorized payment of inadmissible allowances-Rs. 5.57 million

Fixed Daily Allowance, Risk Allowance, Health Professional Allowance, Instructional Allowance, Special Compensatory Allowance, Consolidation Travelling Allowance, Incentive Allowance, Ration Allowance, Constabulary Allowance and Session Allowance were not admissible to S & GAD employees. Further, as per Rule 2.33 of PFR Vol-I, every government servant will be held personally responsible for any loss sustained by government through fraud or negligence on his part.

During audit of Services & General Administration Department, it was observed that inadmissible allowances were paid amounting to Rs.5,569,834.

The details are as under:

Sr. No.	Name of management	Period of audit	PDP No.	Nature of allowance	Amount (Rs.)
1.	Chief Pilot, VIP Flight, Lahore	2014-16	18739	Flying Allowance	3,784,323
2.	Punjab Public Service Commission, Lahore	2016-17	20060	Different Allowances	463,336
3.	Chief Minister's Inspection Team	2016-17	19336	CMIT Allowance	458,065
4.	Overseas Pakistanis Commission, Lahore	2014-16	19580	Conveyance Allowance	340,000
5.	Chief Pilot, VIP Flight, Lahore	2014-16	18738	Pay & Allowances	263,440
6.	Chief Minister Inspection Team	2014-16	19337	Different Allowances	260,670
Total					5,569,834

Audit was of the view that weak internal and supervisory controls led to overpayment.

The irregularity was pointed out during March to November 2017. The formations noted the observations for compliance/clarification of Finance Department.

The matter was further reported to the administrative department. In DAC meetings held on 13.12.2017 and 02.01.2018, the para at Sr. No. 1 was kept pending for clarification from Finance Department. The committee kept the para at Sr. No. 4 pending for recovery and production of log book. The para at Sr. No. 5 was kept pending for recovery. As regards remaining paras, neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends for probing the matter besides effecting recovery of allowances not admissible.

24.4.24 Non deposit of balance into treasury-Rs. 3.36 million

According to Agriculture Department UO No.1/1205-Agri (FD)/14 dated 11.05.2017, Finance Department released funds for establishment of Agriculture Fair Price Shops and Ramzan Bazars with the direction to refund the balance amounts to Finance Department.

During audit of Deputy Commissioner, Toba Tek Singh for the period 2016-17, it was observed that balance amount of Rs. 3,363,211 (saved with Assistant Commissioners and market committees) was not remitted into government treasury.

When pointed out in October, 2017, the management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October and November 2017.

Audit recommends that amount may be recovered and deposited into government treasury at an early date besides adoption of remedial measures.

(PDP No.22323-DC T.T Singh (S & GAD)- 2016-17)

24.4.25 Non/less deduction of 5% maintenance charges-Rs. 2.07 million

According to the instructions of Finance Department issued vide letter No. FD-(M-I) 1-15/82 P-1 dated 15.01.2000, house rent will not be allowed to the officers/officials to whom Govt. accommodation has been provided and 5% house rent (MA) will be deducted from the salary.

During audit of Additional Chief Secretary, Services & General Administration Department (SO Accounts) Lahore for the period 2016-17,

it was observed that an amount of Rs.2,068,026 on account of 5% house rent (maintenance charges) was not/less deducted from salaries of officers/officials to whom official residences were provided.

Audit was of the view that weak internal and supervisory controls led to loss to government.

The irregularity was pointed out in November 2016. The management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October and November 2017.

Audit recommends for recovering the actual amount of House Rent and 5% HR/Maintenance Charges from concerned employees.

(PDP No.22995- (SO Accounts) ACS (S & GAD), Lahore 2016-17)

24.4.26 Demurrage charges due to late clearance -Rs. 1.32 million

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

During audit of Additional Chief Secretary, Services & General Administration Department (Liaison Officer) Lahore for the period 2016-17, it was observed that government had to sustain a loss amounting to Rs. 1,320,103 due to late clearance of consignments.

Audit was of the view that weak internal controls and financial mismanagement led to loss due to late clearance.

The irregularity was pointed out in November 2016. The management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October and November 2017.

Audit recommends to probe the matter for fixing responsibility and recovering the loss from persons held responsible for late clearance.

(PDP No.22947-(Liaison Officer) ACS (S&GAD), Lahore-2016-17)

24.4.27 Non recovery of Katchery Compound rent from lawyers- Rs.1.20 million (approx.)

In accordance with BOR letter No. 2044-82/2658-E (M)(II) dated 23.11.1982, the premises in Katuchery Compound may be leased out to lawyers / advocates, members of Bar Association, petition reader, stamp vendors, typists and photo machinists who render services to litigants by Dy. Commissioner, subject to rent fixed by the District Rent Committee.

During audit of Deputy Commissioner, Toba Tek Singh for the period 2016-17, it was observed that estimated amount of Rs. 1,200,000 was not recovered from lawyers who were using space of the Deputy Commissioner, Toba Tek Singh.

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

When the matter was pointed out, the management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October and November 2017.

Audit recommends recovery besides maintenance of demand and collection register.

(PDP No.22324-DC TT Singh (S & GAD)-2016-17)

Others

24.4.28 Non adjustment of advance drawl - Rs. 92.92 million

According to No. MPDD (B&A) 27-6/2015 Training Domestic Adjustment Accounts with supporting vouchers/documents shall be furnished to audit office within a period of one month of the drawl of the advance for adjustment in the books of accounts.

During audit of Management & Professional Development Department Lahore for the period 2014-16, it was observed that an amount of Rs. 92,923,000 was advance drawn by the department for training courses and purchase of vehicles but adjustment account was not furnished to concerned accounts office for adjustment.

Audit was of the view that lapse occurred due to weak supervisory and financial control.

When the matter was pointed out in April 2017, the management noted the observation for compliance.

The matter was further reported to the administrative department. In DAC meeting held on 28.11.2017, the Para was kept pending for compliance. Further progress was not reported till the finalization of this Report.

Audit recommends for regularization of the matter besides strengthening internal controls under intimation to Audit.

(PDP No.18248-Secretary MPDD (S & GAD), Lahore 2014-16)

24.4.29 Non submission of vouched accounts for applying audit checks to SDA payments-Rs.52.48 million

As per instructions of operations of SDA, and other payment, the drawing authorities will submit monthly account of expenditure with copies of paid vouchers to the concerned AG/DAO for post-audit purpose.

During audit of accounts of Deputy Commissioner Sheikhpura for the period 2016-17, it was observed that expenditure of Rs. 52,479,565 was incurred from SDA without submission of vouchers to AG for post-audit purpose.

Audit was of the view that weak supervisory and financial controls resulted into non adopting of pre audit system.

When the matter was pointed out the management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October and November 2017.

Audit recommends that vouched accounts be submitted against SDA payments for the amounts duly reconciled with the respective accounting offices.

(PDP No. 20098-DC Sheikhpura (S & GAD)-2016-17)

24.4.30 Doubtful payment of pay & allowances -Rs.40.89 million

According to 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 misappropriations.

During audit of Punjab Public Service Commission, Lahore, it was observed from soft data extracted from SAP R3 System that doubtful payment of pay & allowances amounting to Rs.40,893,299 was made. The details of irregularities are as under:

Name of management	Period of audit	PDP No.	Nature of irregularity	Amount (Rs.)
Punjab Public Service Commission, Lahore	2016-17	20075	New CNIC numbers not entered in SAP R3	35,838,102
		20076	Payment made against unknown/unrelated posts	5,055,197
Total				40,893,299

Audit was of the view that lapse occurred due to weak supervisory, financial and internal controls.

When the matter was pointed out in October 2017, the management noted the observation.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October and November 2017.

Audit recommends for probing the matter for fixing responsibility besides strengthening supervisory, financial and internal controls.

24.4.31 Doubtful expenditure on repair of vehicles-Rs.4.57 million

According to Rule 2.32 (a) of PFR Vol-I, it is not sufficient that a Government servant accounts should be correct to his own satisfaction. He has to satisfy not only himself but also the Accountant-General that a claim which has been accepted is valid, that a voucher is a complete proof

of the payment which it supports, and that an amount is correct in all respects. It is necessary that all accounts should be so kept and the details so fully recorded, as to afford the requisite means for satisfying any enquiry that may be made into the particulars of any case, even though such enquiry may be as to the economy or the bona fide of the transactions.

During audit of Additional Chief Secretary, Services and General Administration Department, Lahore, it was observed that doubtful expenditure amounting to Rs. 4,569,822 was incurred on repair of vehicles. The details of irregularities are as under:

Sr. No	Name of management	Period of audit	PDP No.	Nature of irregularity	Amount (Rs.)
1	Additional Chief Secretary, S & GAD, Lahore (MT Wing)	2016-17	22984	Repairs not entered in history sheet or other record. Repairs not verified by end users.	4,299,914
2	Additional Chief Secretary, S & GAD, Lahore (Liaison Officer)	2016-17	22958	Expenditure on Repair more than the value of vehicle. Repairs not entered in history sheet. Certificate of satisfactory repair not on record.	269,908
Total					4,569,822

Audit was of the view that weak internal and supervisory controls led to doubtful expenditure.

The irregularity was pointed out to concerned formations in November 2017. The formations noted the observations for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October and November 2017.

Audit recommends for probing the matter besides regularization of expenditure from Finance Department.

24.4.32 Non auction of canteen-Rs. 720,000

According to Rule 4.5(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 Rule 2.33 *ibid*, 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 accounts of Punjab Public Service Commission, Lahore for the period 2016-17 , it was observed that a canteen functioning in the office premises was not auctioned resulting into estimated loss of Rs. 720,000 to the Government.

Audit was of the view that weak financial and management controls led to loss to government.

When pointed out the matter in October 2017, the management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October and November 2017.

Audit recommends for probing in the matter to fix responsibility besides recovery of amount of rent from concerned.

(PDP No. 20078- PPSC (S&GAD), Lahore-2016-17)

24.4.33 Pending legal cases regarding selection process of candidates and others

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 Punjab Public Service Commission, Lahore for the period 2016-17, it was observed that 388 legal cases regarding selection process of candidates and others were pending till 14.09.2017.

Audit was of the view that weak supervisory and management controls resulted into pending legal cases.

When pointed out the matter in October 2017, the management noted the observation.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October and November 2017.

Audit recommends for probing looking into the matter and making efforts to expedite the proceeding of the legal cases besides updating and producing the record to Audit for verification.

(PDP No.20071- PPSC (S&GAD), Lahore-2016-17)

CHAPTER 25

SCHOOL EDUCATION DEPARTMENT

25.1 *Introduction*

The Education Department was split into four departments viz., Higher Education Department, Special Education Department, School Education Department and Literacy & Non-formal Basic Education Department in 2013-04. 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.

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

Introduction

The Appropriation Accounts for the year 2016-17 of School Education indicate expenditure on various specified services vis-à-vis appropriation authorized by Government of the Punjab.

Summary of Appropriation Accounts

The summarized position of actual expenditure during 2016-17 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	315.294	(155.038)	160.256	159.502	(0.754)
PC21015	31,604.527	(6106.986)	25,497.541	22,144.455	(3,353.086)
PC22036	47,299.692	(13408.598)	33,891.094	30,005.516	(3,885.578)
Total	79,219.513	(19670.622)	59,548.891	52,309.473	(7,239.418)

Overview of Expenditure

The final budget of School Education for the year ended 30 June, 2017 was Rs. 59,548.891 million. Out of this, actual expenditure was Rs. 52,309.473 million. 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	31,919,821,000	22,303,957,503	(9,615,863,497)	30.13
Development	47,299,692,000	30,005,515,888	(17,294,176,112)	36.56
Total	79,219,513,000	52,309,473,391	(26,910,039,609)	33.97

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	25,657,797,000	22,303,957,503	(3,353,839,497)	13.07
Development	33,891,093,813	30,005,515,888	(3,885,577,925)	11.46
Total	59,548,890,813	52,309,473,391	(7,239,417,422)	12.16

Anticipated savings not surrendered

As per para 14.3 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. (7,239.418) million at the close of the year 2016-17 under grants PC21010, PC21015 & PC22036 were not surrendered in time by the Department.

25.3 *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	1984-85	39	33	6	85
2	1985-86	65	53	12	82
3	1986-87	109	92	17	84
4	1987-88	112	93	19	83
5	1988-89	148	108	40	73
6	1989-90	165	48	117	29
7	1990-91	83	27	56	33
8	1991-92	67	17	50	25
9	1992-93	41	19	22	46
10	1993-94	41	21	20	51
11	1994-95	55	14	41	25
12	1995-96	50	22	28	44
13	1996-97	66	42	24	64
14	1997-98	197	103	94	52
15	1998-99	391	167	224	43
16	1999-00	447	244	203	55
17	2000-01	1427	947	480	66
18	2001-02	471	328	143	70
Total		3974	2378	1596	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 School 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
4.	2014-2015	22	0	22	0
Total		37	2	35	5.4

The compliance with PAC directives in School Education Department is on lower side & concerted/consistent efforts are required to improve upon the compliance percentage.

25.4 AUDIT PARAS

Fraud/ Misappropriation

25.4.1 *Unauthorized withdrawal of Rs. 2.22 million as salaries of the staff members inducted in school on the basis of bogus appointment or transfer*

According to Rule 6 of PEEDA Act 2006, an employee against whom action is proposed to be initiated under section 5 may be placed under suspension for a period of ninety days, if in the opinion of the competent authority, suspension is necessary or expedient, and if the period of suspension is not extended for a further period of ninety days within thirty days of the expiry of initial period of suspension, the employee shall be deemed to be reinstated: Provided that the continuation of the period of suspension shall require the prior approval of the competent authority for each period of extension.

During audit of School Education Department for the period 2015-16, it was observed that department initiated a joint disciplinary proceeding against Former EDO (Education) Sheikhpura and 13 others under the PEEDA Act 2006. The probe committee probed the matter and submitted the following detail of an amount of Rs. 2,218,658 drawn from government treasury as salaries of the staff members inducted in the school on the basis of bogus appointment or transfer/ adjustment orders. The detail of the salaries drawn is as under:

Sr. No.	Name of the official	Amount withdrawn (Rs.)
1.	Kiran Khalid, ESE	207,876
2.	Fozia Sarwat, PET	568,849
3.	Shanila Ashraf, EST	454,206
4.	Abdul Rehman, Mali	451,650
5.	Muhammad Zeeshan, Naib Qasid	179,529
6.	Muhammad Arsalan Javed, Mali	180,035
7.	Samiullah, Chowkidar	176,513
Total		2,218,658

The inquiry was initiated on 18.09.2015 by Additional Director Public Instructions (SE), Punjab, Lahore. Despite the fact that the case was required to be decided within 90 days as per PEEDA Act 2006, the final decision is still awaited.

Audit was of the view that undue delay in inquiry was causing loss to the government.

The lapse was pointed out in January 2017. The management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the matter be investigated, responsibility be fixed for not adhering to the government instructions and recovery having effected be deposited into government treasury.

(PDP No.22199-Secretary School Education Department - 2015-16)

25.4.2 Non/ less deposit of fee into government treasury-Rs.6.51 million

As per Government of the Punjab, Directorate of Staff Development letter No.DSD/AD/GCET/Pri/2009/8259 dated 10.03.2010, tuition fee/hostel fee collected from students of B.Ed., M.Ed. and B.Sc. (Morning/Evening) Programs was required to be deposited into government treasury. Moreover, as per 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 School Education Department, it was observed that department collected a sum of Rs.6,510,864 from students on account of hostel/tuition/college fee during the period under audit but the same was not shown deposited into government treasury. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	Govt. College For Elementary Teachers (Female) Lalamosa, Gujrat	1997-2013	20182	2,799,000
2.	Govt. College For Elementary Teachers (Male) Lalamosa, Gujrat	2002-2016	20191	2,130,600
3.	Govt. College For Elementary Teachers (Female) Lalamosa, Gujrat	1997-2013	20188	1,436,400
4.	Govt. College For Elementary Teachers (Female) Lalamosa, Gujrat	1997-2013	20185	144,864
Total				6,510,864

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

The irregularity was pointed out in April 2017. The formations at Sr. Nos. 1, 3 & 4 did not offer any reply. 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 any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the matter be inquired to fix responsibility and due amount of hostel/tuition/ college fee be deposited into government treasury besides strengthening of supervisory and financial controls.

Non production of record

25.4.3 Vouched account not produced-Rs. 454.58 million

As provided in 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. Further, Punjab Finance Department letter No. FD (M1) III-2/87(P-III), dated 22nd February, 1994 provides that DDO himself will be responsible for production of record to the audit party at the time of audit and that in case of any lapse on his part, severe disciplinary action will be taken against him by the Administrative Secretary personally apart from submitting a report to the Chief Minister/ Chief Secretary.

During audit of School Education Department, the auditable record and the vouched account of the releases/payments made to various organizations/personnel amounting to Rs. 454,576,538 was not produced for audit scrutiny. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	Directorate of Staff Development Lahore	2016-17	21328	187,450,987
2.	Secretary School Education Department	2015-16	22202	125,360,000
3.	Directorate of Staff Development Lahore	2016-17	21331	72,825,448
4.	Cadet College ChoaSaiden Shah, Chakwal	2015-16	17489	40,639,220
5.	Govt. College For Elementary Teachers (Male) Lalamosa, Gujrat	2002-16	20190	13,717,160
6.	Directorate of Staff Development Lahore	2016-17	21354	9,169,074
7.	Govt. College For Elementary Teachers (Female) Lalamosa, Gujrat	1997-2013	20187	5,414,649

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
8.	Govt. College For Elementary Teachers (Male) Lalamosa, Gujrat	2002-16	22562	*
9.	Govt. College For Elementary Teachers (Female) Lalamosa, Gujrat	1997-2013	20189	*
Total				454,576,538

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

The lapse was pointed out during March, April and October 2017. The formations at Sr. Nos. 1 to 6 & 8 noted the observations for compliance and the formations at Sr. Nos. 7 & 9 did not offer any reply/ comments.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that matter be probed and responsibility be fixed besides production of record for authenticity of the expenditure.

Irregularities & non-compliance

25.4.4 Excess expenditure than budget allocation-Rs. 391.48 million

According to Rule 17.15 of PFR Vol-I, no government servant may, without previously obtain an extra appropriation, incur expenditure in excess of the amount provided for expenditure under the head concerned and when a government servant exceeds the annual appropriation he may be held responsible for the excess.

* Amount could not be ascertained due to non production of record.

During scrutiny of expenditure statements of Directorate of Staff Development, Lahore for the for the period 2016-17, it was observed that an amount of Rs.391,479,007 was incurred in excess of budget allocation under various heads of accounts which is a serious financial irregularity on the part of the department.

Audit was of the view that negligence of the management resulted in the excess uses of funds than budget allocation for Rs. 391,479,007.

The matter was pointed out in October 2017. The management only signed the observation.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that matter got regularized from Finance Department.

(PDP No.21350–Directorate of Staff Development Lahore-2016-17)

25.4.5 Irregular drawl of funds out of SDA -Rs.269.97 million

According to clause 4 (i) of Finance Department letter No.SO (TT)6-1/2007.pt.1 dated 04.01.2008, no withdrawals from Special Drawing Accounts are permissible as advance withdrawals, or for in-block transfer of funds in commercial banks/DFIs. Moreover, as per Finance Department letter No.SO(TT)6-1/2009.Pt-IX dated 31.07.2012, all Special Drawing Accounts (SDAs)/ Personal Ledger Accounts (PLAs)/ Assignment Accounts (AAs) holders was advised to get their single signatory accounts converted into “Co-signatory” accounts from the Finance Department by 31st August 2012.

During audit of School Education Department, it was observed that a sum of Rs.269,969,237 was drawn from SDA accounts in advance against instructions of the Finance Department. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Brief description of irregularity	Amount (Rs.)
1	Directorate of Staff Development, Lahore	2015-16	19113	Amount drawn from SDA without sanction of the Finance department for advance drawl.	41,720,286
2	Directorate of Staff Development, Lahore	2016-17	21333	Amount drawn from SDA without obtaining sanction of the Finance department for advance drawl.	24,971,212
3	Cadet College Choa Saiden Shah, Chakwal	2015-16	17490	Amount drawn from SDA with signing of cheques by single signatory instead of two signatory. Further, the pass book of expenditure for the month of June 2016 was also not got verified from DAO / Treasury and complete vouched account was also not submitted to DAO for pre-audit.	18,696,000
4	Directorate of Staff Development, Lahore	2016-17	19115	Amount drawn from SDA without obtaining sanction of the Finance department for advance drawl.	184,581,739
Total					269,969,237

Audit was of the view that non-observance of government instructions resulted in irregular drawl of funds out of SDA.

The matter was pointed out in May 2017 and October 2017. The management at Sr. No. 1 replied that payment was made to the concerned parties through cheques from commercial bank in miner figures after that these funds recouped from SDA. The management at Sr. No. 4 replied that

payment was made to Government attached department and matter will be regularized. The formations at Sr. Nos. 2 & 3 noted the observations.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that irregularity committed may be got regularized from Finance Department.

25.4.6 *Irregular expenditure in violation of procurement rules- Rs.121.45 million*

As per Rule 9 of Punjab Procurement Rules 2014, a procuring agency shall announce in an appropriate manner all proposed procurement for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements so planned. The procuring agency shall advertise in advance annual requirements for procurement on the website of the Authority as well as on its website. Further, As per Rule 12 *ibid*, procurement over one hundred thousand rupees and up to the limit of two million rupees shall be advertised in the PPRA web site in the manner and format specified by regulation by the PPRA from time to time.

During audit of the School Education Department, it was observed that the procurements of I.T Equipment, CCTV Cameras, Stationery, Mess Items, Uniforms and hiring of different services etc. worth Rs. 121,452,880 (Annexure-55) were made by splitting the indents to avoid open tendering process, without advertisement of advance annual requirements on the website of the authority in violation of Punjab Procurement Rules. Further, approval of Austerity Committee was not obtained in some cases.

Audit was of the view that non-observance of Punjab Procurement Rules led to a non-transparent and irregular process of procurement.

Audit pointed out the irregularity in March 2017. The formations at Sr. No. 1 to 19 & 21 to 24 noted the observation for compliance and management at Sr. No. 20 & 25 did not offer any reply.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that responsibility be fixed for non-adherence to above rules, Government dues be recovered and deposited into government accounts besides strengthening of financial and internal control system.

25.4.7 Non deposit of unspent balance into Treasury -Rs.131.64 million

According to clause 4 (i) of Finance department letter no.S0 (TT)6-1/2007.pt.1 dated 04-01-2008, no withdrawals from Special Drawing Accounts are permissible as advance withdrawals, or for in-block transfer of funds in commercial banks/DFIs. Further, according to Rule 17.15 of PFR Vol-I, no Government servant may, without previously obtain an extra appropriation, incur expenditure in excess of the amount provided for expenditure under the head concerned and when a Government servant exceeds the annual appropriation he may be held responsible for the excess.

During audit of Directorate of Staff Development, Lahore for the period 2015-16, it was observed that funds out of SDA account were transferred to bank account for expenditure to be incurred on training of

staff. Out of total amount a sum of Rs.131,638,772 was received unspent from districts which was also deposited into bank account. The amount remained un-utilized at the end of the year was required to be deposited into treasury as lapsed funds but same was not deposited. The retention of funds without approval of Finance department was irregular.

Audit pointed out the matter in May 2017. The management replied that amount would be deposited into treasury.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that un-authorized utilization of amount be got regularized from the Finance department as amount remained unspent in previous year was utilized in next year towards expenditure.

(PDP Nos.19114 & 19121–Directorate of Staff Development Lahore-2015-16)

25.4.8 Irregular Investment -Rs.70 million

As per Finance Department Letter No.FD(W&M)1-1/70(VI) dated 18.12.2008, in order to maximize return on deposits, interest rates from various commercial banks may be solicited for seeking competitive rate of return from Bank of Punjab. If the offer of Bank of Punjab is not competitive, Bank of the Punjab may be requested to match the offer. Moreover, as per Finance Department Letters No.FD(W&M)1-1/70(VII), No. No.FD(W&M)1-1/70(IX) dated 15.05.2009 & 01.12.2012, the mark up rates offered by Bank of Punjab may be compared with the five major scheduled banks namely NBP, HBL, UBL, MCB and ABL. In case one of the five banks offer highest bid, BOP would be given a chance to match the bid. If BOP fails to do so, the case would be referred to Finance Department for its advice/decision.

During audit of the Cadet College Choa Saiden Shah, Chakwal for the period 2015-16, it was observed that management made investment for Rs.70,000,000 at various period in National Bank of Pakistan (NBP) in contravention of the above said instructions of the Government. Audit held that the investment of funds in National Bank of Pakistan without advice/guidance of Finance Department is irregular and in violation of the above said instructions. The cases, in which higher rates were offered by the other major banks, the matter should be referred to Finance Department for its advice/decision.

Audit was of the view that weak supervisory, management and financial controls regarding investments led to irregular investment of funds for Rs.70,000,000.

When audit pointed out the irregularity in March 2017, the management noted the observation.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that responsibility be fixed for non-adherence to government instructions and matter be regularized from Finance Department besides future compliance of the prescribed instructions regarding investments and strengthening of supervisory, management and financial control system.

(PDP No.17488–Cadet College Choa Saiden Shah, Chakwal- 2015-16)

25.4.9 Non adjustment of advances-Rs.56.47 million

According to clause 4 (i) of Finance department letter No.SO (TT)6-1/2007.pt.1 dated 04.01.2008, no withdrawals from Special

Drawing Accounts are permissible as advance withdrawals, or for in-block transfer of funds in commercial banks/DFIs. Moreover, as per 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 Directorate of Staff Development (DSD), Lahore for the period 2015-16, it was observed that a sum of Rs.56,471,555 was paid out of SDA to DTSC in each district for conduction of trainings. The amount was paid in advance without sanction of the Finance department. The adjustment of said amount was not made so for.

Audit pointed out the matter in May 2017. The management replied that funds transfer to field offices i.e. DTSC heads and all vouched accounts and balances received back available in DSD.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that adjustment of advance may be got made as record of adjustment was again not produced.

(PDP No.19119-Directorate of Staff Development Lahore -2015-16)

25.4.10 Unjustified/unfruitful expenditure on selection of engineering consultant - Rs. 31.58 million

According to Rule 4 of Punjab Procurement Rules 2014, a procuring agency, while making any procurement, shall ensure that the procurement is made in a fair and transparent manner, the object of

procurement brings value for money to the procuring agency and the procurement process is efficient and economical. Moreover, as per Rule 59(d)(iii) *ibid*, for reasons of extreme urgency brought about by events unforeseeable by the procuring agency, the time limits laid down for open and limited bidding methods cannot be met, however, the circumstances invoked to justify extreme urgency must not be attributable to the procuring agency.

During audit of School Education Department for the period 2015-16, it was observed that department engaged an engineering consultant M/s Engineering Consultancy Services Punjab (Pvt.) Limited (wholly owned by the Government of Punjab) for identification and reconstruction of dangerous school buildings in Punjab province for amounting to Rs. 31.58 million.

A meeting of PPRA Board was held on 11.05.2011 and decided that the School Education Department is empowered to undertake the instant procurement by invoking the urgency clause under rule 59(d)(iii) of PPR 2014. As such, the department wrote a letter to the M/s. Engineering Consultancy Services Punjab (Pvt.) Limited (ECSP) and M/s. NESPAK to submit the proposals / rates regarding consultancy of survey / preparation of estimates for dangerous buildings (partial / complete) of Public Schools on 11.05.2015, but the department did not wait to collect the estimation of the M/s. NESPAK and awarded the consultancy work to M/s Engineering Consultancy Services Punjab (Pvt.) Limited on same date. Further, the department executed the contract agreement on i.e. 11.05.2015, while the response letter of M/s ECSP for estimation received on 12.05.2015 as diary No. 4443. The purpose of the issuance of department letter dated 11.05.2015 was not fulfilled.

It was also observed that the minutes of meeting of PPRA Board was placed to ACS, Punjab for approval on 11.05.2015. The ACS

approved the amended minutes on 12.05.2015 whereas, the contract agreement was executed on 11.05.2015 before the approval of minutes.

Further, it was proposed that the survey would be carried out by M/s ECSP as per TORs approved by the Provincial Steering Committee. As such, the practice for approval of PPRA Board was vague and unfruitful. In addition to above the following discrepancies were found, which may be attended:

- Integrity pact was not signed.
- Agreement was not executed on stamp paper.
- Work order and approval of selection committee was not produced.
- Contract agreement was not sent to the Law and Parliamentary Affairs Department for vetting the agreement.

Thereafter, the survey/consultancy work was completed on 11.09.2015 for Rs. 31.584 million by M/s. ECSP, but the detail of the progress of re-constructed/ repaired work was not provided to audit. The following record/ information were called for from the management on 23.01.2017.

1. Detail list of ongoing projects / in process.
2. Detail of approval of projects given during last four years and its progress.
3. PC-I & PC-II of all projects.
4. PC-IV of completed projects.
5. Complete construction files.
6. Utilization reports of development funds.
7. Detail of total budget available and distribution for project.

The department did not produce the aforesaid requisite record till the close of audit i.e. 30.01.2017 and informed verbally that no information is available in this regard.

Audit was of the view that in the absence of the above said auditable record, the huge expenditure incurred on consultancy services was unjustified and unfruitful.

The lapse was pointed out in January 2017. The management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the matter be investigated, responsibility be fixed for not adhering to the government instructions, regularizing the irregularity from the competent authority along with production of record to audit.

(PDP Nos.22198 &22201–Secretary School Education Department - 2015-16)

25.4.11 Unauthorized payment due to purchase of goods from incorrect head of accounts - Rs.1.48 million

As per para 3(a) Finance Department letter No.PS/F8/808/78 dated 26.02.1978 that funds allocated to a department its attached department or subordinate offices are spent for the purpose for which they are allocated.

During audit of Directorate of Staff Development Lahore, it was observed that a sum of Rs.1,481,872 was drawn and shown as paid irregularly and charged to irrelevant head of account in violation of above rule.

The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	Directorate of Staff Development, Lahore	2016-17	21353	1,236,315
2.	Directorate of Staff Development, Lahore	2015-16	19120	245,557
Total				1,481,872

The matter was pointed out in May 2017 and October 2017. The formations noted the observations for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that matter regularized from Finance Department.

25.4.12 Non refund of advances obtained from students funds- Rs.572,426

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 School Education Department, it was observed a sum of Rs.572,426 was drawn from student fund account as temporary advance for payment of utility bills and others petty expenses. The advances were not refunded/adjusted up till close of financial year. The amount of loan/advances were regularly drawn on monthly basis in each year from the fund account, whereas the regular government budget was also available under the heads of electricity, gas and telephone charges and lapsed at the end of each year and no pending liability was existed.

The details are under:

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	Govt. College For Elementary Teachers (Male) Lalamosa, Gujrat	2002-2016	22563	377,913
2.	Govt. College For Elementary Teachers (Female) Lalamosa, Gujrat	1997-2013	20186	194,513
Total				572,426

Audit was of the view that the lapse was occurred due to weak supervisory and internal controls.

The irregularity was pointed out in April 2017. The management at Sr. No. 1 noted the observation and management at Sr. No. 2 did not offer any reply.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the matter be inquired at appropriate level to fix responsibility for misuse of student funds besides immediate refund of advances.

25.4.13 Un-authorized withdrawal of funds-Rs.517,853

Finance Department letter No. FD(FR)V-6/2 dated 29.10.1978 required that in no case the government money coming into the hands of a government servant either on account of receipts of the government or by way of with drawal from the Treasury should be kept in a commercial bank except with the specific sanction of the Finance Department.

During audit of Government College for Elementary Teachers (Female) Lalamosa, Gujrat for the period 1997-2013, a perusal of letter

dated 14.01.2008 written by the Principal to the Directorate of Staff Development revealed that the Ex-Principal had concealed bank accounts while handing over charge on her retirement i.e. 29.09.2007. Later on it transpired that two other bank accounts i.e. A/c No.1401 and A/c No.1402 were also opened in the name of GCET. It was further reported in the above letter that the Ex-Principal withdrew amounts of Rs.178,137 and Rs.339,716 from the said bank accounts during September 2007 (the month of her retirement). However, the withdrawal of these amounts was not depicted in college record. The Regional Program Manager-III was deputed by the Directorate of Staff Development to probe into the matter. However, no record/proceedings of the inquiry was produced to Audit despite repeated requests. The whereabouts of the withdrawn amounts were also not known to Audit.

Moreover, it was also learnt that a few days prior to her retirement, the Ex-Principal opened a joint bank account No.959 in the name of another teacher and the said ex-principal wherein an amount of Rs.217,788 was deposited on the same date. However, it was not clarified whether the said amount was government money or otherwise as no record was produced to verify the whereabouts of the money.

The irregularity was pointed out in April 2017. The management did not offer any reply.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the matter be inquired at appropriate level to reach at the factual position besides fixing responsibility against the persons at fault.

(PDP No.20183-Govt. College for Elementary Teachers (Femle), Lalamosa Gujrat -1997-2013)

Internal control weakness

25.4.14 Expenditure on inadmissible allowances-Rs. 58.480 million

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 misappropriations.

During audit of Directorate of Staff Development, Lahore for the period 2016-17, it was observed that detailed below expenditure incurred in such needs of account which are not operative in DSD. The expenditure under these head of accounts was un-authorized which needs reconciliation and justification. The details are as under:

Sr. No.	Detail Object Description	Amount (Rs.)
1.	A01207-Washing allowance	10,550
2.	A0120q-Fixed daily allowance	12,500
3.	A01211-Hill allowance	1,278,250
4.	A0121b-Health professional allowance	14,004
5.	A01227-Project allowance	100,000
6.	A01233-Unattractive area allowance	30,500
7.	A01238-Charge allowance	692,253
8.	A01243-Special travelling allowance	75,682
9.	A01250-Incentive allowance	55,350,741
10.	A01252-Non practicing allowance	8,736
11.	A01253-Science teaching allowance	443,962
12.	A01261-Constabulary allowance	5,600
13.	A01262-Special relief allowance	18,000
14.	A01271-Overtime allowance	439,500
Total		58,480,278

Audit was of the view that weak supervisory and financial controls resulted in expenditure on inadmissible allowances.

The matter was pointed out in October 2017. The management only signed the observation.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that matter should be investigated and reconciled the figures in AG Punjab.

(PDP No.21348–Directorate of Staff Development Lahore - 2016-17)

25.4.15 Irregular appointments against posts not approved by Board of Governors

Section 5(1)(h) of Board of Governors Cadet College, Choa Saiden Shah, Chakwal Rules 2015 provides that the Board has the power to create, up-grade, suspend or abolish any post with the approval of the Government. Section 2(g) of the above said Rules provides that “Government” means Government of the Punjab.

During audit of Cadet College Choa Saiden Shah, Chakwal for the period 2015-16, it was observed that the employees were recruited at various times since the establishment of the Cadet College Choa Saiden Shah Chakwal against various post not duly approved by BoG. In the absence of approval of Board of Governors, the payments made to staff could not be authenticated. It was also observed that in some cases staff was hired in excess than approved sanction strength (it is also evident from the statement / detail of sanctioned strength and working strength as provide by the DDO).

Audit was of the view that weak supervisory and internal controls on human resource management led to non-framing of regulations for the cadet college.

When audit pointed out the irregularity in March 2017, the management noted the observation.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that approval be obtained from the Board of Governors under intimation to audit besides regularization of the matter from competent authority (i.e. Finance Department) and strengthening of supervisory and internal controls on human resource management.

(PDP No.17507–Cadet College Choa Saiden Shah, Chakwal- 2015-16)

Recoveries and overpayments

25.4.16 Non/ Less deduction of taxes-Rs.13.00 million

According to PST Act 2012 section 3, sub section (1), taxable service; Subject to such exclusion as mentioned in Second Schedule, a taxable service is a service listed in Second Schedule, which is provided by a person from his office or place of business in the Punjab in the course of an economic activity, including the commencement or termination of the activity.

Moreover, as per section 153 (1) (b) of Income Tax Ordinance 2001, every person making a payment in full or part including a payment by way of advance to a resident person for the rendering of or providing of services; shall, at the time of making the payment, deduct tax from the gross amount payable (including sales tax, if any) at the rate specified in Division III of Part III of the First Schedule - 8% in all services.

Furthermore, Section 236 (1) of Income Tax Ordinance 2001 provides that every educational institution is required to collect advance income tax at the rate of 5% on the amount of fee paid to an educational institution. The person responsible for preparing monthly, bimonthly or

quarterly fee voucher or challan shall also charge withholding tax in case the fee exceeds two hundred thousand rupees annually.

During audit of School Education Department, it was observed that income tax, provincial sales tax and Advance tax on auction amounting to Rs.13,000,115 were either not deducted or less deducted at source from the concerned.

Sr. No.	Name of formation	Period of audit	PDP No.	Income Tax Amount (Rs.)	Provincial Sales Tax (Rs.)	Security Deposit	Advance Tax on Auction
1	Secretary School Education Department	2015-16	22204		4,356,413		
2	Directorate of Staff Development, Lahore	2016-17	21351		108,010		
3	Secretary School Education Department	2015-16	22205	2,526,720			
4	Directorate of Staff Development, Lahore	2016-17	21355	616,717			
5	Govt. College For Elementary Teachers (Male) Lalamosa, Gujrat	2002-16	22564	117,331			
6	Cadet College ChoaSaiden Shah, Chakwal	2015-16	17491				5,004,453
7	Cadet College ChoaSaiden Shah, Chakwal	2015-16	17504	75,131	120,209	75,131	
Total				3,335,899 (a)	4,584,632 (b)	75,131 (c)	5,004,453 (d)
Grand Total (a + b + c + d)				13,000,115			

Audit was of the view that weak supervisory and internal controls resulted into excess payment and loss to government.

The lapse was pointed out in January 2017. The formations noted the observations for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the matter be investigated, responsibility be fixed for not adhering to the government instructions, recovery of the overpayment from the concern besides strengthening of the supervisory, financial and internal controls.

25.4.17 Excess payment to firm than agreed contract amount - Rs. 579,163

According to 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 School Education Department for the period 2015-16, it was observed that an amount of Rs. 3,1584,000 was paid in excess of Rs. 579,163 (31,584,000-31,004,837) to ECSP (pvt.) Ltd. on account of providing services for survey of the identification and reconstruction of Dangerous school buildings in Punjab province than the amount agreed upon in between the company and the secretary school education while signing the contract on 11.05.2015.

Audit was of the view that weak supervisory and internal controls resulted into excess payment to ECSP(Pvt.) Ltd. and loss to government.

The matter was pointed out in October 2017. The management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the matter be investigated, responsibility be fixed for not adhering to the government instructions, recovery of the

overpayment from the concern besides strengthening of the supervisory, financial and internal controls.

(PDP No.22203–Secretary School Education Department - 2015-16)

25.4.18 Non recovery of imposed plenty-Rs.559,144

According to clause 4(1)(b)(i) of PEEDA Act that the recovery from pay, pension or any other amount payable to the accused, the whole or a part of any pecuniary loss caused to the Government or the organization in which he was employed, and if the amount due from any such person cannot be wholly recovered from the pay, pension or any other amount payable to him, such amount shall be recovered under the law for the time being in force; (ii) reduction to a lower post and pay scale from the substantive or regular post for a specific period subject to a maximum of five years.

During audit of School Education Department for the period 2015-16, revealed that department initiated a joint disciplinary proceeding against a Principal (BS-19) Government Higher Secondary School, Faisalabad under the PEEDA Act 2006. The probe committee probed the matter on 09.10.2013 and imposed the recovery of Rs. 559,144 on account of making loss to the school fund during her posting at Government Girls Higher Secondary School, Mamun Kanjan, Faisalabad and Government Girls Higher Secondary School, Tandalianwala, Faisalabad and reduction to a lower post and pay scale from the substantive or regular post for a period of two years. Despite lapse of more than three years no recovery was made from the accused.

Audit was of the view that above stated violations of government instruction resulted into loss to government.

The matter was pointed out in October 2017. The management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the matter be investigated, responsibility be fixed for not adhering to the government instructions, and recover the loss from the concerns besides strengthening of the supervisory, financial and internal controls.

(PDP No.22200–Secretary School Education Department - 2015-16)

25.4.19 Purchase of stationery paper at higher rate-recovery of Rs.448,960

Rule 37 of PPRA rule 2014 provides that A procuring agency shall announce the results of bid evaluation in the form of a report giving justification for acceptance or rejection of bids at least ten days prior to the award of procurement contract.

During audit of Directorate of Staff Development, Lahore for the period 2015-16, scrutiny of tender documents revealed that purchase of computer paper (A4 80gm) quotation of M/S Winpro Enterprises having lowest rate of Rs.392 per rim was not included in comparative statement and contract was awarded to the second lowest M/S HWBC @ Rs.514 recording higher rate of M/S Winpro as Rs.535. The wrong input of rates resultantly made the lowest firm not ineligible. It resulted into purchase at higher rate for Rs.448,960/- (3190 rim for trg.+490 rim for DSD=3680 @ 122 per rim (514-392=122)

Audit pointed out the matter in May 2017. The management noted observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till

the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that recovery may be made from the concerned besides an appropriate action against the responsible.

(PDP No.19116–Directorate of Staff Development, Lahore - 2015-16)

CHAPTER 26

SOCIAL WELFARE AND BAIT-UL-MAAL DEPARTMENT

26.1 *Introduction*

Social Welfare Department is working with the vision of providing an equitable and well-functioning social protection system anchored at the principles of empowerment and inclusion for all, particularly the marginalized.

In 1979 a separate department of Social Welfare was established. Afterwards in 1996, the segment of Women Development and in 1998 the segment of Bait-ul-Maal was also attached with Social Welfare Department. Later on in 2012, a separate department of Women Development was established and the segment of Women Development was separated from Social Welfare and Bait-ul-Maal Department.

According to Rules of Business 2011, Social Welfare and Bait-ul-Maal Department perform following functions:

- Registration, technical assistance and monitoring of social welfare agencies
- Social protection including institutional care, skill development and rehabilitation
- Registration, assessment, training, employment, and rehabilitation of disabled persons
- Eradication of social evils
- Coordination with and grant-in-aid to non-governmental organizations engaged in the field of narcotics control and rehabilitation of drug addicts
- Relief during calamities and emergencies
- Financial assistance to poor and needy through Punjab Bait-ul-Maal

26.2 Comments on Budget & Accounts (Variance Analysis)

Introduction

The Appropriation Accounts for the year 2016-17 of Social Welfare and Bait-ul-Maal Department indicate expenditure on various specified services vis-à-vis appropriation authorized by Government of the Punjab.

Summary of Appropriation Accounts

The summarized position of actual expenditure during 2016-17 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	27.528	(2.011)	25.517	25.176	(0.341)
PC21031	716.317	649.021	1,365.338	1,192.056	(173.282)
PC22036	1,288.653	(543.261)	745.392	734.704	(10.688)
Total	2,032.498	103.749	2,136.247	1,951.936	(184.311)

Overview of Expenditure

The final budget of Social Welfare and Bait-ul-Maal Department for the year ended 30 June, 2017 was Rs. 2,136.247 million. Out of this, actual expenditure was Rs.1,951.936 million. 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	743,845,000	1,217,231,463	473,386,463	63.64
Development	1,288,653,000	734,703,595	(553,949,405)	42.99
Total	2,032,498,000	1,951,935,058	(80,562,942)	3.96

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	1,390,855,000	1,217,231,463	(173,623,537)	12.48
Development	745,392,000	734,703,595	(10,688,405)	1.43
Total	2,136,247,000	1,951,935,058	(184,311,942)	8.63

Anticipated savings not surrendered

As per para 14.3 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. (184.311) million at the close of the year 2016-17 under grants PC21010, PC21031 & PC22036 were not surrendered in time by the Department.

26.3 *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 and Bait-ul-Maal Department is not upto the mark and needs improvement.

26.4 AUDIT PARAS

Fraud/Misappropriation

26.4.1 *Embezzlement in receipt- Rs.870,004*

As per 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. Moreover, as per Rule 2.1 (a) *ibid*, every government servant is personally responsible for the money which passes through his hands and for the prompt record of receipts and payments in the relevant account as well as for the correctness of the account in every respect.

During audit of Assistant Director Salai Markaz, Rawalpindi for the period 2001-16, it was observed that receipt collected on account of different courses was not deposited into relevant account.

Audit was of the view that weak financial resulted into loss of Rs.1,533,122 due to non-deposit /embezzlement in receipts.

The matter was pointed out in March 2017. It was replied that the embezzlement case was in the knowledge of the higher authorities and recovery would be made from the offender. The reply of the department was not satisfactory because the embezzled amount was Rs.1,533,122 whereas the recovery of embezzled amount of Rs. 663,118 was imposed on the offender vide his removal orders.

The matter was further reported to the administrative department. In DAC meeting held on 08.11.2017, the amount of the para was reduced to Rs. 870,004 after verification of record of Rs.663,118. Further progress was not reported till the finalization of this report.

Audit recommends that the department should effect full recovery of the embezzled amount, take administrative action against the offender

and strengthen financial and supervisory controls to avoid recurrence of such lapses in future.

(PDP No. 18973-Assistant Director, Salai Markaz, Rawalpindi-2016-17)

Non production of record

26.4.2 *Non production of record/vouched accounts-Rs. 15.67 million*

As provided in 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. Further, Punjab Finance Department letter No. FD (M1) III-2/87(P-III), dated 22nd February, 1994 provides that DDO himself will be responsible for production of record to the audit party at the time of audit and that in case of any lapse on his part, severe disciplinary action will be taken against him by the Administrative Secretary personally apart from submitting a report to the Chief Minister/ Chief Secretary.

During audit of various formations of Social Welfare and Bai-ul-Maal, Department, auditable record was 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.	Assistant Director, Salai Marakaz, Rawalpindi	2001-16	18970	Cash book, Vouchers, Stock registers, Budget and Expenditure statement	*

* Amount could not be ascertained due to non production of record.

Sr. No.	Name of formation	Period of audit	PDP No.	Nature of record	Amount (Rs.)
2.	D.G Social Welfare & Bait-ul-maal Department, Lahore	2014-16	19503	Advertisement and Publicity (DGPR bills payment)	14,659,696
3.	D.G Social Welfare & Bait-ul-maal Department, Lahore	2014-16	19502	Log Books	1,014,597
Total					15,674,293

Audit was of the view that due to non production of record, audit could not authenticate the expenditure as a valid charge to the exchequer.

The matter was pointed out in February and April 2017. The formation at Sr. No. 1 replied that if record is found, it would be shown to audit. The formations at Sr. Nos. 2 & 3 did not offer any reply.

The matter was further reported to the administrative department. In DAC meetings held on 08.11.2017 and 23.01.2018, the committee kept the para at Sr. No. 1 pending for probe the matter. The paras at Sr. Nos. 2 & 3 were kept pending for production of record. Further progress was not reported till the finalization of this report.

Audit recommends the department to produce the record at the earliest for audit scrutiny besides disciplinary action be initiated against the responsible persons for non production of record.

Irregularities & non-compliance

26.4.3 Irregular purchases of different equipment and stores- Rs.3.75 million

According to Rule 12 of Punjab Procurement Rules 2014, all procurement opportunities over two million rupees should be advertised

on the PPRA's website as well as in other print media or newspapers having wide circulation. The advertisement in the newspapers shall principally appear in at least two national dailies, one in English and the other in Urdu. Moreover the procurement of more than one hundred thousand rupees and up to the limit of two million rupees shall be advertised on the website of the Authority in the manner and format specified by regulations.

During audit of Social Welfare & Bait-ul-Maal Department, it was observed that an amount of Rs. 3,746,994 was expended on the purchase of various equipment and stores but no advertisement on PPRA website or print media was made. Furthermore payment was made without inspection reports and contract was awarded by ignoring the lowest bidder.:

Sr. No.	Name of formation	Period of audit	PDP No.		Amount (Rs.)
1.	Shelter Home (Dar ul Aman) Jehlum .	2005-16	19493	Purchase of dietary items by splitting to avoid tendering	1,980,438
2.	DG Social Welfare and Bait-ul-Maal	2014-16	19499	Purchase of stationery by splitting to avoid tendering	1,766,556
Total					3,746,994

Audit was of the view that non-adherence to Punjab Procurement Rules, resulted into irregular expenditure.

The matter was pointed out from February to May 2017. The managements received the observations without offering any reply.

The matter was further reported to the administrative department. In DAC meeting held on 23.01.2018, the paras were kept pending for regularization. Further progress was not reported till the finalization of this report.

Audit recommends that the matter be inquired to fix responsibility for non-adherence to PPRA Rules and regularization of the expenditure be sought from the Finance Department.

26.4.4 Non deposit of unutilized amount of Special Drawing Account (SDA)-Rs 17.77 million

According to Rule 7(i) under section (v) of Punjab Treasury Rules requires that all moneys received by or tendered to Government servants shall without undue delay be paid in full into the treasury or into the bank. No department of the Government may keep such money out of the consolidated fund or public account of the province.

During audit of Director General Social Welfare and Bait-ul-Mall Department, for the period 2014-16, it was observed that department drew advance amount of Rs. 30 million from government treasury and kept it in a bank account of Bank of Punjab for further payments to vendors for special audit assignment of NGOs but even after the completion of assignment, balance amount of Rs 17,773,239 was not deposited back into government treasury.

Audit was of the view that weak financial controls resulted in non deposit of balance amount into government treasury.

The matter was pointed out in February 2017. The management just noted the observation and did not offer any comments.

The matter was further reported to the administrative department. In DAC meeting held on 23.01.2018, the para was kept pending for regularization. Further progress was not reported till the finalization of this report.

Audit recommends the department that the matter be enquired for keeping unspent amount into private bank account and also depositing of balance amount into Government Treasury.

(PDP No. 19498 - DG Social Welfare & Bait-ul- Mall -2014-2016)

26.4.5 Loss due to ignoring the lowest bidder- Rs 1.05 million and irregular expenditure on purchases-Rs. 7.64 million

According to Rule 2.10(a)(1) of P.F.R 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 the Directorate General of Social Welfare and Bait-ul-Maal Department, Lahore for the period 2014-16, it was observed that department purchased various IT and other machinery equipments through tender system at higher rates. The purchase was held to be made at higher rates as the items of same specification were purchased by ignoring the lowest rates. Thus a loss of Rs. 1,054,285 was sustained by the by the public exchequer.

It was further observed that the department made purchase of furniture and equipments valuing Rs. 7,643,381 for new established shelter homes in 36 districts. The expenditure was held irregular as the items purchased were received without inspection reports but audit observed that department made payment to suppliers without any inspection report by any technical committee and stock register was not available. Further, no progress report regarding completion of Shelter Homes was provided to audit.

Audit was of the view that weak supervisory control resulted in loss sustained by the department.

The matter was pointed out in February 2017. The management just noted the observation and did not offer any comments.

The matter was further reported to the administrative department. In DAC meeting held on 23.01.2018, the para was kept pending for

regularization from Finance Department. Further progress was not reported till the finalization of this report.

Audit recommends that the department should probe the matter to fix the responsibility.

(PDP No.19494-Director General Social Welfare and Bait-ul-maal, Lahore-2012-2016)

Others

26.4.6 Irregular expenditure on entertainment- Rs. 213,009

According to Rule 2.33 of PFR Vol-I that every government servant shall be personally responsible for any loss sustained by the government through fraud or negligence on his part.

During audit of Director General Social Welfare and Bait-ul-Maal, for the period 2014-16, it was observed that department showed incurrence of expenditure of Rs. 213,009 on account of entertainment charges of Minister office despite the fact that Minister office had its own budget for such expenditure.

Audit was of the view that weak supervisory and financial controls resulted into irregular payment of entertainment charges of other office.

The matter was pointed out in February 2017 and in reply management did not offer any comments.

The matter was further reported to the administrative department. In DAC meeting held on 23.01.2018, the para was kept pending for regularization. Further progress was not reported till the finalization of this report.

Audit recommends the department to get regularize the expenditure from Finance Department..

(PDP No.19504-DG Social Welfare & Bait -ul- Maal Department-2014-2016)

26.4.7 Non receipt of vehicle despite payment-Rs 854,000 and payment of salary without performing duty-Rs.1.29 million

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

During audit of Mother & Children Home (Darul-Flah), Sargodha, for the period 2014-16, it was observed that, in PC-I of a Development Project of the department, a vehicle and post of a driver was provided to this institution. In this regard a payment of Rs. 854,000 was made to M/s Pak Suzuki Motor Company Ltd during the year 2009-10. The car was, however, not delivered to the institution upto April/ 2017.

Moreover, it was observed that a driver was appointed in the institution and he drew salary amounting to Rs. 1,289,356 without performing any duty as there was no vehicle in the institution.

Audit was of the view that weak supervisory and financial controls resulted into non delivery of vehicle and posting of driver having no vehicle.

The matter was pointed out in April 2017. The management received the observation without offering any comments.

The matter was further reported to the administrative department neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite reminders issued in October, November and December 2017.

Audit recommends that the department should probe the matter to fix the responsibility for the delay in the receipt of vehicle, ensure the delivery of the vehicle and seek condonation of irregularity of payment of salary without performing duty.

(PDP Nos. 18298 & 18299- Mother & Children Home (Darul-Flah), Sargodha-2014-2016)

CHAPTER 27

SPECIAL EDUCATION DEPARTMENT

27.1 *Introduction*

To give focused attention to the education and training of special children, an independent Department of Special Education was established on 01.10.2003. The department aims to create an environment for making disabled and physically retarded persons useful members of the society and utilize their potential and skills in all spheres of life. It performs following functions:

- Enhancement of enrollment through provision of:-
 - Construction of School Buildings
 - Free Pick & Drop Facility
 - Free Text & Braille Books
 - Free Boarding & Lodging Facility
 - Free Teaching Aids
 - Provision of Stipends
 - Free Uniform
 - Merit Scholarships
 - Nutrition Programmes
- Establishment of International Standard Rehabilitation Centre for the Disabled
- Training Programmes and adoption of internationally accepted best practices
- Curriculum Development for the Special Education institutions;

The department is headed by an Administrative Secretary. The Director Special Education is head of its attached department.

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

Introduction

The Appropriation Accounts for the year 2016-17 of Special Education indicate expenditure on various specified services vis-à-vis appropriation authorized by Government of the Punjab.

Summary of Appropriation Accounts

The summarized position of actual expenditure during 2016-17 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	38.227	(4.362)	33.865	32.397	(1.468)
PC21015	157.588	(3.459)	154.129	151.736	(2.393)
PC22036	669.013	(478.208)	190.805	174.223	(16.582)
Total	864.828	(486.029)	378.799	358.356	(20.443)

Overview of Expenditure

The final budget of Special Education for the year ended 30 June, 2017 was Rs. 378.799 million. Out of this, actual expenditure was Rs. 358.356 million. 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	195,815,000	184,133,114	(11,681,886)	5.97
Development	669,013,000	174,222,765	(494,790,235)	73.96
Total	864,828,000	358,355,879	(506,472,121)	58.56

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	187,994,000	184,133,114	(3,860,886)	2.05
Development	190,805,000	174,222,765	(16,582,235)	8.69
Total	378,799,000	358,355,879	(20,443,121)	5.40

Anticipated savings not surrendered

As per para 14.3 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. (20.443) million at the close of the year 2016-17 under grants PC21010, PC21015 & PC22036 were not surrendered in time by the Department.

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

There is no para yet printed in any of the previous Audit Reports. However, the department is requested to reconcile the matter with Audit Department regarding any discrepancy.

27.4 AUDIT PARA

Non production of Record

27.4.1 Non production of vouched account-Rs. 18.69 million

As provided in 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. Further, Punjab Finance Department letter No. FD (M1) III-2/87(P-III), dated 22nd February, 1994 provides that DDO himself will be responsible for production of record to the audit party at the time of audit and that in case of any lapse on his part, severe disciplinary action will be taken against him by the Administrative Secretary personally apart from submitting a report to the Chief Minister/ Chief Secretary.

During audit of Special Education Department, the auditable record of various payments made to different organizations/ personnel was not produced for audit scrutiny despite repeated requests. The details are given as under:

Sr. No.	Name of formation	Period of audit	PDPs No.	Amount (Rs.)
1	Directorate of Special Education Lahore	2014-17	19349	6,431,680
2	Directorate of Special Education Lahore	2014-17	19350	4,117,457
3	Directorate of Special Education Lahore	2014-17	19353	1,010,000
4	Secretary Special Education Lahore	2014-17	20624	5,358,000
5	Secretary Special Education Lahore	2014-17	20625	1,061,829
6	Secretary Special Education Lahore	2014-17	20627	713,329
Total				18,692,295

Audit was of the view that due to non production of record, the veracity of the accounts could not be verified.

The lapses were pointed out to concerned formations from February to November 2017. Most of the formations either accepted or did not reply.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that a thorough probe may be held in the matter and the department should take disciplinary action against the persons held responsible for non production of record.

Irregularities & non-compliance

27.4.2 Irregular expenditure due to violation of tendering process-Rs. 17.57 million

As per Rule 9 of Punjab Procurement Rules 2014, a procuring agency shall announce in an appropriate manner all proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements so planned. The procuring agency shall advertise in advance annual requirements for procurement on the website of the Authority as well as on its website. Further, as per Rule 4 *ibid*, a procuring agency, while making any procurement, shall ensure that the procurement is made in a fair and transparent manner, the object of procurement brings value for money to the procuring agency and the procurement process is efficient and economical.

During audit of Special Education Department, it was observed that expenditure to the tune of Rs.17,565,237 was incurred on purchase of various items without observing Punjab Procurement Rules.

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	Govt. Braille Printing Press Bahawalpur	2008-17	20609	11,349,851
2.	Govt. Braille Printing Press Bahawalpur	2008-17	20610	2,820,000
3.	Secretary Special Education Lahore	2014-17	20616	632,834
4.	Secretary Special Education Lahore	2014-17	20617	167,114
5.	Secretary Special Education Lahore	2014-17	20618	364,594
6.	Secretary Special Education Lahore	2014-17	20620	792,748
7.	Secretary Special Education Lahore	2014-17	20621	562,663
8.	Secretary Special Education Lahore	2014-17	20622	211,690
9.	Secretary Special Education Lahore	2014-17	20623	663,743
Total				17,565,237

Audit was of the view that non observance of PPR 2014 led to a non-transparent process of procurement.

The lapses were pointed out to concerned formations from February to November 2017. Most of the formations either accepted or did not reply.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that matter may kindly be got regularized from competent authority besides strengthening of internal controls.

27.4.3 Non surrendering of savings-Rs.50.13 million

According to Rule 14.3 of the Punjab Budget Manual, the heads of the departments should submit to the Finance Department the first

statement of excesses and surrenders by 1st January and the second statement of excesses and surrenders by 31st March.

During audit of Directorate Special Education Punjab Lahore, savings were not surrendered timely resulting in lapse of funds. The detail is as under:

Sr. No.	Name of formation	Period of audit	PDPs No.	Amount (Rs.)
1	Directorate Special Education Punjab Lahore	2014-17	19346	47,105,246
2	Directorate Special Education Punjab Lahore	2014-17	19351	3,023,614
Total				50,128,860

Audit was of the view that weak financial controls on budgetary provisions resulted in non surrendering of savings.

The lapses were pointed out to concerned formations from February to November 2017. Most of the formations either accepted or did not reply.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that matter may kindly be got regularized from competent authority besides strengthening of internal controls.

Recoveries and Overpayments

27.4.4 Non/ less deduction of taxes-Rs. 2.06 million

As per sales tax Act 1990 (amended from time to time) sales Tax at the prescribed rates may be recovered on the purchase of taxable goods and credited into government revenues under proper head of accounts. Moreover, according to Section 153 of Income Tax Ordinance 2001

Income Tax at the prescribed rates may be recovered at source from the bills of suppliers/ contractors and deposited into government Treasury.

During audit of Government Braille Printing Press, Bahawalpur for the period 2008-17, it was observed that the management purchased a computerized Braille Printer worth Rs. 11,349,851 from M/s Afro Asian International (Pvt.) Ltd. Lahore. As per tender documents and quotation, the price of printing machine and computer was inclusive of all taxes. The management neither deducted GST amounting to Rs. 1,733,384 from the bill nor obtained tax exemption certificate from the supplier. Moreover, income tax amounting to Rs.322,429 was not deducted at prescribed rate.

Audit was of the view that due to non-deduction of GST and less deduction of income tax, government sustained a loss of Rs. 2,055,813.

When the matter was pointed out, the management did not offer any reply.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that stated amount may be recovered from the concerned supplier and credited into Government treasury.

(PDP Nos.20611 & 20612 - Government Braille Printing Press, Bahawalpur - 2008-17)

Performance

27.4.5 Loss to Government due to non-functioning of Braille Printer-Rs. 11.35 million

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

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

During audit of Government Braille Printing Press, Bahawalpur for the financial year 2008-17, it was noticed that a computerized Braille Printer and computer valuing Rs. 11.35 million was purchased in June 2010 for printing of Braille Books. Due to negligence of the department the machine remained non functional for about 4 years. The warranty period of 3 years expired without utilization of the machine. There after the printing machine was operated for a limited time and huge expenditure was incurred on its repair. It was also observed that machine remained out of order many times for a long periods just due to minor technical fault. This happened only due to the reason that non technical staff, having no technical experience/training, was running the machine. Due to non posting of a technical personnel, a minor fault was removed after a long time of about 6 to 8 months on each occasion with a heavy expenditure of repair and maintenance. Only 4260 Braille Books were prepared during the last 7 years. It was also noticed that printer was out of order since March 2017 and the Department did not make any effort to remove the fault. On the other hand the staff was drawing salaries and incurring contingent expenditure without performing any duty.

Audit was of the view that due to ill planning of the Department and non posting of technical staff, the machine remained out of order almost since its purchase which resulted into loss of public fund to the stated extent.

When the matter was pointed out, the management did not offer any reply.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till

the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that matter be inquired at appropriate level to fix responsibility besides strengthening of administration and financial control system.

(PDP No.20613 - Government Braille Printing Press, Bahawalpur -2008-17)

Others

27.4.6 Non verification of vouched accounts for the grants given to NGO's and Non-Government Schools- Rs.26.72 million

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.

The scrutiny of the record of the Directorate of Special Education, Lahore for the financial year 2014-17 revealed that an amount of Rs. 29,584,000 (detailed below) was allocated as grant in aid out of which Rs. 26,723,000 (Rs. 8,262,000, Rs. 9,361,000 and Rs. 9,100,000) was paid to respective organizations during the years 2014-15, 2015-16 & 2016-17 respectively. However, vouched accounts were not received to the department from the NGO's and Non-Government Schools.

Sr. No.	Grant Description	Allocation Rs.			Vouched Account seen and Verified Rs.		
		2014-15	2015-16	2016-17	2014-15	2015-16	2016-17
1	414-Grant to Hamza Foundation Academy	2162000	2500000	2500000	No	No	No

Sr. No.	Grant Description	Allocation Rs.			Vouched Account seen and Verified Rs.		
		2014-15	2015-16	2016-17	2014-15	2015-16	2016-17
2	56-Grant to Non-Government School for Handicapped Children	5001000	2554000	4005000	No	No	No
3	V-42 Grant in aid to Pakistan Foundation	2550000	5550000	300000	No	No	No
4	A05216 Financial Assistance	425000	2027000	10000	No	No	No
Total		10138000	12631000	6815000	8262000	9361000	9100000
Grant Total		29,584,000			26,723,000		
Vouched Account to be verified					8262000	9361000	9100000
Total							26,723,000

Audit was of the view that weak supervisory and financial controls resulted in non verification of vouched accounts.

When the matter was pointed out in July 2017, the management did not offer any reply.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department should make all out efforts for obtaining the said vouched accounts besides condonation of the irregularity from Finance Department.

(PDP No.19347 - Directorate of Special Education, Lahore- 2014-17)

27.4.7 Wastage of public money-Rs. 1.88 million

According to Rule 2.10 (b) (5) of PFR Vol-I, no amount may be drawn from govt. treasury without any immediate requirement.

During audit of Government Braille Printing Press, Bahawalpur for the financial year 2008-17, it was noticed that a sum of Rs. 2,820,000 was drawn from govt. treasury for purchase of 30 Reels of Braille Papers. A scrutiny of stock and consumption register revealed that only 10 Reels were consumed during last 3 years and 20 Reels were still lying in store unutilized. It was revealed that purchase was made in excess of the actual requirement. The quality of the Braille paper lying in store was decreasing day by day and after sometimes these papers are likely to become unusable and would be treated as waste papers. Due to unnecessary purchase a loss of Rs. 1,880,000 (94,000*20) was sustained by the government.

Audit was of the view that weak supervisory and financial controls resulted in wastage of public money

When the matter was pointed out, the management did not offer any reply.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that matter may be investigated at an appropriate level to fix responsibility for unnecessary purchase and blockage of public money besides strengthening of administrative and financial control system.

(PDP No.20614 - Government Braille Printing Press, Bahawalpur -2008-17)

27.4.8 *Doubtful consumption of POL - Rs.5.22 million*

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 misappropriations. Finance Department's letter No.FD(M.R.)MW/1-4/92, dated 26th September, 1992 provides that the PAC-I in its meeting held on 04.08.1992 directed that if the entries in the stock register are not present at the time of audit or if the record is not shown to audit, the entries made and record produced afterwards would not be accepted.

During audit of Secretary Special Education Department, Lahore for the period 2014-17, it was noticed that an amount of Rs.5,215,504 was incurred on purchase of POL during the period from 1.07.2014 to 30.06.2017. But neither POL was entered in the log books nor log books were maintained.

In the absence of Log Books, audit could not verify, whether the prescribed limit of POL was adhered to or not. The department had only 13 vehicles and one generator on its charge. But the expenditure was on higher side. The possibility of leakage or pilferage of POL cannot be ruled out.

When the matter was pointed out, the management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the amount needs to be recovered from the concerned as per PAC directive referred above as no entries of POL were recorded in the Log Books.

(PDP No.20626 - Secretary, Special Education -2014-17)

CHAPTER 28

TRANSPORT DEPARTMENT

28.1 Introduction

Transport Department was established in the year 1987, previously it existed as Transport Cell in the Services, General Administration and Information Department under the supervision of the Additional Chief Secretary Government of the Punjab.

The Punjab Provincial Transport Authority is a statutory body constituted under Section 46 of the Motor Vehicles Ordinance, 1965 and is an important satellite organization of the Transport Department to regulate the Public Transport in the Province.

Punjab Provincial Transport Authority exercises and discharges various functions under the Motor Vehicles Ordinance, 1965 throughout the province, whereas, the District Regional Transport Authorities established at each district of the Province, w.e.f. 14.08.2001, exercise power and functions conferred by the Motor Vehicles Ordinance, 1965 and its Rules 1969, within their respective territorial jurisdictions.

Core Operational Activities

- Route Permit Fee.
- License fee for bus/wagon stands.
- License fee for carrying the business of goods forwarding.
- Fitness fee from different categories of public transport.
- License of bus body building workshop.

The main source of income of the Department is from issuance and renewal of route permits & motor vehicles fitness certificate. The revenue from these two sources is collected under the heads of account “B-02812” and “B-02811” respectively.

28.2. *Comments on Budget & Accounts (Variance Analysis)*

Introduction

The Appropriation Accounts for the year 2016-17 of Transport Department indicate expenditure on various specified services vis-à-vis appropriation authorized by Government of the Punjab.

Summary of Appropriation Accounts

The summarized position of actual expenditure during 2016-17 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)
PC21007	50.026	139.449	189.475	127.299	(62.176)
PC21010	1,145.251	(15.578)	1,129.673	1,115.946	(13.727)
PC22036	91,573.000	(50,498.070)	41,074.930	4,694.850	(36,380.080)
PC12043	1,470.830	9,978.901	11,449.731	11,440.485	(9.246)
Total	94,239.107	(40,395.30)	53,843.809	17,378.58	(36,465.229)

Overview of Expenditure

The final budget of Transport Department for the year ended 30 June, 2017 was Rs. 53,843.809 million. Out of this, actual expenditure was Rs. 17,378.58 million.

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	1,195,277,000	1,243,245,182	47,968,182	4.01
Development	93,043,830,000	16,135,335,380	(76,908,494,620)	82.66
Total	94,239,107,000	17,378,580,562	(76,860,526,438)	81.56

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	1,319,148,000	1,243,245,182	(75,902,818)	5.75
Development	52,524,661,000	16,135,335,380	(36,389,325,620)	69.28
Total	53,843,809,000	17,378,580,562	(36,465,228,438)	67.72

Anticipated savings not surrendered

As per para 14.3 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. (36,465.229) million at the close of the year 2016-17 under grants PC21010, PC21007, PC12043& PC22036 were not surrendered in time by the Department.

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

Audit Report on the accounts of Government of the Punjab, Transport Department Audit Years 2013-14& 2014-15 have not yet been discussed in PAC. Moreover, there is no other Report yet printed in any of the previous years. However, the department is requested to reconcile the matter with Audit Department regarding any discrepancy.

28.4 AUDIT PARAS

Non production of record

28.4.1 *Non-production of record-Rs.37.82 billion*

As provided in 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. Further, Punjab Finance Department letter No. FD (M1) III-2/87(P-III), dated 22nd February, 1994 provides that DDO himself will be responsible for production of record to the audit party at the time of audit and that in case of any lapse on his part, severe disciplinary action will be taken against him by the Administrative Secretary personally apart from submitting a report to the Chief Minister/ Chief Secretary.

During audit of Transport Department, Lahore for the period 2016-17, it was observed that expenditure of Rs.37,817,767,383 was incurred from Special Drawing Accounts No SDA-177-A, SDA-207, SDA-211 and SDA-249. However, record like approval for opening SDA, vouched account, cheque books, Cash Book, Reconciliation of pass book with DAO/TO was not produced to audit.

Further, in another case, an amount of Rs.3,650,209 was paid in June 2017 through three cheques to different firms but complete vouched account/record was not provided by the management.

Because of non production of record the payments could not be authenticated as valid.

The lapse was pointed out in September 2017. The management stated that detailed reply would be submitted after consultation of record.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department needs to produce record for audit and take disciplinary action against the responsible.

(PDP No. 21782- Transport Department, Lahore-2016-17)

Irregularities & non-compliance

28.4.2 Non-surrender of savings- Rs.13.62 million

According to Rule 14.3 of the Punjab Budget Manual, the heads of the departments should submit to the Finance Department the first statement of excesses and surrenders by 1st January and the second statement of excesses and surrenders by 31st March.

During scrutiny of expenditure statements of Transport Department Lahore for the period 2016-17, it was observed that an amount of Rs.13,618,055 was not surrendered in time which required justification besides regularization from Finance Department.

When the matter was pointed out in September 2017, the management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the matter needs to be regularized from Finance Department besides fixing responsibility for non surrendering the amount within the stipulated time.

(PDP No.21781- Transport Department Lahore-2016-17)

Recoveries and overpayments

28.4.3 Non Recovery of PST -Rs.275,892

According to Sr.No 38 of the second schedule of Punjab sales tax on services Act 2012 amended by Finance Act 2014,sales tax is deductible @16% on services. Moreover , as per rule 8 ibid , the drawing and disbursing officer (DDO) while preparing the bill for the accounting office shall indicate the amount of sales tax withheld under these rules. Furthermore, as per rule 14, the withholding agent shall be considered defaulter and shall be personally liable for recovery of the amount of tax and any penalty.

During audit of Transport Department Lahore for the period 2016-17, it was observed that Punjab Sales Tax livable on services was not deducted from the payments made to DGPR on account of advertisement.

Audit was of the view that weak supervisory and financial controls resulted in non-deduction of PST.

Audit pointed out the irregularity in September 2017. The management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till

the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that amount may be got recovered from concerned and be deposited into Government Treasury beside fixing of responsibility for non adherence to rules.

(PDP No.21786- Transport Department Lahore-2016-17)

CHAPTER 29

WOMEN DEVELOPMENT DEPARTMENT

29.1 *Introduction*

Women Development Department was established on April 4, 2012 and is mandated to lead the province towards Women Empowerment and Gender Equality following PWEF.

According to Punjab Government Rules of Business, 1974 as amended in 2011, Women Development Policy includes:

- Safeguarding Women Rights
- Provision of ways and means to effectively safeguard women's rights within the constitutional and legal framework to improve these guarantees not only in letters and spirit but also to introduce new legislative framework where and when required.
- Expanding Opportunities

Expansion of opportunities to improve socio-politico-economic status of women with special focus on rural areas.

The department functions, under the Punjab Government Rules of Business, 1974 as amended in 2011 are as following:

- Legislation, policy formulation and sectoral planning for women development.
- Transformation of the government into an organization that actively practices and promotes gender equality and women empowerment.
- Implementation of administrative and institutional reforms and departmental restructuring for promoting gender equality.

- Mainstreaming gender equality perspective across public policies, laws, programs, and projects by departments and agencies of the government with a focus on women empowerment.
- Promotion, coordination and monitoring of execution of national and provincial policies and commitments on gender reforms and women development.
- Provision of technical support and expertise for gender mainstreaming in all departments of the government and its agencies.
- Expansion of investment in women's socio-political and economic development to achieve the goal of gender equity.
- Collection of quantitative and qualitative data and conducting of research on the status of women in the Punjab to highlight issues at appropriate forum.
- Building of partnership with line departments, non-governmental and civil society organizations to deliver on the rights and entitlement of women.
- Pursuance of means and measures to increase participation of women in political process and encouragement of effective representation of women in political and administrative spheres.
- Collaboration with legal, judicial, law enforcement and other relevant governmental and non-government agencies to facilitate women's access to formal legal and justice system.

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

Introduction

The Appropriation Accounts for the year 2016-17 of Women Development indicate expenditure on various specified services vis-à-vis appropriation authorized by Government of the Punjab.

Summary of Appropriation Accounts

The summarized position of actual expenditure during 2016-17 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	109.489	(28.979)	80.510	69.137	(11.373)
PC21031	83.390	(10.649)	72.741	67.483	(5.258)
PC21036	579.000	(181.826)	397.174	386.715	(10.459)
Total	771.879	(224.454)	550.425	523.335	(27.09)

Overview of Expenditure

The final budget of Women Development for the year ended 30 June, 2017 was Rs. 550.425 million. Out of this, actual expenditure was Rs. 523.335 million. 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	192,879,000	136,620,243	(56,258,757)	(29.17)
Development	579,000,000	386,715,282	(192,284,718)	(33.21)
Total	771,879,000	523,335,525	(248,543,475)	(32.20)

This composition changed due to supplementary grants and 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	153,251,000	136,620,243	(16,630,757)	10.85
Development	397,174,000	386,715,282	(10,458,718)	2.63
Total	550,425,000	523,335,525	(27,089,475)	4.92

Anticipated savings not surrendered

As per para 14.3 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. (27.09) million at the close of the year 2016-17 under grants PC21010, PC21031 & PC22036 were not surrendered in time by the Department.

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

Audit report on the accounts of Government of the Punjab, Women Development Department Audit Year 2013-14 has not yet been discussed in PAC. Moreover, there is no other Report yet printed in any of the previous years. However, the department is requested to reconcile the matter with Audit Department regarding any discrepancy.

29.4 AUDIT PARAS

Non production of record

29.4.1 Vouched accounts not produced - Rs. 577,336

As per 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. Moreover, Rule 2.20 of PFR Vol-I provides that 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.

During audit of Government Working Women Hostel, Township, Lahore, for the period 2014-16, it was observed that an amount of Rs.672,200 was collected from residents of hostel during the period from July 2013 to September 2014. An amount of Rs. 577,336 was incurred on hostel expenses and pay of staff. The paid vouchers and relevant record of appointment of staff was not produced to audit. In the absence of record audit was unable to verify the authenticity of the expenditure. The account of the balance amount of Rs. 94,864 (672,200- 577,336) was also not shown to audit.

Furthermore it was noticed that Rs.160,000 on account of refundable securities were collected from residents but the same were not found deposited in bank account and record of refund was also not produced.

Audit was of the view that due to non-production of record audit could not ascertain the genuineness of expenditure.

Audit pointed out the matter in May 2017. The management replied that the matter would be taken up with the higher authority to direct the concerned official for production of vouched account.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the matter needs to be looked into and responsibility by fixed besides production of relevant record.

(PDP No. 19341-Government Working Women Hostel, Township, Lahore- 2014-16)

Irregularities & non-compliance

29.4.2 Irregular expenditure due to violation of tendering process-Rs. 89.04 million

According to Rule 9 of Punjab Procurement Rules 2014, a procuring agency shall announce in an appropriate manner all proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements so planned. Moreover, as per Rule 12 *ibid*, all procurement opportunities over two million rupees should be advertised on the PPRA's website as well as in other print media or newspapers having wide circulation. The advertisement in the newspapers shall principally appear in at least two national dailies, one in English and the other in Urdu. Moreover, the procurement of more than one hundred thousand rupees and up to the limit of two million rupees shall be advertised on the website of the Authority in the manner and format specified by regulations.

During audit of Women Development Department for the period 2015-16, it was observed that an amount of Rs.89,037,841 was paid out of SDA account for making arrangements on the eve of celebration of International Women Day. The expenditure was held irregular due to the following reasons:

- All the expenditure was incurred without inviting competitive rates in violation of PPRs 2014.
- Activities decided to be performed on the eve of the International Women Day and approved by the Chief Minister were not shown to Audit.
- Seating arrangement was only for 400 persons but arrangement of 1500 lunch boxes seemed to be unjustified.
- Tele-video cassettes of government campaign launched on electronic media at various channels (TV) to verify the date, time, logo of channel and duration of the government campaign were not produced.
- Documentaries were prepared by the private agencies in spite of the fact that a media house is also established in D.G.P.R. for this purpose.
- The department failed to produce the documentary evidence for the approval of government campaign designed and launched both on electronic and print media.
- Income tax and PST amounting to Rs.895,112 and Rs.823,092 respectively were not deducted.

Audit was of the view that non observance of Punjab Procurement Rules resulted in irregular expenditure.

The matter was pointed out in February 2017. The management replied that necessary action would be taken.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that responsibility for the lapses should be fixed besides recovery of taxes and regularization of expenditure from Finance Department.

(PDP Nos. 20103 & 20108-Secretary, Women Development Department, Lahore- 2015-16)

Internal control weakness

29.4.3 *Loss to government due to theft/non-return of articles- Rs. 754,270*

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 Women Development Department, it was noticed that one laptop of Rs.122,360 was issued to consultant working on contract basis and he was terminated but the department failed to receive back the laptop. While another laptop valuing Rs.131,910 issued to Management Expert was stolen but further action was not forthcoming from the record.

Furthermore, audit of Government Working Women Hostel, Township Lahore for the period 2014-16, it was found that the vehicle was stolen from the Directorate Office and no action was taken by the competent authority.

The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Observation	Amount (Rs.)
1.	Secretary, Women Development Department	2011-16	20111	Theft of Vehicle	500,000
2.	Government Working Women Hostel, Township, Lahore	2014-16	19345	Non return of laptop	122,360
				Theft of laptop	131,910
Total					754,270

Audit was of the view that weak supervisory controls resulted in loss to government.

The matter was pointed out in February 2017. The formations noted the observations for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that responsibility for the above lapses be fixed and loss be made good besides strengthening of supervisory internal control.

29.4.4 Unauthorized payment of pay and allowance because of irregular shifting of headquarter-Rs. 1.87 million

Finance Department circulation vide letter no. FD/SRIV-8-1/76 (Prov.) dated 20.03.1988 states that shifting of head quarter of a civil servant can only be allowed for a period not exceeding three months with the prior approval of Finance Department.

During audit of Government Working Women Hostel, Township Lahore, for the period 2014-16, it was observed that employees of department were drawing pay and allowances amounting to Rs. 1,869,845, whereas they were not actually working in the hostel for the period exceeding 3 months. The details are as under:

Sr. No	Name of Employee	Designation	Period	No. of Month	Pay P.M	Amount (Rs.)
1.	Mr. Faisal Abass	Chowkidar	April-2015 to May-2017	26	16,665	433,290
2.	Miss Amina Ishfaq	Cook	Feb-2015 to May- 2017	28	16,510	462,280
3.	Miss Shama	Sweeperess	Jan-2015 to May-2017	29	15,391	446,339
4	Mr. Shahid Farooq	Driver	Oct-2014 to May-2017	32	16,498	527,936
Total						1,869,845

Audit was of the view that weak supervisory and internal controls resulted in unauthorized payment of pay and allowances.

The matter was pointed out in May 2017. The management noted the observation for compliance.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends the department to look into the matter and seek regularization from Finance Department besides direction to the concerned staff for repatriation.

(PDP No. 19344-Government Working Women hostel Township, Lahore- 204-16)

Recoveries and overpayments

29.4.5 Non Deduction of taxes- Rs. 26.75 million

According to section 3 of Punjab Sales Tax on Services Act 2012, there shall be levied 16% Punjab Sales Tax on all kinds of advertisement

services including advertisements on hoarding boards, pole signs and sign boards and on closed circuit TV, websites or internet, advertisements through brand activation in any mode, advertisement on moving vehicles, aerial advertising, advertisement through provision of space or time, or on bill-boards, public places, buildings, conveyances, cell phones, automated teller machines, or through offering product exclusivity in any manner.

According to the instruction issued the Govt. of Pakistan vide SRO.660 (1)2007 dated 30.06.2007, all withholding agents shall make purchases of taxable goods from a person duly registered under the Sale Tax Act 1990, provided that under unavoidable circumstances and for reason to be recorded in writing, purchases are made from unregistered persons, the withholding agents shall deduct sales tax @ 17% of the value of taxable supplies made to them from the payment due to the suppliers.

During audit of Women Development Department for the period 2011-16, it was observed that Income tax, GST and PST amounting to Rs. 26,746,828 was not deducted. The details are as under:

Sr. No.	Name of formation	Period of audit	PDP No.	Type of tax	Amount (Rs.)
1	Women Development Department, Lahore	2011-16	20112	Non deduction of GST/ PST	162,867
2	Women Development Department, Lahore	2011-16	20106	Non deduction of GST	127,013
3	Women Development Department, Lahore	2011-16	20109	Non deduction of PST and I. Tax	26,456,948
Total					26,746,828

Audit was of the view that weak internal controls on “Taxation” resulted in non-deduction of taxes.

Audit pointed out the matter in February 2017. The management did not furnish any reply.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that recovery be effected from the concerned and deposited into government account.

29.4.6 Non deposit government revenue - Rs.659,600

As per 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 Government Working Women Hostel, Township, Lahore, for the period 2014-16, it was observed that security fee, admission fee and room rent amounting to Rs 659,600 were collected from the hostel residents but were not deposited into Government Treasury.

Audit was of the view that weak internal controls resulted in non-deposit of government revenue.

The matter was pointed out in May 2017. The management replied that the matter would be taken up with the higher authority.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the said amount be deposited into government treasury and that responsibly be fixed for undue retention of government money besides strengthening the supervisory controls.

(PDP Nos. 19342 & 19343- Government Working Women Hostel, Township, Lahore- 2014-16)

CHAPTER 30

YOUTH AFFAIRS, SPORTS, ARCHAEOLOGY AND TOURISM DEPARTMENT

30.1 *Introduction*

In October 2011 new Department comprising Youth Affairs, Sports, Archaeology, Department of Tourist Services & Tourism was created.

Uptil 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.

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

Introduction

The Appropriation Accounts for the year 2016-17 of Youth Affairs, Sports and Archeology indicate expenditure on various specified services vis-à-vis appropriation authorized by Government of the Punjab.

Summary of Appropriation Accounts

The summarized position of actual expenditure during 2016-17 against the total of one 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)
PC21010	36.993	(0.498)	36.495	35.457	(1.038)
Total	36.993	(0.498)	36.495	35.457	(1.038)

Overview of Expenditure

The final budget of Youth Affairs, Sports and Archeology for the year ended 30 June, 2017 was Rs. 36.495 million. Out of this, actual expenditure was Rs. 35.457 million. 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	36,993,000	35,457,000	(1,536,000)	4.15
Total	36,993,000	35,457,000	(1,536,000)	4.15

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	36,495,000	35,457,000	(1,038,000)	2.84
Total	36,495,000	35,457,000	(1,038,000)	2.84

Anticipated savings not surrendered

As per para 14.3 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. (1.038) million at the close of the year 2016-17 under grants PC21011 were not surrendered in time by the Department.

30.3 *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.

30.4 AUDIT PARAS

Non production of Record

30.4.1 Non production of record

As provided in 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. Further, Punjab Finance Department letter No. FD (M1) III-2/87(P-III), dated 22.02.1994 provides that DDO himself will be responsible for production of record to the audit party at the time of audit and that in case of any lapse on his part, severe disciplinary action will be taken against him by the Administrative Secretary personally apart from submitting a report to the Chief Minister/ Chief Secretary.

During audit of office of the Directorate General of Archaeology, Lahore (LO4593- Lahore Fort and Shalamar Gardens) for the year 2011-17, auditable record i.e. income statement, receipts record, bank account along with cash book, office order book, newspaper, electricity, library, recovery register, log books of vehicle/ generator, recruitment record etc was not produced despite repeated verbal and written requests on 26.09.2017 and 05.10.2017.

Audit was of the view that due to non-production of record, the authenticity of the accounts could not be verified.

The matter was pointed out in October 2017. The management replied that record would be shown to audit in SDAC/DAC.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends the department to produce the record for scrutiny besides fixing responsibility for non-production of record.

(PDP No. 21246 -Lahore Fort & Shalamar Garden Lahore -2011-17)

Irregularities & non-compliance

30.4.2 Irregular appointment of contingent paid staff involving expenditure- Rs. 18.06 million

As per Government of the Punjab Finance Department letter No. RO (Tech) FD 2-2/2016 and Revised Schedule of Wage Rates-2016 dated 05.09.2016, the procedure for appointment of work charge/daily wages staff was laid down in the preface to Revised Schedule of Wage Rates 2016, appointment to a post included in this Schedule may be made by the competent authority under Delegation of Financial Power Rules 2006 subject to the condition that the post(s) shall be advertised properly in the leading newspapers.

During audit of office of the Directorate General of Archaeology, Lahore (LO4593- Lahore Fort and Shalamar Gardens) for the year 2011-17, it was noticed that the payment amounting to Rs.18,059,525 was made to the contingent staff during the period under audit. Expenditure was held irregular on the following grounds:

1. Appointments were made for 89 days after one day gap without advertisement in violation of Government instructions.
2. Same persons were appointed time and again throughout the period.

3. Duty roster of the staff including regular staff was not provided.
4. Justification of appointment of contingent paid staff with respect to workload and in the presence of regular staff posted/working against the following posts was not made known to audit.

Audit was of the view that non observance of government instructions resulted in irregular appointment of contingent paid staff.

The matter was pointed out in October 2017. The management that all the requirement are made after seeking approval from Finance Department. However, detailed reply will be submitted later on.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends probe of the matter to fix responsibility and condonation of irregularity of appointment from Finance Department.

(PDP No. 21243-Lahore Fort & Shalamar Garden Lahore -2011-17)

Recoveries and overpayments

30.4.3 Non deduction of taxes-Rs.3.24 million

Sales tax on various types of services is applicable at the rates specified in second schedule of Punjab Sales Tax on Services Act 2012. As per Section 236A of the Income Tax Ordinance 2001, Advance tax @10% of auction value shall be recovered from successful bidder.

During audit of Youth Affairs, Sports, Archaeology & Tourism Department, it was observed that Punjab Sales Tax on services and

advance income tax at the prescribed rates was not deducted at the time of payments to the contractors. The details are as under;

Sr. No.	Name of formation	Period of audit	PDP No.	Nature of tax	Amount (Rs.)
1	Lahore Fort & Shalamar Garden Lahore	2011-17	21238	Advance income tax	1,854,056
2	DG Archeology Lahore	2015-16	19333	Income tax	809,791
3	DG Archeology Lahore	2015-16	19332	Income tax	577,295
Total					3,241,142

Audit was of the view that weak supervisory and financial controls resulted in non-deduction of taxes amounting to Rs.3,241,142.

The matter was pointed out to concerned formation in May 2017. The management at Sr. No.1 withholding tax on the contract of services has been deducted @7.5% as per contract agreement. The formations at Sr. Nos. 2 & 3 only noted the observation and did not offer any comments.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the department should strengthen its internal controls, effect recovery of the stated amount and deposit the same into government treasury.

Others

30.4.4 Unauthorized deposit of Government receipt into the account of Punjab Heritage Foundation in BOP-Rs. 258.59 million

All receipts disbursements and charges of whatever sort connected with the public service must be shown in the cash book and sufficient

details should be given in the column “Particulars” to admit of the main points of each transaction being readily ascertained without reference to the detailed vouchers as required vide para 2.6 of PFR Vol-I. Further, as per 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 office of the Directorate General of Archaeology, Lahore (LO4593- Lahore Fort and Shalamar Gardens) for the year 2011-17, it was noticed that lease money from different contractors for Rs. 258,587,975 was deposited into PLS Account No. 0073-PLS-00709-000-1 of Punjab Heritage Foundation Fund instead of into Government Treasury. Deposit of Government receipt was unauthorized on the following grounds:

1. Administrative control of Lahore Fort, Shalamar Gardens and other monuments in Punjab is with Archaeology Department and the same being run under Government of the Punjab. Therefore, receipt was required to be deposited into Government Treasury.
2. Punjab Heritage Foundation does not exist and is not functional since 2005 and therefore deposit of government receipt into foundation was not legitimate.
3. Complete record relating to receipt of car parking, canteen, booking counter, camera man and book shops for the period 2011-12 to 2016-17 was not produced to audit.
4. Scrutiny of the bank statement for the period January 2015 to September 2017 revealed that Rs.2,860,037 was

deducted as withholding tax by the BOP but its further deposits to Government Treasury was not shown to audit.

5. Cash book of receipt was not maintained during the period under audit.
6. Bank statements for the period July 2011 to December 2014 were not produced to audit for scrutiny.
7. Balances lying in BOP were not invested resulting into loss to Government equal to the interest accrued thereon.

Audit was of the view that the lapse was occurred due to lack of supervisory and management controls.

The matter was pointed out to concerned formation in October 2017. The management stated that detailed replay will be submitted latter on.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends that the matter be probed to fix the responsibility besides regularization of the expenditure.

(PDP No. 21236 -Lahore Fort & Shalamar Garden Lahore -2011-17)

30.4.5 Less receipt from lease points-Rs. 3.81 million

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 Govt. through Fraud or Negligence on his part.

During audit of office of the Directorate General of Archaeology, Lahore (LO4593- Lahore Fort and Shalamar Gardens) it was noticed that booking counters at different places were not leased out and income at

booking counters was collected at departmental level. The receipt at departmental level was less than that of contractual receipt in previous contracts of leasing which resulted into loss to Government. The detail are as under:

Sr. No.	Nature of contract	Name of Contractor	Period	Monthly collection	Total receipt collected	Less collection of receipt, Loss to Govt. (Rs.)
1	Booking counter wah Garden	Sajjad Ahmed Khan	02.03.16 to 01.09.16	341,668	2,391,673	1,675,813
		Department level	02.09.16 to 31.03.17	102,266	715,860	
2	Booking counter Rohtas Fort	M/s CH. Enterprises	10.10.15 to 10.10.16	258,333	1,808,333	1,421,976
		Department level	11.10.16 to 04.05.17	55,194	386,357	
3	Booking Counter Hiran Minar	Manzoor Ahmed Malik	10.10.15 to 09.10.16	375,000	1,687,500	714,600
		Department level	10.10.16 to 25.01.17	216,200	972,900	
Total						3,812,389

It is further added that complete record relating to receipt i.e. tickets, daily receipt register etc was not produced to audit.

Audit was of the view that the lapse was occurred due to lack of supervisory and management controls.

The matter was pointed out in October 2017. The management stated that detailed replay will be submitted latter on.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends the department that responsibility in this regard be fixed and loss to government may be recovered from the persons held responsible.

(PDP No. 21239-Lahore Fort & Shalamar Garden Lahore -2011-17)

30.4.6 Irregular drawl of electricity charges-Rs.2.10 million

As per Rule 8.27 of PFR Vol-1, it is the duty of a countersigning officer to see that the charges made in a contingent bill are of obvious necessity, and are at fair and reasonable rates; that previous sanction for any item requiring it is attached; that the requisite vouchers are all received and are in order, and that the calculations are correct: and specially that the appropriations have not been exceeded or are not likely to be exceeded, and that the Accountant-General is informed either by a note on the bill or otherwise of the reason for any excess over the monthly proportion of the appropriation. If expenditure be progressing too rapidly, he should communicate with the disbursing officer and insist on its being checked.

The scrutiny of accounts of the Directorate General Sports, Lahore revealed that a sum of Rs.2,101,007 was drawn against the head of electricity charges and shown as paid to the electric company. Whereas the above said amounts did not appear in the details of paid electricity bills (history of Bills) which held the drawal of claims as doubtful. The matter needs adjustments and reconciliation with WAPDA under intimation to audit or action against responsible, if unadjusted in the subsequent bills.

Audit was of the view that weak supervisory and financial controls resulted in irregular drawl of electricity charges.

The matter was pointed out to the formation in May 2017. The management only noted the observation and did not offer any comments.

The matter was further reported to the administrative department. Neither any reply was received nor any DAC meeting was convened till the finalization of this Report despite issuance of reminders in October, November and December 2017.

Audit recommends to take up the matter with Electricity Company for reconciliation regarding non appearance of the above said amount in the history sheet of paid bills and results be produced to audit for verification or the management probe the matter if the amount remain unadjusted in the subsequent bill.

(PDP No. 18904-D. G. Sports Board Lahore -2014-16)

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CHAPTER 31

ZAKAT AND USHR DEPARTMENT

31.1 *Introduction*

Zakat and Ushr department is headed by Secretary. Administrator Zakat & Ushr serves as its special institution. The department comprises of two wings viz. Zakat wing and Ushr wing.

The department has been assigned the duties of:

- execution of the policy laid down and decision taken by the Central and Provincial Councils supervision and guidance of Local, Tehsil and District Zakat.
- disbursement of zakat funds to local Zakat funds to local Zakat Committee, Deeni Madaris and welfare institutions.
- compilation and collection of data regarding number of beneficiaries and amount utilized.
- arrangements for training of Chairman and Members of Zakat Committees and officers associated with Zakat work.
- mobilization of public opinion about voluntary contribution of Zakat.
- purchase of stores and capital goods for the department
- service matters except those entrusted to the services and General Administration Department
- valuation of Ushr
- compilation and collection of data regarding departmental schemes carried out within jurisdiction of Zakat and Ushr Committee out of Ushr collected by the Committees.

31.2. *Comments on Budget & Accounts (Variance Analysis)* *Introduction*

The Appropriation Accounts for the year 2016-17 of Zakat & Ushr Development indicate expenditure on various specified services vis-à-vis appropriation authorized by Government of the Punjab.

Summary of Appropriation Accounts

The summarized position of actual expenditure during 2016-17 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	27.750	(2.650)	25.100	25.465	0.365
PC21031	226.952	(28.744)	198.208	184.569	(13.639)
PC21036	2,000.000	2,000.000	4,000.000	4,000.000	0
Total	2,254.702	1,968.606	4,223.308	4,210.034	(13.274)

Overview of Expenditure

The final budget of Zakat & Ushr Development for the year ended 30 June, 2017 was Rs. 4,223.308 million. Out of this, actual expenditure was Rs. 4,210.034 million. 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	254,702,000	210,034,174	(44,667,826)	17.54
Development	2,000,000,000	4,000,000,000	2,000,000,000	100.00
Total	2,254,702,000	4,210,034,174	1,955,332,174	86.72

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	223,308,000	210,034,174	(13,273,826)	5.94
Development	4,000,000,000	4,000,000,000	0	0.00
Total	4,223,308,000	4,210,034,174	(13,273,826)	0.31

Anticipated savings not surrendered

As per para 14.3 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. (13.274) million at the close of the year 2016-17 under grants PC21031 were not surrendered in time by the Department.

Excess expenditure requiring regularization

As per para 14.3 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. 0.365 million for the year 2016-17 under grant PC21010 were not surrendered in time by the Department.

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

Audit Report on the accounts of Government of the Punjab, Zakat and Ushr Department Audit Year 2013-14 has not yet been discussed in PAC. Moreover, there is no other Report yet printed in any of the previous years. However, the department is requested to reconcile the matter with Audit Department regarding any discrepancy.

31.4 AUDIT PARAS

Non production of record

31.4.1 Non-production of record-Rs. 4,976.17 million

As provided in 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. Further, Note ii & iii of the AG Punjab Lahore authority letters regarding releasing of payment authority of SDA requires submission of monthly account of expenditure supported with copies of paid vouchers by 15th of each month and submission of monthly reconciliation statements duly signed by PAO / DDO with photocopies of pass book by 7th of each month.

During audit of Zakat & Ushr Department, Lahore for the period 2011-16, it was observed that Special Drawing Account (SDA) was being operated by the department on the name of Secretary Zakat & Ushr Department and department disbursed an amount of Rs. 4,976.168 million to the Punjab Vocational Training Council (PVTC) which was an autonomous corporate body established by the Punjab Government through the PVTC Act of 1998 but vouched account of SDA account along with allied documents utilization reports & unspent balances was not produced to audit for scrutiny.

In absence of the aforesaid record, audit was unable to ascertain transparency in the relevant transactions.

The matter was pointed out in February 2017. The management stated that the audit may give appropriate time & schedule for provision of requisite record by Vocation Training Institutes and copy forwarded to MD Punjab Vocational Training Council with the request to arrange and provide requisite record like vouched account, utilization reports and unspent balances as development grants.

The matter was further reported to the administrative department. In DAC meeting held on 23.11.2017, the para was kept pending for production of record during next regular audit. Further progress was not reported till the finalization of this report.

Audit recommends the department to produce the record at the earliest for audit scrutiny besides disciplinary action be initiated against the responsible persons for non-production of record.

(PDP No. 19165-Secretary Zakat & Ushr Department- 2011-2016)

Irregularities & non-compliance

31.4.2 Non surrendering of savings -Rs.5.60 million

According to Rule 14.3 of the Punjab Budget Manual, the heads of the departments should submit to the Finance Department the first statement of excesses and surrenders by 1st January and the second statement of excesses and surrenders by 31st March.

During audit of Administrator Zakat & Ushr Department for the period 2012-16, it was observed that an amount of Rs.5,602,729 lapsed due to non-spending and non-surrendering of savings.

Audit was of the view that weak budgetary control resulted in non-surrendering of savings.

Audit pointed out the lapse in April 2017. The management did not offer reply.

The matter was further reported to the administrative department. In DAC meeting held on 23.11.2017, the para was kept pending for regularization of expenditure from the Finance Department. Further progress was not reported till the finalization of this Report.

Audit recommends that department seek condonation of irregularity from the Finance Department.

(PDP No. 18897- Administrator Zakat & Ushr Department- 2012-2016)

*Annexure-1***MFDAC**

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
AGRICULTURE DEPARTMENT					
1.	Rice Research Institute, Kala Shah Kaku	2015-16	18722	Approved List of Vehicles Not provided- all the Vehicles were kept in Pool Instead of Allotment as Required an S & GAD Policy Involve POL and Repair of Vehicle Expenditure	1,597,052
2.	Rice Research Institute KSK	2015-16	18732	Irregular payment of Rs. 1.341 Million	452,600
3.	Potato Botanist Research Station, Sialkot	2014-16	19060		103,282
4.	DG Agriculture (Ext. AR) Lahore	2016-17	19393	Irregular expenditure out of development scheme	2349334
5.	University of Agriculture Faisalabad	2015-16	18207	Irregular Appointments of Retired Employees	0
6.	Potato Botanist Research Station, Sialkot	2014-16	19059	Non-examining of monthly schedule of salaries by the supervisory payroll officer	19,660,113
7.	Agricultural University, Faisalabad	2015-16	18203	Non-auction of Condemn/unserviceable Articles of Rs. 2.431 million	1,755,925
8.	Director Cotton Botanist Research Institute, Multan	2014-17	19511		300,000
9.	University of Agriculture, Faisalabad	2015-16	18280	Un- necessary Purchases Without Immediate Requirements	4,266,757
10.	Pir.Mehr Ali Shah - Arid Agriculture University, Rawalpindi)	2016-17	19605	Irregular reimbursement of residential telephone and mobile bills charged to communication charges	2,291,455
11.	Pir.Mehr Ali Shah - Arid Agriculture University, Rawalpindi	2016-17	19603	Misclassification of expenditure due to payment from incorrect head of	1,455,110

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
				accounts	
12.	AD Agriculture (Ext.) Sahiwal)	2016-17	19330	Non disposal of dry/fallen trees and unserviceable store articles	543,210
13.	Rice Research Institute, Kala Shah Kaku	2015-16	18731	Loss to government on sale of seed as Mixture	1.42 million
14.	Secretary Agriculture	2016-17	19191	Overpayment of conveyance allowance	1,366,368
15.	Agriculture University Faisalabad	2015-16	18272		1,140,000
16.	Pir.Mahar Ali Shah Arid Agriculture university Rawalpindi	2016-17	19598		780,000
17.	Director Wheat Research Institute, Faisalabad	2014-17	7		665,000
18.	Rice Research Institute, Kala Shah Kaku	2015-16	18719	Loss on Purchase of Fertilizer at higher rate without adjusting Subsidy package announced by the government resulted into loss to Government	232,042
19.	University of Agriculture, Faisalabad	2015-16	18273	Non-Recovery of Cost of Removed Trees Rs. 110,000 from Construction of TST Road	110,000
20.	Horticulture, Hill Fruit Research Station Muree	2011-16	18961	Poor functioning of hill fruit research station	0
21.	Director Wheat Research Institute Faisalabad	2014-17	22332	Non-auction of wheat mixture & other items	10,360,777
22.	Director Wheat Research Institute Faisalabad	2014-17	22334	Non-auction of wheat mixture & other items	3,833,847
23.	Director Wheat Research Institute Faisalabad	2014-17	22337	Non-auction of wheat mixture & other items	642,390
24.	Director Wheat Research	2014-17	22339	Non-auction of wheat	339,000

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
	Institute Faisalabad			mixture & other items	
25.	AD Agriculture (Ext.) Sahiwal	2016-17	19329	Less deposit of sale proceeds of wheat issued to Punjab Seed Corporation	110,615
26.	AD Agriculture Ext. Sahiwal	2016-17	19331	Loss due to un-justified decrease in income from fruiting trees	484,000
27.	Assistant Director Agriculture (Ext.) Sahiwal	2016-17	19327	Blockage of govt. money due to non-return of surplus motorcycles	479,600
28.	AD Agriculture ext. Sahiwal	2015-16	19328	Un-authorized distributed distribution of motorcycles to personal use not at strength	359,700
29.	Rape Seed Botanist, Oil Seeds Research Station, Khanpur)	2003-16	17518	Non- placement of bank accounts into the bank of Punjab	42,534,731
30.	Director Wheat Research Institute, Faisalabad	2014-17	22338	Non-deduction of conveyance allowance residing in Hostel rooms located within office premises.	665,000
31.	Director pulses R.I Faisalabad	2011-16	17710	Overpayment of Conveyance allowance to the officers/Officials during leave	537,344
32.	Assistant Director Agriculture (Extension) Pakpattan	2016-17	1	Penalty/Renewal fees not recovered from cotton ginning factory	1,810,000
33.	Assistant Director Agriculture (Extension) Pakpattan	2016-17	2	Illegal working of cotton factory without renewal of lease resulting in loss	1,500,000
34.	Assistant Director Agriculture (Extension) Pakpattan	2016-17	3	Loss due to demolishing of four rooms without permission	1,000,000

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
35.	D.G. Agriculture (Field) Lahore	2016-17	19386	Irregular drawal of pay and allowances of staff du to shifting of headquarter.	679,585
36.	Director General Agriculture (Ext. AR) Lahore	2016-17	19395	Un authorized retention of employees after superannuation and payment of commutation	571790
37.	Director General Agriculture (Ext. AR) Lahore	2016-17	19402	Irregular expenditure incurred on purchase of Hollow Cone Nozzles	1609,848
38.	Director General Agriculture (Ext. AR) Lahore	2016-17	19401	Non deposit of security deposits/call deposits into govt. treasury	10971359
39.	Director General Agriculture (Ext. AR) Lahore	2016-17	19400	Irregular expenditure incurred on purchase of Methyle Eugonol	46,416,311
40.	Directorate of Floriculture (T&R) Punjab, Lahore	2015-16	17877	Doubtful consumption of inputs at Nursery	331620
41.	Directorate of Floriculture (T&R) Punjab, Lahore	2015-16	17878	Irregular payment of instructional allowance	115000
42.	Director Agriculture Information Punjab, Lahore	2015-16	18003	Non recovery of Punjab Sales Tax on services	3,121,506
43.	Director Agriculture Information Punjab, Lahore	2015-16	18002	Irregular/excess payment on advertisement charges on print media	2,390,188
44.	Director Agriculture Information Punjab, Lahore	2015-16	18210	Non/Less recovery of income tax	128,953
45.	Director Agriculture Information Punjab, Lahore	2015-16	18211	Misclassification of expenditure	238,094
46.	Secretary Agriculture Govt of the Punjab	2016-17	19194	Non Accountal of cheques	23.122 (M)
47.	Director Agriculture Extension, Lahore Division, Lahore	2016-17	21117	Non surrendering of savings	21.964 (M)
48.	Director Agriculture Extension, Lahore Division, Lahore	2016-17	21116	Loss due to irregular expenditure charged to the public exchequers	2,15,460
49.	Director Agriculture Extension, Lahore Division, Lahore	2016-17	21115	Excess/Overcharging the cost estimate for renovation of building	5,69,667
50.	Director Agriculture Extension, Lahore Division, Lahore	2016-17	21114	Irregular Re-appropriation and drawl of funds	55,00,000

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
51.	Director General Agriculture, On Farm Water Management, Lahore	2014-16	17740	Unjustified electricity payment from development grant	3,432,432
52.	Director General Agriculture, On Farm Water Management, Lahore	2014-16	17741	Excess drawl of electricity charges	460,956
53.	Director General Agriculture, On Farm Water Management, Lahore	2014-16	17742	Excessive consumption of POL	1,440,303
54.	Director General Agriculture, On Farm Water Management, Lahore	2014-16	17743	Mis-procurement of goods	1,495,837
55.	Director General Agriculture, On Farm Water Management, Lahore	2014-16	17744	Less deduction of income tax	132,064
56.	Director General Agriculture, On Farm Water Management, Lahore	2014-16	17745	Excess Drawl of Conveyance Allowance	115,000
57.	Agriculture Engineer, Lahore	2015-17	20676	Irregular expenditure on avoiding of tendering	1,423,587
58.	Agriculture Engineer, Lahore	2015-17	20677	Loss due to Doubtful purchase of spare parts	338,703
59.	Agriculture Engineer, Lahore	2015-17	20678	Irregular payment of Conveyance allowance	166,207
60.	Agriculture Engineer, Lahore	2015-17	20710	Un authorized penal rent	528,949
61.	Agriculture Engineer, Lahore	2015-17	20711	Misclassification of expenditure	1,814,996
62.	Agriculture Engineer, Lahore	2015-17	20712	Loss due to non achievement of income targets	7,364,525
63.	Agriculture Engineer, Lahore	2015-17	20713	Irregular shifting of headquarter	1,952,040
64.	Agriculture Engineer, Lahore	2015-17	20714	Non auction of un serviceable vehicle	575,000
65.	Agriculture Engineer, Lahore	2015-17	20715	Loss due to non clearing of pending booking	150,407
66.	Agriculture Engineer, Lahore	2015-17	20716	Unlawful acceptance of dateless GST	239,904
67.	Agriculture Engineer, Lahore	2015-17	20717	Irregular payment of GST	813,833

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
68.	Agriculture Engineer, Lahore	2015-17	20718	Loss due to misuse of POL	739,569
69.	Agriculture Engineer, Lahore	2015-17	20719	Loss due to non recovery of cost of store shortage of POL	100,643
70.	Associate Millet Botanist Millet Research Station Rawalpindi	2011-16	02	Loss due to non utilization of agriculture land	-
71.	Agriculture University, Faisalabad	2015-16	06	Likely Miss-appropriation of library book	5,000,000
72.	Agriculture University, Faisalabad	2015-16	16	Irregular appointments of Junior Clerks salary paid	1,606,125
73.	Agriculture University, Faisalabad	2015-16	03	Internal audit not conducted	-
74.	Agriculture University, Faisalabad	2015-16	33	Loss due to encroachment of agricultural land	191,250 (M)
75.	Horticulturist, Hill Fruit Research Station Murree	2011-16	02	Mis-classified expenditure on different purchases	117,731
76.	Horticulturist, Hill Fruit Research Station Murree	2011-16	01	Less collection of planned receipts	789,809
77.	Rice Research Institute, KSK	2014-16	13	Cash receipt of sale proceed of crop stock in tenet welfare fund	193,548
78.	Assistant Director (Stats) Crop Reporting Services, Sargodha	2000-16	05	Excess drawl of pay on account of excess sanctioned posts	-
79.	Agriculture Engineer, Soil Conservation, Rawalpindi	2014-16	04	Mis-procurement of goods	73.30 (M)
80.	Associate Millet Botanist Millet Research Station Rawalpindi	2011-16	01	Irregular expenditure on vehicles without official drivers	596,280
81.	Patato Botanist Research Station, Sialkot	2014-16	02	Non disposal / non auctions of potato produce	750,000
82.	Rice Research Institute, KSK	2014-16	19	Non deduction of Conveyance Allowance from pool vehicles	-
83.	Agriculture University, Faisalabad	2015-16	34	Non-Cultivation of agricultural land	32.406 (M)
84.	Rice Research Institute, KSK	2014-16	02	Irregular purchase of store items/ repair and maintenance of building	699,754
85.	Director Rapid soil fertility survey & Soil Testing Institute Punjab, Lahore	2012-16	08	Mis-procurement of goods	1,546,169
86.	Agriculture University, Faisalabad	2015-16	10	Non surrendering of savings	3,218,604

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
87.	Agriculture University, Faisalabad	2015-16	17	approval of revised terms and conditions of appointment of faculty in all discipline of University	-
88.	Assistant Director (Stats) Crop Reporting Services, Sargodha	2000-16	02	Non-surrendering of savings	4,582,376
89.	Assistant Director (Stats) Crop Reporting Services, Sargodha	2000-16	03	Irregular excess expenditure than budget allocation	1,903,283
90.	Assistant Director (Stats) Crop Reporting Services, Sargodha	2000-16	04	Unfair payment of TA/DA	605,425
91.	Director Water Management Training, Lahore	2015-16	02	Defective receipt and issue of store	80,579
92.	Rapeseed Research Botanist, Oil Seed Research Station, Khanpur	2003-16	07	Non utilization of 80% of budget resources on research and production of oil seeds & pre basic seeds	2,903,331
93.	Rice Research Institute, KSK	2014-16	17	Loss due to non cultivation of tenant land area	252,720
94.	Horticulturist, Hill Fruit Research Station Murree	2011-16	03	Heavy damages of fruit and fruit flowers due to hail	-
95.	Director Pulses Research Institute, FSD	2011-16	08	Misclassification of expenditure	399,692
96.	Extra Assistant Director (E&M) D.G.Khan	1997-16	02	Loss due to non accountal of POL in the log book	124,484
97.	Agricultural Engineer, D.G.Khan	2015-16	03	Non accountal of POL	1,441,889
98.	Directorate of Floriculture (T&R) Punjab, Lahore	2015-16	04	Irregular drawl of POL, from irrelevant cost center	206,300
99.	Director Rapid Soil Fertility Survey & Soil Testing Institute Punjab, Lahore	2012-16	09	Mis-procurement of stationary & computer stationary	851,630
100.	Pir Mehal Ali Shah Arid Agriculture University, Rawalpindi	2016-17	25	non categorization & irregular allotment of govt residence	-
101.	DG Agri Extension Lahore	2016-17	07	Overpayment of CA	104,960
102.	Secretary Agriculture Govt of the Punjab	2016-17	11	non/ less deduction of 5% maintenance charges	69,725
103.	Secretary Agriculture Govt of the Punjab	2016-17	12	loss due to non payment of stamp duty on contract	0.035 (M)
104.	Director Rapid Soil Fertility Survey & Soil	2012-16	17758	Late deposit of Govt receipts	1,745,000

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
	Testing Institute Punjab, Lahore				
105.	Director Rapid Soil Fertility Survey & Soil Testing Institute Punjab, Lahore	2012-16	17761	Excessive Consumption of POL	964,421
106.	Director Rapid Soil Fertility Survey & Soil Testing Institute Punjab, Lahore	2012-16	17755	Doubtful Disbursement	466,300
107.	Director Rapid Soil Fertility Survey & Soil Testing Institute Punjab, Lahore	2012-16	17757	Loss to Govt due to issuance of two licenses against one demand draft	140,000
108.	Director Rapid Soil Fertility Survey & Soil Testing Institute Punjab, Lahore	2012-16	17760	Less deduction of Income tax	101,983
109.	Director Rapid Soil Fertility Survey & Soil Testing Institute Punjab, Lahore	2012-16	17759	Non deduction of Punjab Sales Tax	309,079
110.	Extra Assistant Director (Economics & Marketing), D.G.Khan	1997-16	17522	Irregular drawl of CA	62,040
111.	Director Cotton Botanist Research Institute, Multan	2014-17	19511	Non auction of unserviceable store / stock articles	300,000
112.	AD, Agriculture Extension Pakpattan	01.01.2017 to 30.06.2017	22683	Penalty/ Renewal fees not recovered from cotton ginning factory	1,810,000
113.	AD, Agriculture Extension Pakpattan	01.01.2017 to 30.06.2017	22682	Illegal working of cotton factory without renewal of lease	1,500,000
114.	AD, Agriculture Extension Pakpattan	01.01.2017 to 30.06.2017	22681	Loss due to demolishing of four rooms	1,000,000
115.	Pir Mehar Ali Shah Arid Agricultural University, Rawalpindi	2016-17	19586	Non transparent maintenance of University Accounts	965,849,081

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
116.	Rapeseed Research Botanist, Oil Seed Research Station, Khanpur	2003-16	17511	actual payees receipts not obtained	1,027,756
117.	Rapeseed Research Botanist, Oil Seed Research Station, Khanpur	2003-16	17509	Vouched account not obtained from the XEN	281,490
118.	Rapeseed Research Botanist, Oil Seed Research Station, Khanpur	2003-16	17517	Miss-procurement of fertilizer without open tender/advertisement	1,921,916
119.	Rapeseed Research Botanist, Oil Seed Research Station, Khanpur	2003-16	17513	Non auction of unserviceable machinery & equipments	375,000
120.	Rapeseed Research Botanist, Oil Seed Research Station, Khanpur	2003-16	17514	recoveries not effect from pattadars	103,000
121.	Rice Research Institute, KSK	2003-16	23007	Irregular auction / sale of paddy seed	3,978,504
122.	Rice Research Institute, KSK	2003-16	18729	Non produce/ stock receipt record	153,748
123.	Rice Research Institute, KSK	2003-16	18730	Loss to Govt on sale of wheat at lesser rate	505,618
124.	Director Water Management Training Lahore	2015-16	17605	Irregular Purchase of Stationery	191,213
125.	Director Barani Agriculture Research Institute Chakwal	2014-17	20672	Irregular appointment of contingent paid staff	3,791,200
126.	Director Barani Agriculture Research Institute Chakwal	2014-17	20673	Irregular auction without advertisement	1,096,000
127.	Director Barani Agriculture Research Institute Chakwal	2014-17	20679	Irregular procurement of four Air Conditioners	374,400
128.	Director Barani Agriculture Research Institute Chakwal	2014-17	20674	Blockage of capital	4,636,810
129.	Director Barani Agriculture Research Institute Chakwal	2014-17	20675	Miss-procurement of goods and services	76.05(M)
130.	Director Barani Agriculture Research Institute Chakwal	2014-17	20680	Loss due to non recovery of stamp duty	196,358
131.	Director Barani Agriculture Research Institute Chakwal	2014-17	20683	Irregular purchase of vehicles	11.76(M)

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
132.	Director Barani Agriculture Research Institute Chakwal	2014-17	20684	Irregular opening of bank account	0
133.	Director Barani Agriculture Research Institute Chakwal	2014-17	20685	Irregular expenditure on renovation of two labs	3.55(M)
134.	Director Barani Agriculture Research Institute Chakwal	2014-17	20681	Miss-procurement of goods by splitting	2.07(M)
135.	Director Barani Agriculture Research Institute Chakwal	2014-17	20686	Irregular purchase of medicines	169,913
136.	Director Barani Agriculture Research Institute Chakwal	2014-17	20682	Unauthorized payment due to purchase of goods	345,009
137.	Director Barani Agriculture Research Institute Chakwal	2014-17	20687	Irregular procurement of security equipments	558,179
138.	Director Pulses Research Institute FSD	2011-16	17705	Loss due to non cultivation of land	6,053,602
139.	Director Pulses Research Institute FSD	2011-16	17706	Surplus produce was not auctioned	3,128,565
140.	Director Pulses Research Institute FSD	2011-16	17707	Irregular expenditure on purchase of fertilizer	1,145,189
141.	Director Pulses Research Institute FSD	2011-16	17708	Irregular appointment of contingent paid staff	584,864
142.	Director Pulses Research Institute FSD	2011-16	17709	Irregular expenditure on cost of other store	575,411
143.	Agriculture University Faisalabad	2015-16	18001	Non deduction of PST on construction services	37.595(M)
144.	Agriculture University Faisalabad	2015-16	18279	Unauthorized advance payment for electric connection	1,134,310
145.	Agriculture University Faisalabad	2015-16	18278	Un-necessary purchases of generator without immediate requirements	5,891,160
146.	Agriculture University Faisalabad	2015-16	18281	Irregular payment of medical allowance	89,124
147.	Agriculture University Faisalabad	2015-16	18208	Irregular payment beyond revised T.S estimate	28,517,171
148.	Agriculture University Faisalabad	2015-16	18267	Irregular payment beyond revised estimate	28,517,171
149.	Director Wheat Research Faisalabad	2014-17	22336	Less production of wheat seed resulting	2,779,075
150.	Agricultural Engineer D.G Khan Division D.G Khan	2015-16	17882	Non return of spare parts to condemn stores	2,568,000

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
151.	Agricultural Engineer D.G Khan Division D.G Khan	2015-16	18882	Irregular expenditure incurred under the head	1,518,902
152.	Agricultural Engineer D.G Khan Division D.G Khan	2015-16	17881	Doubtful transfer of POL due to non-acknowledgement	147,538
153.	Agricultural Engineer D.G Khan Division D.G Khan	2015-16	17883	Irregular purchases without advertisement	1,285,124
154.	Assistant Director Agriculture (Extension) Sahiwal	2016-17	19327	Blockage of government money due to non return of surplus	479,600
155.	Assistant Director Agriculture (Extension) Sahiwal	2016-17	19328	Un-authorized distribution of motorcycles to personnel	359,700
156.	Assistant Director Agriculture (Extension) Sahiwal	2016-17	19329	Less deposit of sale proceeds of wheat issued	110,615
157.	Assistant Director Agriculture (Extension) Sahiwal	2016-17	19330	Non disposal of dry trees and unserviceable store	543,210
158.	Assistant Director Agriculture (Extension) Sahiwal	2016-17	19331	Loss due to un-justified decrease in income	484,000
159.	Assistance Director Agriculture(Extension) Attock	2012-17	03	Irregular auction without advertisement	655,065
160.	Assistance Director Agriculture(Extension) Attock	2012-17	04	Loss due to non-achievement of revenue	621,111
161.	Assistance Director Agriculture(Extension) Attock	2012-17	05	Loss due to non utilization of agricultural land	200,000
162.	Assistance Director Agriculture(Extension) Attock	2012-17	06	Irregular opening of bank account	0
163.	Rape Seed Botanist, Oil Seeds Research Station, Khanpur	2003-16	17512	Irregular cultivation of non-oil seed crops on 140.5 acres agriculture land	0
AUQAF DEPARTMENT					
1.	Secretary Auqaf & Religious Affairs, Lahore	2016-17	19413	Irregular expenditure on repair of transport	849,199
2.	Secretary Auqaf & Religious Affairs, Lahore	2016-17	19415	Unauthorized expenditure on Pay & Allowances due to shifting of headquarter	806,505

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
BOARD OF REVENUE DEPARTMENT					
1.	Commissioner Lahore	2016-17	20439	Non maintenance of history sheet	1,430,181
2.	Commissioner D G Khan	2016-17	20447	Irregular expenditure on repair of vehicle	994,638
3.	Commissioner Bahawalpur	2016-17	20631	Irregular expenditure on repair of vehicle	3,706,452
4.	Commissioner Bahawalpur	2016-17	20639	Irregular beyond competence expenditure on repair of vehicle.	1,352,597
5.	Commissioner Faisalabad	2016-17	20700	Irregular expenditure on repair of transport and Machinery	2,181,873
6.	Commissioner Gujranwala	2016-17	20755	Doubtful expenditure on repair of transport	715,097
7.	Commissioner Rawalpindi	2016-17	22182	Irregular expenditure on repair of transport	832368
8.	Commissioner Bahawalpur Division, Bahawalpur	2009-16	20638	Irregular expenditure on Photostat charges	1.774 (M)
9.	Commissioner Faisalabad	2016-17	20706	Recovery on a/c of un authorized payment of Special allowance	187,500
10.	Commissioner Sahiwal	2016-17	20815	Recovery on a/c of un authorized payment of Special allowance	286,000
11.	Commissioner, Faisalabad Division, Faisalabad	2015-16	20708	Unauthorized payment of computer allowance	78,000
12.	Commissioner, Sahiwal Division, Sahiwal	2015-16	20813	Irregular drawl of conveyance allowance	40,015
13.	Commissioner Rawalpindi Division, Rawalpindi	2016-17	22186	Excess payment due to non deduction of fuel adjustment	66,973
14.	Commissioner Faisalabad Division, Faisalabad	2016-17	22048	Non realization of withholding tax on auction of leases	143,700
15.	Commissioner Gujranwala	2015-16	20758	Doubtful claims of TA/DA	36,095
16.	Commissioner DG Khan	2016-17	20456	Irregular repair of machinery & Equipment	364,215
17.	Commissioner Bahawalpur	2016-17	20634	Irregular repair of machinery & Equipment	2,417,176
18.	Commissioner Bahawalpur	2016-17	20635	Irregular repair of machinery & Equipment	2,285,175

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
19.	Commissioner Sahiwal	2016-17	20814	Irregular repair of machinery & Equipment	56,481
20.	Commissioner DG Khan	2016-17	20450	Irregular expenditure on printing and publications	2,048,303
21.	Commissioner Multan	2016-17	20595	Irregular expenditure on printing and publications	90240
22.	Commissioner Rawalpindi	2016-17	22187	Irregular expenditure on printing and publications	193,342
23.	Commissioner Lahore	2016-17	20441	Irregular purchases of tyres	155,821
24.	Commissioner Faisalabad	2016-17	20707	Irregular purchases of tyres	124,020
25.	Commissioner Sahiwal	2016-17	20810	Irregular purchases of tyres	547,931
26.	Commissioner Rawalpindi	2016-17	22185	Irregular purchases of tyres	300,621
27.	Commissioner, Dera Ghazi Khan	2014-16	20444	Irregular expenditure on hot & cool charges	238,000
28.	Commissioner, Bahawalpur	2016-17	20637	Non-accountal of stationery & store items	1.395 (M)
29.	Commissioner D G Khan	2016-17	20449	Non disposal of un-serviceable articles	123,700
30.	Commissioner Multan	2016-17	20596	Non disposal of un-serviceable articles	153,850
31.	Commissioner Sahiwal	2016-17	20816	Non disposal of un-serviceable articles	201,600
32.	Commissioner Rawalpindi	2016-17	22184	Non disposal of un-serviceable articles	50,000
33.	Commissioner, Sargodha	2016-17	20565	Non auction of 2236 acres vacant land	11,276,000
COOPERATIVE DEPARTMENT					
1.	Registrar, Cooperative Societies Punjab, Lahore	2015-16	18945	Unauthorized consumption of POL beyond prescribed ceiling	168,635
2.	Regional Cooperative Training Institute, Bahawalpur	2001-16	18509	Nomination of less participants in short duration courses against heavy expenditure	8,768,376
3.	Regional Cooperative Training Institute, Bahawalpur	2001-16	18512	Non-utilization of vacant area 30k -18m (approx.) resulting into loss to government	19,312,500
4.	Registrar, Cooperative Societies Punjab, Lahore	2015-16	17833	Doubtful expenditure on repair of transport	445,128

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
5.	Industrial Assistant Registrar Cooperative Societies, Multan	2003-16	17941	Non recovery of loans	1,050,000
6	Secretary Cooperative	2015-16	3	Irregular Payment of GST In addition to rates inclusive of Taxes	213,996
7	Secretary Cooperative	2015-16	5	Irregular Expenditure Over and above the budget allocation	470,876
8	Principal Regional cooperative Training Institute, Bahawalpur	2001-16	2	Non auction of unserviceable Items	388,730
9	Industrial Assistant Registrar Cooperative societies Multan	2014-15	2	Irregular expenditure due to erratic posting	290,334
10	Industrial Assistant Registrar Cooperative societies Multan	2014-15	3	Expenditure over and above budget allocation	2,551,526
11	Office of the Registrar Cooperative Societies Punjab Lahore	2015-16	2	Double Consumption of POL due to non transparent maintenance of LOG Books involving POL	773,153
ENVIRONMENT PROTECTION DEPARTMENT					
1.	Directorate General Environment Protection Agency, Lahore	2015-16	17683	Irregular expenditure due to shifting of headquarters	8,963,080
2.	Directorate General Environment Protection Agency, Lahore	2015-16	17692	Less payment of Income Tax on perquisites	423,456
3.	Directorate General Environment Protection Agency, Lahore	2015-16	17696	Misclassification of Expenditure	231,224
4.	Directorate General Environment Protection Agency, Lahore	2015-16	17697	Unlawful acceptance of dateless GST invoices	174,812
5.	Secretary Environment Protection Department Lahore	2015-16	17753	Unjustified drawl of POL for the vehicles not on the strength of Department	103,210
6.	Directorate General Environment Protection Agency, Lahore	2015-16	17691 17699 17700 17694 17695	Irregular payment of inadmissible pay and allowances	1,163,008
7.	Director General Environmental Protection	2015-16	17686	Repair of transport	1,073,957

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
	Agency, Lahore				
8.	Secretary Environment Protection Department, Lahore	2015-16	17750	Repair of transport	824,734
9.	Director General Environmental Protection Agency, Lahore	2015-16	17688	Repair of machinery and furniture	620,071
10.	Director General Environmental Protection Agency, Lahore	2015-16	17684	Irregular expenditure of POL charges due to unauthorized retention of government vehicles excess than sanctioned posts of drivers	5,988,821
11.	Director General Environmental Protection Agency, Lahore	2015-16	17749	Irregular expenditure of POL charges due to unauthorized retention of government vehicles excess than sanctioned posts of drivers	1,694,536
12.	Director General Environmental Protection Agency, Lahore	2015-16	17795	Non submission of PC-IV of the completed ADP schemes	78.35 million
13.	Director General Environmental Protection Agency, Lahore	2015-16	18266	Irregular purchase of Multi Gas Analyzer	7,077,000
14.	Director General Environmental Protection Agency, Lahore	2015-16	17994	Irregular purchase of Inductively Coupled Plasma Spectrometer	16,116,750
15.	DG Environment Protection Agency Lahore	2015-16	26	Non auction of un-serviceable vehicles	800,000
16.	DG Environment Protection Agency Lahore	2015-16	25	Non production of record	--
17.	DG Environment Protection Agency Lahore	2015-16	19	Irregular mode of payment of salaries	296,056
18.	DG Environment Protection Agency Lahore	2015-16	14	Irregular purchase of stationary from the un-registered firms valuing	651,529
19.	DG Environment Protection Agency Lahore	2015-16	27	Irregular purchase of stationary from the un-registered firms valuing	345,683
20.	DG Environment Protection Agency Lahore	2015-16	28	Irregular expenditure of pol charges	319,766
21.	DG Environment Protection Agency Lahore	2015-16	01	Non/Improper functioning of Punjab Environmental Protection Council	

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
22	DG Environment Protection Agency Lahore	2015-16	11	Irregular payment of Electricity Bills of other DDO	702,280
23	DG Environment Protection Agency Lahore	2015-16	04	Wasteful Expenditure on staff of Laboratory	13,496,926
24	DG Environment Protection Agency Lahore	2015-16	05	Poor performance of Directorate of legal loss	12,840,000
25	Deputy Director (Implementation) Environment Protection Agency Lahore	2015-16	08	Irregular purchase of stationary item without tender	199,578
26	Deputy Director (Implementation) Environment Protection Agency Lahore	2015-16	09	Irregular expenditure of pol charges	173,685
27	Deputy Director (Implementation) Environment Protection Agency Lahore	2015-16	05	Irregular expenditure on repair of Machinery & Equipment	3,499,882
28	Deputy Director (Implementation) Environment Protection Agency Lahore	2015-16	02	Irregular purchase of compact Ambient Air Monitoring System	20,307,690
29	Deputy Director (Implementation) Environment Protection Agency Lahore	2015-16	06	Irregular purchase of stationary from the un-registered firms valuing	646,544
30	Secretary Environment Protection Agency Lahore	2015-16	05	Irregular and doubtful expenditure of repair of machinery & equipment and furniture & fixture.	237,777
31	DG Sasti Roti Authority Lahore.	2012-16	02	Wasteful expenditure due to non functioning activities	4,642,287
32	DG Sasti Roti Authority Lahore.	2012-16	03	Irregular expenditure on accounts of repair of transport	349,921
33.	Director General Environmental Protection Agency, Lahore	2015-16	17693	Unauthorized use of vehicle	399,520
34.	Secretary Environment Protection Department, Lahore	2015-16	17752	Unauthorized use of vehicle	223,703
35.	Director General Environment Protection Agency, Lahore-	2015-16	17682	Non functioning of Provincial Sustainable Development Fund Board	0
36.	Director General Environment Protection	2015-16	17681	Non establishment of the Provincial Sustainable	0

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
	Agency, Lahore			Development Fund	
37.	Secretary Environment Protection Department, Lahore	2015-16	17754	No-execution of departmental functions	0
FINANCE DEPARTMENT					
1	Divisional Director Local Fund Audit Multan	2006-17	21204	Irregular/un-authorized working on BPS -19	0
2	Divisional Director Local Fund Audit Multan	2006-17	21203	Unlawful stoppage of follow up of special audit reports of tehsil / town municipal administration (TMAS) in Punjab of special audit carried out by divisional director LFA-Multan. Clarification / investigation thereof	
3	Divisional Director Local Fund Audit, Lahore	2006-17	21849	Unjustified Payment of Entertainment Charges	138,000
4	Divisional Director Local Fund Audit, Lahore		21850	Unauthorized Drawl of amount of TA/DA from the Cost Centre of Divisional Director	834,644
5	Provincial Director Local Fund Audit Lahore	2009-17	21854	Irregular Repair Under Head A13001	724,158
6	Provincial Director Local Fund Audit Lahore	2009-17	21855	Irregular Expenditure Without Making Stock Entries In The Stock Register	779,356
7	Provincial Director Local Fund Audit Lahore	2009-17	21856	Irregular Repair Under Head A13201	761,900
8	Provincial Director Local Fund Audit Lahore	2009-17	21857	Irregular Repair Under Head A13001-Rs. 1,377,534	1,377,534
9	Divisional Director Local Fund Audit Multan	2006-17	21199	conveyance allowance	125000
10	Divisional Director Local Fund Audit Multan	2006-17	21200	conveyance allowance	77968
11	Divisional Director Local Fund Audit Gujranwala	1999-2017	22586	Unauthorized Stoppage of Follow up of Special Audit Reports of (TMAs) in Punjab of Special Audit Carried Out by LFA Gujranwala. Clarification / Investigation thereof	0
12.	Provincial Director Local	2009-17	9	Pending legal cases/court	-

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
	Fund Audit Lahore			cases	
FOOD DEPARTMENT					
1.	DFC Bhakkar	2016-17	21786	Outstanding payment to Growers	8,266,835
2.	DFC M.B Din	2016-17	18573	Excess issuance of wheat to flour mills over and above the approved quota-	7,085,000
3.	DFC M.B Din	2014-16	18576	Blocked of Govt. money due to un-necessary purchase of bardana	31,430,164
4.	DFC Gujranwala	2015-16	18565	Blocked of Govt. money due to un-necessary purchase of bardana	4,095,770
5.	DFC Jehlum	2016-17	21793	Non / Less Achievement of Wheat Procurement Target of 52 M. Ton	1,705,243
6.	DFC Jehlum	2016-17	21794	Non Disposal of Wheat of Previous Scheme	275,441,401
7.	DFC Jhang	2016-17	22566	Unjustified increase in delivery charges	3,886,870
8.	DFC Jhang	2016-17	5	Unauthorized payment from incorrect head of account	141,082,251
9.	DFC Rawalpindi	2016-17	21556	Unauthorized payment from incorrect head of account	3,241,287
10.	DFC Sheikhpura	2016-17	21846	Blockage of public money due to unnecessary purchase of PP bags	1,657,591
11.	DFC Attock	2016-17	19665	Target less achieved in Purchase of wheat	252,000
12.	DFC DG Khan	2016-17	21577	Non Disposal of Wheat Stock of Previous Wheat Schemes	1,790,849,389
13.	DFC DG Khan	2016-17	21578	Irregular Opening of Bank Account	-
14.	DFC Bahawalpur	2016-17	21800	Non Disposal of Wheat Stock of Previous Wheat Schemes	5,651,890,400
15.	DFC Bahawalpur	2016-17	21803	Procurement less than target fixed by the Food Authorities	53,569,750

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
16.	DFC Bahawalpur	2016-17	21804	Blockage of Govt. money due to un-necessary purchase of Bardana	16,209,189
17.	DFC Bahawalpur	2016-17	21812	Pending Disciplinary Cases of DFC Bahawalpur	-
18.	Director Food	2015-16	19760	Un-necessary Purchase of wheat over and above the storage capacity and loss billion of Rupees	-
19.	Director Food	2015-16	19764	Non reconciliation of expenditure with AG office	32,579,254
20.	Director Food	2015-16	19765	Variation in receipt figures due to non reconciliation with AG office	290,293,805
21.	Director Food	2015-16	19768	Loss due to non repairing of non functional storage godowns	-
22.	Director Food	2015-16	19769	Loss to government due to excess purchase of bardana	167,413,000
23.	Director Food	2015-16	19772	Non reconciliation of expenditure statement from AG office	-
24.	Director Food	2015-16	19779	Irregular expenditure on purchase of stationery beyond competency	149,723
25.	DFC Khanewal	2016-17	21819	Non Verification of Deposited Challans from District Treasury Khanewal of Local Sale of Wheat	745,940,543
26.	DFC Khanewal	2016-17	21821	Non Disposal of Wheat Stock of Previous Wheat Schemes	178,368,622
27.	DFC Khanewal	2016-17	21822	Irregular Expenditure Incurred on Dispatch of Wheat	69,550,703
28.	DFC Khanewal	2016-17	21824	Procurement less than target fixed by the Food Authorities	27,369,212
29.	DFC Khanewal	2016-17	21828	Blockage of Govt. money due to un-necessary purchase of Bardana	3,189,332
30.	DFC Khanewal	2016-17	21831	Due to Non-handing Over & Taking over of Charge.	2,277,947
31.	DFC RY Khan	2016-17	22590	Non-Disposal of Wheat Stock of Previous Wheat Schemes	4,326,192,033

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
32.	DFC RY Khan	2016-17	22596	Procurement less than target fixed by the Food Authorities	20,624,060
33.	DFC RY Khan	2016-17	22598	Due to Non Handing Over & Taking over of Charge	5,041,612
34.	DFC RY Khan	2016-17	22600	Irregular Payment of Land Rent	1,832,621
35.	DFC Vehari	2016-17	21566	Non Disposal of Wheat Stock of Previous Wheat Schemes	25,029,803,863
36.	DFC Vehari	2016-17	21568	Unauthorized payment from incorrect head of account – Rs. 108,514,079	108,514,079
37.	DFC Sahiwal	2016-17	21582	Non Disposal of Wheat Stock of Previous Wheat Schemes 2016-17	3,427,844,745
38.	DFC Sahiwal	2016-17	4	Non-deposit of cost of wheat	651,800
39.	DFC Sahiwal	2016-17	21585	Unjustified increase in delivery charges	17,478,925
40.	DFC Sahiwal	2016-17	21589	Blockage of Government Capital due to Non-Utilization of stock of bardana	20,353,635
41.	DFC Multan	2016-17	21838	Non Disposal Of Wheat Stock Of Previous Wheat Schemes	62,467.49 (m)
42.	DFC MuzafarGarh	2016-17	21592	Non Disposal of Wheat Stock of Previous Wheat Schemes	1,816,184,222
43.	DFC MuzafarGarh	2016-17	21595	Irregular Expenditure Incurred on Dispatch of Wheat	109,693,579
44.	DFC MuzafarGarh	2016-17	21600	Procurement less than target fixed by the Food Authorities	31,407,309
45.	DFC MuzafarGarh	2016-17	21602	Blockage of Govt. money due to un-necessary purchase of Bardana	12,754,713
46.	DFC Chakwal	2016-17	22193	Irregular issuance of wheat to flour mills of Attock from deficit district of Chakwal and loss of subsidy	6,697,613
47.	Punjab Food Authority	2016-17	21188	Irregular purchase through split-up under head A03955	239,308

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
48.	Punjab Food Authority	2016-17	21192	Non submission of vouched account to Treasury Office	97,591,595
49.	DFC Bhakkar	2016-17	21791	Non accountal of retrieved wheat at the time of export	365,915
50.	DFC Bahawalpur	2016-17	21801	Irregular expenditure on account of transportation charges	24,770,127
51.	Secretary Food	2016-17	19658	Non recovery of ROP mentioned in the LPC	121,955
52.	Secretary Food	2016-17	19659	Irregular expenditure on repair of furniture	392,900
53.	Director Food	2015-16	19775	Irregular expenditure on Repair & Maintenance of Vehicles	756,402
54.	Director Food	2015-16	19777	Non maintenance of log books and irregular drawal of POL	203,518
55.	Punjab Food Authority	2016-17	21189	Irregular Expenditure Without Making Stock Entries In The Stock Register	250,894
56.	DFC Vehari	2015-16	17622	Enroute shortage of wheat	173,515
57.	DFC Pakpattan	2015-16	17633	loss due to enrout shortage of wheat	335,530
58.	DFC Kasur	2015-16	18580	excess deposit of sale proceeds of bardana	1,139,155
59.	DFC Vehari	2015-16	17621	misappropriation of wheat due to less accountal	373,500
60.	Cane Commissioner, Lahore	2016-17	22031	Excess payment of rent of building	881,916
FORESTRY, WILDLIFE & FISHERIES DEPARTMENT					
1.	DFO Bhakkar	2016-17	21124	Unjustified purchase of plants without provision in the scheme Green Pakistan	550,000
2.	DFO Bhakkar	2016-17	21128	Non-conducting of inquiry	47,000
3.	Divisional Forest Officer, LalSohanra, Bahawalpur	2016-17	20696	Irregular purchase without quotation	300,000
4.	Divisional Forest Officer, LalSohanra, Bahawalpur	2016-17	20694	Non Auction of unserviceable Vehicle	500,000
5.	DFO Changa Manga, Kasur	2016-17	22653	Non Auction of unserviceable items	300,000
6.	Divisional Forest Officer, LalSohanra, Bahawalpur	2016-17	20693	Less Deduction of Security Deposit	955,218

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
7.	DFO Cholistan RM Division, Bahawalpur	2016-17	20043	Loss due to engagement of daily workers on higher rate	1,371,250
8.	District Wildlife Officer, Sialkot	2015-16	18962	Loss to Government due less recovery of penalty/fine from offenders of wildlife laws investigation/recovery thereof	435,500
9.	Director General Wild Life and Parks, Lahore	2015-16	18232	Irregular Use of Two Government Vehicles by the Director General Recovery	421,110
10.	Divisional Forest Officer (RM) Chakwal	2013-16	17615	Execution of development scheme with deficiencies	24,644,000
11.	Director General Wild Life and Parks, Lahore	2015-16	18230	Unjustified Payment to Monitoring and Evaluation Officer	406,800
12.	Director General Fisheries Punjab, Lahore	2015-16	17679	Unjustified expenditure	475,648
13.	Divisional Forest Office Jhelum	2016-17	19620	Unauthorized expenditure on repair and POL of vehicle	204,763
14.	Director Fisheries (Ext.) Punjab, Lahore	2015-16	17784	Irregular drawal of Rs.100,000 on account of Electricity Charges	100,000
15.	Conservator Forest, Lahore	2011-16	18956	Consumption of POL without having average consumption certificates	3,981,949
16.	Director General Fisheries Punjab, Lahore	2015-16	17680	Non-submission of Receipt & Inspection Certificates for procurements	13,430,017
17.	Director Fisheries (Aquaculture) Punjab, Lahore	2014-16	01	Non-submission of Receipt & Inspection Certificates for procurements	908,400
18.	Director General Wildlife and Parks Punjab, Lahore	2015-16	18224	Irregular Expenditure on vehicles without sanctioned strength	3,826,406
19.	DFO, South Rawalpindi	2016-17	19533	Non-recovery of penal rent for un-authorized occupation of government accommodation	174,000
20.	DFO Chichawati	2015-16	77717	Non-disposal of condemned vehicles and machinery & equipment -	400,000
21.	Director General Fisheries Punjab, Lahore	2015-16	17678	Non-disposal of condemned vehicles and machinery & equipment -	108,863

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
22.	DFO, Bahawalnagar	2016-17	19178	Non deposited/deduction of Earnest money and performance security from the contractor	179,081
23.	Conservator Forest, Lahore	2011-16	18957	Doubtful expenditure on repair of machinery and equipment	557,990
24.	Lahore Zoo, Lahore	2016-17	22412	Non-recovery of CA, HRA and 5% house maintenance charges	222,024
25.	DFO Bhakkar	2016-17	21139	Non-recovery of CA, HRA and 5% house maintenance charges	164,064
26.	DFO, South Rawalpindi	2016-17	19528	Irregular Expenditure on raising of new nurseries	825,200
27.	DFO, South Rawalpindi	2016-17	19527	Irregular Expenditure on maintenance of nurseries	790,224
28.	AD Wildlife Breeding Farm Jallo Lahore	2014-16	03	Non deduction of house rent allowance & maintenance charges	299,979
29.	AD Wildlife Breeding Farm Jallo Lahore	2014-16	02	Loss due to non achievement of revenue targets	296,900
30.	DG Wildlife & Parks Punjab ,Lahore	2014-16	01	Un-justified expenditure made by Deputy Director	12,942,843
31.	DG Wildlife & Parks Punjab ,Lahore	2014-16	03	irregular/unjustified payment of POL	1,733,406
32.	DG Wildlife & Parks Punjab, Lahore	2014-16	09	Doubtful payment of rent of building	504,624
33.	DG Wildlife & Parks Punjab, Lahore	2014-16	11	Irregular payment of electricity charges	127,649
34.	DG Wildlife & Parks Punjab, Lahore	2014-16	14	Doubtful drawl of POL	395,460
35.	DG Wildlife & Parks Punjab, Lahore	2014-16	18	Un-justified a expenditure on repair of vehicle	340,399
36.	DG Wildlife & Parks Punjab, Lahore	2014-16	02	High involvement of cash in financial system	8,130,540
37.	DG Wildlife & Parks Punjab, Lahore	2014-16	21	Irregular payment of utilities	125,885
38.	Conservator Forest Lahore	2011-16	01	Non- accountal of various store items	173,600
39.	Conservator Forest Lahore	2011-16	06	Doubtful expenditure on repair of vehicle	489,768
40.	District Wildlife Officer, Sialkot.	2015-16	01	Non-disposal of pending wildlife offence cases	4,880,000
41.	District Wildlife Officer, Sialkot.	2015-16	02	Govt. receipts generated not shown in cash book	1,673,000

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
42.	District Wildlife Officer, Sialkot.	2015-16	04	Excess expenditure over & above budget allocation	151,179
43.	AD Wildlife Breeding Farm Jollo Lahore	2014-17	04	Less deduction of income tax	84,595
44.	AD Wildlife Park, Loi Bher, Rawalpindi	2010-16	08	Non-disposal of unserviceable vehicles	145,000
45.	Senior Research Officer Sericulture, Lahore.	2015-16	03	Irregular shifting of headquarters	211,798
46.	DFO Chichawatni	2015-16	11	Under statement of receipts	844,116
47.	DFO D.G.Khan	2015-16	01	Irregular payment of salary	976,597
48.	DFO D.G.Khan	2015-16	02	Irregular auction of tractor	327,000
49.	DFO D.G.Khan	2015-16	04	Irregular repair of vehicle	300,000
50.	Director Fisheries (Ext) Punjab Lahore.	2015-16	03	Non-submission of receipt & inspection certificates for procurement of value	250,000
51.	Director Fisheries (Ext) Punjab Lahore.	2015-16	04	Non-availability of supporting for payment	126,684
52.	Director Fisheries (Ext) Punjab Lahore.	2015-16	05	Non-utilization of budget	30,788,000
53.	DFO Rahim Yar Khan	2015-16	06	Non disposal Timber & Cut Material	4,660,108
54.	DFO Rajan Pur	2014-16	10	Loss to Govt. due to Excess Charges	65,200
55.	DFO Layyah	2015-16	09	Non realization of sale proceed of plants	300 (M)
56.	DFO South Rawalpindi	2016-17	09	Non pursuance of forest offence cases	248,750
57.	DFO South Rawalpindi	2016-17	15	Irregular appointment & Payment of Salaries	0
58.	DFO South Rawalpindi	2016-17	07	Loss to Govt. due to encroachment of forest land	0
59.	DFO Pest Control Forest Division LHR	2016-17	02	Irregular grant of M.Phil Allowance	190,500
60.	DFO Pest Control Forest Division LHR	2016-17	03	Non-performing research on pest control.	0
61.	DD Sericulture, Ravi Road , Lahore.	2016-17	05	Non achievement of objectives	0
62.	DD Sericulture, Ravi Road , Lahore.	2016-17	03	Irregular Payment of Salaries	103,286
63.	DFO Multan	2016-17	21501	Un justified payment of Utility Bills	331,863
64.	AD Wildlife Park Loi Bher Rawalpindi	2010-16	17602	Loss duo to non deduction of stamp duty	75,624

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
65.	DFO, Lal Sohanra, Bahawalpur	2010-16	20692	Excess drawl against work order	1,266,405
66.	DFO, Lal Sohanra, Bahawalpur	2010-16	20698	Irregular purchase air conditioner as banned by the F.D	2,835,750
67.	DFO, Jhelum	2016-17	19622	plantation work during the year	0
68.	DFO, Jhelum	2016-17	19616	Determination of the compensation of losses without verification of damage reports	606,610
69.	Secretary Forest, Wildlife & Fisheries	2016-17	23006	Non deduction of house rent allowance	51,180
70.	Secretary Forest, Wildlife & Fisheries	2016-17	23005	Recovery of pay allowance, drawn irregularly	53,738
71.	Secretary Forest, Wildlife & Fisheries	2016-17	23004	Recovery of pay allowance, drawn irregularly	88,714
72.	Secretary Forest, Wildlife & Fisheries	2016-17	23003	Recovery of pay allowance, drawn irregularly	114,302
73.	Secretary Forest, Wildlife & Fisheries	2016-17	23002	Non recovery of outstanding dues from the employees	53,774,487
74.	DFO, Changa Manga at Kasur	2016-17	22357	irregular expenditure on account of muddy akravi having no stock	1,132,023
75.	DFO, Changa Manga at Kasur	2016-17	22359	Irregular auction of park swing/ canteen / Rs as ambiguous advertisement in newspaper	0
76.	DFO, Bhakkar	2016-17	21138	Irregular withdrawal of arrear of pay & allowances	6,626,991
77.	Lahore Zoo	2016-17	22418	Unauthorized abolishment of post as supervisor and creation of new post as Labour Officer without prior approval of FD	0
78.	Lahore Zoo	2016-17	22409	Non surrendering of saving	32,814,804
79.	DFO, Multan	2016-17	22899	Unauthorized grant of trees and plants	1.104 (M)
80.	DFO, Multan	2016-17	23000	Non-surrendering of savings	802,369
81.	DFO, Multan	2016-17	23001	Uneconomical expenditure on hiring of various services	3.854 (M)

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
82.	DFO, Bahawalnagar	2016-17	19179	Non deposited / deduction of earnest money	179,081
83.	DFO, Bahawalnagar	2016-17	20046	Doubtful expenditure on reseeded of grasses and desilation of old toba	23,297,422
84.	DFO, Sialkot	2016-17	21103	Irregular payment of salaries through manual bill instead of computerized pay roll	37.409 (M)
85.	DFO, Sialkot	2016-17	21105	Loss to due to less collection of planned receipts	10.156 (M)
86.	DFO, Sialkot	2016-17	21106	Loss due to non disposal of nursery plants	8.313 (M)
87.	DFO, Sialkot	2016-17	21107	Non transparent auctions of forest produce	6.652 (M)
88.	DFO, Sialkot	2016-17	21108	Loss to Govt due to failure of 17 acre area	1.076 (M)
89.	DFO, Sialkot	2016-17	21109	Non recovery of outstanding dues against officials	1.269 (M)
90.	DFO, Sialkot	2016-17	21110	Loss to Govt due to failure of 19 acre area	1.187 (M)
91.	DFO, Sialkot	2016-17	21111	Loss to Govt due to failure of 05 acre area	312,915
92.	DFO, Sialkot	2016-17	21112	Non pursuance of Forest offence cases registered with police	120,600
93.	DFO, Sialkot	2016-17	21113	Loss due to non auction of trees	172,538
94.	DFO Khushab	2016-17	22687	Recovery On Account of less deduction of income tax	37,411
95.	DFO Khushab	2016-17	22688	Non proper purchase of forest offence cases registered	186,000
96.	DFO Khushab	2016-17	22689	Non disposal of forest offense cases within stipulated period recovery thereof	122,640
97.	DFO Timber Extraction Division Rawalpindi	2016-17	22690	Late Collection of Advance Income Tax	7,723,431
98.	DFO Timber Extraction Division Rawalpindi	2016-17	22691	Recovery of granted undue favors to contractors	5,390,101
99.	DFO Timber Extraction Division Rawalpindi	2016-17	22692	Loss to Government due to non timely auction	3,308,123

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
100.	DFO Timber Extraction Division Rawalpindi	2016-17	22693	Un-lawful expenditure on POL and repair of Trucks	3,140,377
101.	DFO Timber Extraction Division Rawalpindi	2016-17	22694	Inquiries of defalcation finalized without indicating	764,400
102.	DFO Timber Extraction Division Rawalpindi	2016-17	22695	Undue retention of SDFOs Murree and Kahuta lying idle	1,865,004
103.	DFO Timber Extraction Division Rawalpindi	2016-17	22696	Likely misappropriation of missing timber	1,141,265
104.	Divisional Forest Officer South Rawalpindi	2016-17	19534	Non withholding of 15 th General Sales Tax	107,596
105.	DFO(RM) Chakwal	2016-17	17617	Loss due to non-collection of lease money	1,421,582
106.	Deputy Director Sericulture Ravi Road Lahore	2016-17	19168	Irregular expenditure on account of drawl of POL	130,000
107.	DFO Office DG Khan	2015-16	17762	Excess use of POL than prescribed Limit	145,890
108.	Director Fisheries(Ext.) Punjab Lahore	2015-16	17784	Irregular drawl on account of Electricity Charges	100,000
109.	Director Fisheries (Aquaculture) Punjab Lahore	2014-16	17988	Non-submission of receipt & inspection certificates for procurement	908,400
110.	Divisional Forest Officer Rajanpur	2014-16	18879	Non recovery of penalty imposed against 22 acres under the scheme	0
111.	Divisional Forest Officer Rahim Yar Khan	2015-16	18260	Unlawful transfer from KPRRP Development scheme to DFO	1.381(M)
112.	DFO Changa Manga, Kasur	2016-17	22364	Non utilization of 1,778 acres land	0
113.	Director General Wildlife and Parks, Lahore	2015-16	18230	Non utilization of 5,615 acres land	0
114	Divisional Forest Office Multan	2016-17	21497	Irregular collection of fine without formulation of rules	200,000
HEALTH DEPARTMENT					
1.	KEMU, Lahore	2016-17	22878	Over payment due to excessive measurement of quantity than provision of TS estimate Rs.43.63 Million	43,625,186
2.	PGMI / LGH, School of Nursing, Lahore	2016-17	22804	Non-recovery of personal allowance from charge nurses –Rs.32.68 Million	32,677,438

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
3.	KEMU, Lahore	2016-17	22874	Overpayment due to payment at inadmissible percentage rates-Rs.28.65 Million	28,646,718
4.	Khawaja M. Safdar Medical College & Allied Institutions, Sialkot	2016-17	20456	Non deduction of security deposit on maintenance and repair works - Rs 4.74 million	2,994,812
5.	KEMU, Lahore	2016-17	22857	Non-recovery on account of non-fulfillment of contractual obligations -Rs 4.03 million	4,032,000
6.	PIC, Lahore	2016-17	22745	Non deduction of LD Charges	2,807
7.	FJMU/Sir Ganga Ram Hospital, Lahore	2016-17	20330	Loss due to late finalization of tender award for bulk purchase of medicine and store items – Rs.2.63 Million	2,631,175
8.	Faisalabad Institute of Cardiology, Faisalabad	2016-17	20307	Non recovery of salary paid during unauthorized absence Rs.2.45 million	2,448,296
9.	Children Hospital, Lahore	2016-17	22937	Irregular unjustified payment of share to the Head Nurses, Charge Nurses, amounting to Rs.2,116,800 Million	2,116,800
10.	Nishtar Medical College & Allied Institutions, Multan	2015-16	17441	Non deduction of stipend during leave period - Rs.1.94 Million	1,940,000
11.	Secretary, Specialized Health Care Department, Lahore	2016-17	3	Overpayment of Conveyance Allowance – Rs. 1860000	1,860,000
12.	Punjab Medical College & Allied Institutions, Faisalabad	2016-17	20519	Loss due to not deposited of Toilets charges collected from public into Government treasury Rs.1 Million	1,000,000
13.	Gujranwala Medical College and DHQ Hospital	2015-16	18077	Irregular re-posting of Pharmacist as Demonstrator. Recovery of allowances Rs.441,000	441,000
14.	Gujranwala Medical College and DHQ Hospital	2015-16	18128	Cost of DTL samples sent for laboratory tests not recovered from suppliers	326,512
15.	Punjab Medical College & Allied Institutions,	2016-17	20565	Non - recovery of stipend paid to student nurse	304,121

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
	Faisalabad				
16.	Gujranwala Medical College and DHQ Hospital, Gujranwala	2015-16	18127	Recovery of overpayment of conveyance allowance Rs.265,505	265,505
17.	Gujranwala Medical College and DHQ Hospital	2015-16	18111	GST charged on exempted items Rs. 126518	126,518
18.	Internal Audit Wing, Lahore	2014-16	14633	Irregular expenditure on repair of building	559,000
19.	PMC & allied Institutions, Faisalabad	2015-16	16488	Mis-procurement of hiring of Security services due to ignoring lower offer resulted loss to government	6,956,015
20.	PMC & allied Institutions, Faisalabad	2015-16	16496	Mis-procurement of hiring of Security services due to ignoring lower offer resulted loss to government	1,797,493
21.	PMC & Allied Institutions, Faisalabad	2015-16	16374	Irregular expenditure on imported stores & stock without obtaining of foreign exchange equal to Pak Rupees	129,762,265
22.	Shaikh Zayed Medical Complex, Lahore	2015-16	16321	Irregular expenditure on imported stores & stock without obtaining of foreign exchange equal to Pak Rupees	51,740,772
23.	PMC & Allied Institutions, Faisalabad	2015-16	16489	Irregular expenditure on imported stores & stock without obtaining of foreign exchange equal to Pak Rupees	3,100,000
24.	Punjab Medical college & Allied instruction, Faisalabad	2015-16	16500	Lapse of funds under ADP scheme no. 825	1,302,210
25.	King Edward Medical University, Lahore	2015-16	16744	Non/less achievement of target for execution of schemes/ projects	76,693,000
26.	King Edward Medical University, Lahore	2015-16	16743	Non investment of surplus funds	8,699,300
27.	Punjab Institute of Cardiology, Lahore	2015-16	17011	Loss due to non investment of surplus income	18,418,340
28.	Punjab Medical College and allied Institutions, Faisalabad	2014-15	13015	Whereabouts of lying in account no 25144-3 at NBP civil lines branch, Faisalabad	13,842,459
29.	Nawaz Sharief Hospital, Lahore	2013-14	13183	Un-authorized drawl of Adhoc Allowance 2010	2,880,420

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
				(50%) by the Doctors	
30.	PMC & Allied Institutions Faisalabad	2015-16	16353	Un-authorized drawl of Adhoc Allowance 2010 (50%) by the Doctors	51,515,683
31.	Lady Willingdon Hospital	2015-16	13706	Un-authorized drawl of Adhoc Allowance 2010 (50%) by the Doctors	3,130,300
32.	QMC/BVH Bahawalpur	2015-16	14679	Un-authorized drawl of Adhoc Allowance 2010 (50%) by the Doctors	10,025,004
33.	QMC/BVH Bahawalpur	2015-16	14680	Un-authorized drawl of Adhoc Allowance 2010 (50%) by the Doctors	8,949,036
34.	Nawaz Sharief Hospital, Lahore	2014-15	14146	Un-authorized drawl of Adhoc Allowance 2010 (50%) by the Doctors	4,275,703
35.	Montmorency College of dentist , Lahore	2013-15	13995	Un-authorized drawl of Adhoc Allowance 2010 (50%) by the Doctors	3,440,400
36.	QMC/BVH Bahawalpur	2015-16	14809	Un-authorized drawl of Adhoc Allowance 2010 (50%) by the Doctors	3,052,344
37.	IPH(institute of public health Lahore)	2014-15	13739	Un-authorized drawl of Adhoc Allowance 2010 (50%) by the Doctors	2,916,000
38.	KMSCA Sialkot	2014-15	13987	Un-authorized drawl of Adhoc Allowance 2010 (50%) by the Doctors	2,710,020
39.	Lady Willingdon Hospital	2015-16	14169	Un-authorized drawl of Adhoc Allowance 2010 (50%) by the Doctors	1,643,160
40.	Institute of Public Health, Lahore.	2015-16	16447	Un-authorized drawl of Adhoc Allowance 2010 (50%) by the Doctors	1,628,592
41.	KMSCA Sialkot	2014-15	13962	Un-authorized drawl of Adhoc Allowance 2010 (50%) by the Doctors	883,740
42.	Punjab dental hospital Lahore	2014-15	14161	Un-authorized drawl of Adhoc Allowance 2010 (50%) by the Doctors	533,580
43.	Dental Hospital, Lahore	2015-16	14637	Un-authorized drawl of Adhoc Allowance 2010 (50%) by the Doctors	367,920
44.	QMC/BVH Bahawalpur	2015-16	14827	Un-authorized drawl of Adhoc Allowance 2010 (50%) by the Doctors	136,884
45.	Public health nursing	2015-16	16445	Un-authorized drawl of	122,640

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
	school Lahore			Adhoc Allowance 2010 (50%) by the Doctors	
46.	Mayo Hospital & School of Nursing Lahore	2015-16	15,188	Variation of object wise expenditure with SAP	737,634,603
47.	PMC & Allied Institutions Faisalabad	2014-15	13172	Non deduction of HRA and non recovery of penal rent	26,280,942
48.	Sheikh Zayad Medical College and Allied Institutions R.Y.Khan	2014-15	13388	Un-authorized opening of bank account	-
49.	Mayo Hospital & School of Nursing Lahore	2015-16	15163	Non deduction of HRA and non recovery of penal rent	416,345
50.	KotKhawajasaeed Hospital	2015-16	15815	Non deduction of HRA and non recovery of penal rent	323,293
51.	Institute of public health Lahore	2015-16	14174	Non deduction of HRA and non recovery of penal rent	178,304
52.	Mental Hospital Lahore	2015-16	16294	Non deduction of HRA and non recovery of penal rent	-
53.	KEMU, Lahore	2015-16	16747	Undue financial benefit to contractor due to non obtaining of additional Performance Security	624,330
54.	Vice Chancellor, KEMU, Lahore	2015-16	16755	Irregular works expenditure due to non-approval of extra items & rate analysis with complete backup/supporting documents	227.97 million
55.	Vice Chancellor, KEMU, Lahore	2015-16	16731	Undue financial aid to contractors due to allowing secured advance on perishable/breakable items	11.637 million
56.	Vice Chancellor, KEMU, Lahore	2015-16	16752	Irregular expenditure on construction/renovation of various works against provision of Rs.31,056,000 i.e., 36.67% over & above than approved Provision of funds	42,445,029
57.	Vice Chancellor, KEMU, Lahore	2015-16	16750	Loss due non recovery of amount of rebate from Contractor	1,174,826
58.	Principal AIMC & Allied Institutions, Lahore	2015-16	14989	Irregular expenditure due to defective technical sanction estimates	26,584,222
59.	Principal AIMC & Allied Institutions, Lahore	2015-16	14990	Non/Less execution of work & doubtful payment	1,110,083
60.	Vice Chancellor, King Edward Medical	2015-16	16756	Irregular expenditure on procurements without	179,980,787

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
	University, Lahore			healthy competition	
61.	Mayo Hospital & School of Nursing, Lahore	2015-16	15179	Irregular Purchase of Medicines, Drugs & Disposable	749,490,508
62.	QAMC & Allied Institutions, Bahawalpur	2015-16	14819	Drugs & Medicines purchased without immediate requirement.	398,061,394
63.	Director Blood Transfusion Services Punjab, Lahore	2013-16	16580	HIV rapid Test Kits purchased but not utilized since long.	18,320,000
64.	Shaikh Zayed Medical College & Allied Institutions, R.Y.Khan	2014-15	13389	Drugs & Medicines purchased without immediate requirement.	2,384,000
65.	Secretary Specialized Health Care and Medical Education Department	2015-16	15994	Unjustified and irregular payment of patient charges during public holidays	1.58 million
66.	QAMC & Allied Institutions, Bahawalpur	2015-16	14831	Drawl of Special Pay Incentive without budget	11,226,000
67.	QAMC & Allied Institutions, Bahawalpur	2015-16	14832	Drawl of 50% SEMS Allowance without budget	10,268,028
68.	Shaikh Zayed Medical Complex, Lahore	2015-16	16323	Payment of A&E Allowance to Nurses without budget	5,383,837
69.	QAMC & Allied Institutions, Bahawalpur	2015-16	16461	Drawl of Special Pay Incentive without budget	2,700,000
70.	QAMC & Allied Institutions, Bahawalpur	2015-16	16460	Drawl of Special Pay Incentive without budget	2,700,000
71.	QAMC & Allied Institutions, Bahawalpur	2015-16	14746	Drawl of Special Pay Incentive without budget	2,640,000
72.	PMC & Allied Institutions, Faisalabad	2014-15	13013	Procurement of Medical & Lab Equipment, Plant & Machinery and Furniture & Fixture during ban period.	16,163,250
73.	Public Health Nursing School, Multan	2014-16	16595	Unauthorized opening of bank account	-
74.	PIC, Multan	2015-16	16852	Non deposit of advance tax	255,500
75.	PGMI, General Hospital, Lahore	2016-17	37	Irregular appointment in various cadre	-
76.	KEMU, Lahore	2016-17	36	Un-justified provision of rates of Machinery & Equipment	16,880,000
77.	KEMU, Lahore	2016-17	43	Excess provision of contingencies	1,464,047
78.	Secy. Specialized Healthcare, Lahore	2016-17	34	Irregular payment of rent of office building	3,000,000
79.	AIMC, Jinnah Hospital, Lahore	2016-17	20365	Non Transparent procurement of modular	42,000,000

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
80.	Lady willingdon Hospital, Lahore	2016-17	20496	Un-authorized local purchase of medicines	50.177
81.	Govt. Teaching Hospital, Shahdra	2016-17	19	Irregular purchase of Anesthesia	16,882,207
82.	Fatima Jinnah Medical University, Sir Ganga Ram Hospital, Lahore	2016-17	20346	low power Factor	473,632
83.	Punjab Institute of Cardiology, Lahore	2016-17	16	low power Factor	704,064
84.	Lady willingdon Hospital, Lahore	2016-17	20478	budget without approval	16,463,108
85.	Secretary Specialized healthcare Department	2016-17	11	consumption of POL	3,580,704
86.	Secretary Specialized healthcare Department	2016-17	24	consumption of POL	1,693,336
87.	Principle AIMC Jinnah Hospital & Nursing School, Lahore	2016-17	20363	Irregular expenditure due to unlawful technical sanctions rs.83.005 million	83.005 (m)
88.	Fatima Jinnah Medical University, Sir G.R. Hospital, Lahore	2016-17	20342	Irregular expenditure on M&R Rs.4,405,782/-	4.406 (m)
89.	Graduate Medical Institute, AMC, LGH & College of Nursing, Lahore	2016-17	49	Irregular/doubtful outsourcing of hospital laundry services & Non recovery of salary of Dhobies for lending services	1.6 (m)
90.	Secretary Specialized Healthcare Department	2016-17	25	Unauthorized use of vehicles involving drawl of POL charges	1.545 (m)
91.	Secretary Specialized Healthcare Department	2016-17	21	Doubtful drawl of POL due to incomplete bill/invoices	19.022 (m)
92.	Director Health Services, Multan	2011-16	17802	Excess consumption of POL than Ceiling	0.526 (m)
93.	Fatima Jinnah Medical University, Sir G.R. Hospital, Lahore	2016-17	20348	Uneconomical purchase of Medicine from single Bidder	2.315 (m)
94.	Principle D.G.Medical College	2016-17	1	Non submission of monthly accounts of expenditure to treasury/A.G office for post audit and reconciliation	1587.775 (m)
95.	Principle AIMC Jinnah Hospital & Nursing School, Lahore	2016-17	20377	Unauthorized expenditure on boundary wall without obtaining fresh administrative approval	10.298 (m)
96.	Gujranwala Medical College	2015-16	18134	Unauthorized drawl of pay and allowances	0

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
97.	Gujranwala Medical College	2015-16	18084	Irregular purchase of books	1.04 (m)
98.	Secretary Specialized Healthcare Department	2016-17	40	Irregular purchase of LED TV	0.204 (m)
99.	Institute of Blood Transfusion Services, Lahore	2016-17	19366	Non verification of sales tax	1.332(m)
100.	Punjab Medical College & Allied Institution, Faisalabad	2016-17	20563	Non approval of annual financial statement by the board receipt and expenditure	296.662 (m)
101.	Secretary Specialized Healthcare Department	2016-17	18	Irregular working of staff on General duty in the SHC & ME office	0
102.	Director Drug Testing Laboratory, Lahore	2013-16	17449	Non maintenance of permanent advance record	0.1 (m)
103.	M.S Lady Atchison Hospital, Lahore	2016-17	20283	Unjustified disposal of hospital waste through a private company	2.084 (m)
104.	Principal Shikh Zayed Medical College Rahim Yar Khan	2015-16	17487	Non maintenance of Audit Register for Gazetted officers and scale audit register for non gazetted officials for drawl of pay and allowances	245.741(m)
105.	Gujranwala Medical College	2015-16	18117	Expenditure not provided in PC-I	5.19 (m)
106.	Secretary Specialized Healthcare Department	2016-17	10	Irregular/doubtful expenditure on repair & Maintenance of Vehicles	11.993 (m)
107.	Nishtar Medical College & Allied Institution, Multan	2015-16	17444	Non allotment/occupation of residences	0.468 (m)
108.	Punjab Medical College & Allied Institution, Faisalabad	2016-17	20546	Contract of cafeteria behind the edge of General Store for	7.2
109.	Principal Shikh Zayed Medical College Rahim Yar Khan	2015-16	17471	Non placement of bank accounts into the bank of Punjab	40.693 (m)
110.	Gujranwala Medical College	2015-16	18072	Less recovery of benevolent fund	1.43 (m)
111.	Chaudhary Pervaiz Elahi Institute of Cardiology, Multan	2016-17	17	Non maintenance of progress evaluation report	0
112.	Chaudhary Pervaiz Elahi Institute of Cardiology, Multan	2016-17	19	Non maintenance of situation analysis report	0
113.	Chaudhary Pervaiz Elahi	2016-17	26	Non approval of regulations	0

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
	Institute of Cardiology, Multan			and procedure for financial management	
114.	Principal AIMC Jinnah Hospital & Nursing School, Lahore	2016-17	20390	Unlawful payment of salaries without obtaining medical certificates	2.097 (m)
115.	Government Teaching Hospital Shahdra, Lahore	2014-17	18	Undue favour to contractor due to irrational contract for supply of medical gases	0
116.	Children Hospital, Lahore	2016-17	22	Irregular/unjustified expenditure on repair of X-ray Machine and Recovery	2.256 (m)
117.	Children Hospital, Lahore	2016-17	21	Irregular/Unjustified expenditure on repair of axiom ARTIS DTS	4.411 (m)
118.	King Edward Medical University, Lahore	2016-17	2	Non revalidation of performance security from the contractor	22.862 (m)
119.	M.S. Lady Willingdon Hospital, Lahore	2016-17	20468	Poor mechanism of collection of hospital receipts amount involve Rs.8,231,898	8,231,898
120.	Govt. Mian Nawaz Sharif Hospital, Lahore	2015-16	18174	Irregular expenditure on repair and maintenance of building – Rs.1,919,240	1,919,240
121.	Governor's House Medical Centre, Lahore	2015-16	17673	Irregular expenditure on repair and maintenance of building – Rs.116,150	116,150
122.	M.S. Lady Willingdon Hospital, Lahore	2016-17	20481	Poor / irrational annual estimates of medicines and drugs variation of Rs. 24,737,399	24,737,399
123.	Punjab Institute of Cardiology, Lahore	2016-17	16	low power Factor	704,064
124.	PGMI Ameer ud Din Medical College, General Hospital, Lahore	2016-17	41	consumption of POL	674,395
125.	Secretary Specialized healthcare Department	2016-17	11	consumption of POL	3,580,704
126.	PGMI Ameer ud Din Medical College, General Hospital, Lahore	2016-17	48	consumption of POL	984,480
127.	Secretary Specialized healthcare Department	2016-17	24	consumption of POL	1,693,336
128.	Gujranwala Medical College and DHQ hospital, Gujranwala	2015-16	18071	Misappropriation of POL	506,880
129.	Director Health Services,	2012-16	18030	Doubtful drawl of POL	333,831

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
	Gujranwala				
130.	King Edward Medical University, Lahore	2016-17	22897	Loss to university due to irregular investment at low interest rate.	346,132
131.	Ch. Pervaiz Elahi Institute of Cardiology, Multan	2016-17	21628	Non-appointment of Vigilance Committee	0
132.	Ch. Pervaiz Elahi Institute of Cardiology, Multan		21625	Non Creation of Reserve Fund	0
133.	Fatima Jinnah Medical University, Sir Ganga.Ram.Hospital, Lahore	2016-17	20322	Blockage of public money due to delay in completion of ADP Schemes	144,947,139
134.	AIMC Jinnah Hospital, Lahore	2016-17	20389	Unlawful / Unauthorized releases over and above schedule of authorization	2,258,000
135.	Director Health Service, Gujranwala	2012-16	18029	Wasteful expenditure due to non-functioning of Director Office	7,230,000
136.	Sheikh Zayed Hospital R.Y. Khan	2015-16	17477	Non-Lifting of X-Ray Fixer Water by contractor	173,250
137.	Director Internal Audit Wing, Lahore	2016-17	21707	Non Auction of unserviceable items-Rs. 300,000	300,000
138.	Gujranwala Medical College & DHQ Hospital	2015-16	18097	Non Auction of vehicle. Rs.300,000 approx	300,000
139.	PGMI / LGH, School of Nursing, Lahore	2016-17	22804	Non-recovery of personal allowance from charge nurses –Rs.32.68 Million	32,677,438
140.	Secretary, Specialized Health Care Department, Lahore	2016-17	3	Overpayment of Conveyance Allowance – Rs. 1860000	1,860,000
141.	FJMU& Sir. Ganga Ram Hospital, Lahore	2016-17	20353	loss due to non investment of surplus income	8,627,658
142.	Medical Superintendent Lady Willingdon Hospital	2016-17	20470	Non-auction of cooperative medical and general store - Rs.3.00 million	3.00 (m)
143.	KEMU, Lahore	2016-17	22859	Excess payment to consultants Rs14.41 million	14.41 (m)
144.	KEMU, Lahore	2016-17	3	Loss to government due to inadmissible allowance of overhead and profit – Rs.3.17 million	3.17 (m)
145.	PGMI/LGH, School of Nursing, Lahore	2016-17	22810	Irregular payment of stipend of PG Trainee - Rs.1.35 Million	1.35 (m)
146.	PGMI/LGH, School of Nursing, Lahore	2016-17	22790	Loss deu to extending AC facility on nominal	9.03 (m)

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
				electricity charges Rs. 9.03 (M)	
147.	KEMU, Lahore	2016-17	22863	Non-recovery of pre-shipment inspection charges –Rs.500,000	500,000
148.	KEMU, Lahore	2016-17	22909	Excess Payment On Account Of Leave Encashment- Rs.292,943	292,943
149.	Insitute of Mental Health, Lahore	2016-17	19287	Non deposit of income tax through CPR into FBR / Federal Treasury – Rs.149,500	149,500
150.	KEMU, Lahore	2016-17	22890	Unjustified expenditure of Rs.55.49 million	55.49 (m)
151.	Sheikh Zayed Medical College/Hospital Rahim Yar Khan	2016-17	17483	Non-receipt of Foreign Journals - Rs.171,003	171003
152.	Children Hospital , Lahore	2016-17	22941	Loss due to late payment surcharge on Sui Gas bills - Rs.92.75 million	92.75 million
153.	KEMU Lahore	2016-17	22856	Overpayment due to non-observance of PEC guideline for price variation formula	15.75 million
154.	Secretary, Specialized Health Care Department, Lahore	2016-17	35	Non production of auditable record	8878.94 (M)
155.	Secretary, Specialized Health Care Department, Lahore	2016-17	37	Irregular procurement without advertisement of PPRA website	336,287
HIGHER EDUCATION DEPARTMENT					
1.	Secretary, Higher Education, Lahore	2016-17	21932	Vouched account of expenditure on Lahore Knowledge Park Company	829,202,000
2.	Govt. Institute of Commerce Chiniot	2012-16	18787	Poor results depicting unsatisfactory performance of educational institutions	43,900,923
3.	Govt. College for Boys Model Town Lahore	2015-16	19029	Poor results depicting unsatisfactory performance of educational institutions	218,102
4.	Government College University, Faisalabad	2015-16	21956	Wasteful expenditure on preparation of estimates in the presence of qualified staff	5.36 million
5.	Govt. Degree College for	2004-16	18851	Poor results depicting	0

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
	Women Dhok Kala Khan Rawalpindi			unsatisfactory performance of educational institutions	
6.	Govt. College for Boys KotMomin Sargodha	2009-16	21267	Poor results depicting unsatisfactory performance of educational institutions	0
7.	University of Sargodha	2016-17	21436	Irregular procurement of empty bottles	6.15 million
8.	University of Engineering & Technology, Lahore	2014-16	20133	Irregular purchase of furniture, IT Equipment and durable goods	4.67 million
9.	University of Sargodha	2016-17	21373	Unjustified financial benefit due to non-obtaining of additional performance security	4.64 million
10.	BZU, Multan	2015-16	21316	Non disposal of timber-(approx..)	3.14 million
11.	BISE, Lahore	2015-16	19831	Irregular payment of inspection remuneration	3.12 million
12.	Government Postgraduate College Satellite Town, Gujranwala	2016-17	22018	Non-accountal of various items	1.71 million
13.	Islamia University, Bahawalpur	2015-16	22042	Irregular appointment of Farm Manager and unauthorized award of maximum of scale on initial appointment	1.31 million
14.	GC University, Faisalabad	2015-16	21887	Recovery for unauthorized payment of M. Phil allowance	49,455,000
15.	Murray College, Sialkot	2016-17	21989	Recovery for unauthorized payment of M. Phil allowance	1,405,000
16.	Govt. PG College for Women, Samanabad, Lahore	2016-17	21676	Recovery for unauthorized payment of M. Phil allowance	1,230,000
17.	Islamia University, Bahawalpur	2015-16	20167	Collection of utility charges at lesser rates	3.46 million
18.	Govt. Degree College for Women Marghzar, Lahore	18805	2014-16	Irregular drawl of pay & allowances during E.O.L/ absence period	1,973,833
19.	Govt Degree College for Women Marghzar Lahore	18806	2014-16	Irregular drawl of pay & allowances during E.O.L/ absence period	273,133
20.	University of the Punjab Lahore	2014-16	19223	Overpayments due to adoption of rich specification without	1.80 million

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
				provision in technically sanctioned estimates	
21.	Government College University, Faisalabad	2015-16	21899 & 22098	Inadmissible payment of price variation	1.60 million
22.	University of the Punjab Lahore	2014-16	19077	Non recovery of cost of dismantled material	1,040,497
23.	University of the Punjab Lahore	2014-16	19073	Non recovery of cost of dismantled material	226,714
24.	UET Lahore	2014-16	20146	Un-authorized waive off recovery against Ph.D scholarship	1.03 million
25.	Bahauddin Zakariya University, Multan	2015-16	21319	Purchase of stores at higher rates	875,110
26.	BISE, Sahiwal	2016-17	22132	Irregular distribution of loans and advances	600,000
27.	Government College Ravi Road, Lahore	2006-16	18833	Wasteful expenditure on purchase of Suzuki Bolan out of student fund without approval	654,000
28.	Govt. Muslim Degree College 41 J.B Faisalabad	2012-16	19794	Non adjustment of temporary advances	14,491
29.	Government College for Boys FatehJhang	2007-16	18826	Irregular payment of Hard Area Allowance	540,000
30.	Government College for Women, Model Town, Lahore	2016-17	22026	Irregular payment of Adhoc allowance for 2013, 2014 & 2015	257,125
31.	Government Girls College Gulsha-e-Ravi, Lahore	2014-17	21661	Irregular payment of Adhoc allowance for 2013, 2014 & 2015	179,465
32.	University of Sargodha	2016-17	21410	Loss due to non-deposit of CDRs into bank account	929,037
33.	Government Moulana Zafar Ali Khan Degree College, Gujranwala	2011-16	21717 & 21718	Unauthorized lease /occupation of college building	538,320
34.	Government Degree College for Women Zafar-ul-Haq Road, Rawalpindi	2005-16	18841	Irregular withdrawal and retention of Government money in private account	433,048
35.	Govt. Muslim Degree College 4-JB Faisalabad	2012-16	19794	Non adjustment of temporary advances	14,491
HOME DEPARTMENT					
1.	Superintendent Central Jail. Bhawalpur	2015-2016	18461	Manufactured store articles not sold out	9,000
2.	Directorate of Monitoring Home Department Lahore	2011-2016	18431	Loss of govt. due to hiring of satellite bandwidth	6,437,275

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
				service capacity more than actual requirement	
3.	Additional Inspector General of Police (Finance & Welfare)	2015-2016	19069	Doubtful expenditure on repair of off road vehicle	89,645
4.	Directorate of Monitoring Home Department Lahore	2011-2016	18353	Un-authorized retention of 24 vehicles more than entitlement / policy	
5.	Borstal Institute & Juvenile Jail Faisalabad	2015-2016	18357	Excess drawl of generator pol	687,162
6.	Punjab Highway Patrol , Sargodha	2015-2016	19966	Irregular retention of Motor Cycles without any use as per POL record	3,600,000
7.	Superintendent Jail, Vehari	2016-2016	18533	Loss due to non allotment of government residences	371,581
8.	Director General Child protection & welfare Bureau Punjab Lahore	2015-2016	17670	Unauthorized retention of Govt. vehicle to chair person without entitlement and Expenditure	137,449
9.	Home Department (Govt. of the Punjab)	2015-2016	18612	Non-Transparent expenditure on POL used in vehicles due to non-affixing of speedometer seal of Government vehicle	2,699,493
10.	Addl. IGP,PHP Lahore	2016-2017	20991	Doubtful payment of GST	160,271
11.	Addl. IGP,PHP Lahore	2016-2017	20985	Wasteful Expenditure on payment of rent Acquiring store	780,000
12.	District Jail Attock	2015-2016	17807	Irregular purchase of milk	1,679,963
13.	Central Jail Faisalabad	2015-2016	18397	Doubtful purchases	716,457
14.	District Jail Sargodha	2014-2016	18907	Discrepancies in operation of jail Generator unlawful expenditure	2,706,475
15.	DIG Security Division , Lahore	2015-2016	17730	Likely misappropriation of POL	171,037
16.	Police Training College Chung	2015-2016	18682	Unjustified payment of remuneration to guest speaker	809,950
17.	DPO Okara	2016-2017	20037	Irregular payment of Rates and Taxes	1,131,651
18.	District Jail Lahore	2015-16	20091	Excess payment of Electricity Charges	5,631,607
19.	Supdtt: Central Jail Sahiwal	2015-16	18389	Release of prisoners without countersignature of the superintendent doubtful	-

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
				incurrence & maintenance of prisoners accounts	
20.	SSP Motor Transport Wing, Punjab Lahore	2014-2015	18472	Excess/Doubtful Drawl	15,999,795
21.	D.P.O. Sialkot	2016-17	19692	Non verification of sales tax invoice	1,659,186
22.	Police Training School, Farooqabad	2015-2017	20811	Non Transparent Expenditure on purchase of medicine for the prisoners	1.054 million
23.	Police Training School, Farooqabad	2015-2017	20813	Unnecessary expenditure on purchase of dry wood	592,487
24.	DPO Chakwal	2015-16	18772	Non transparent expenditure on repair of building	551,995
25.	Commandant Sihala College, Rawalpindi	2015-16	17571	Irregular supply of sui gas to the official residences from bulk supply	577,800
26.	Commandant Sihala College, Rawalpindi	2015-16	17572	Unjust consumption of electricity in the official residences	861,800
27.	SSP Telecommunication, Punjab Lahore	2015-16	17583	Non recovery of HRA 5% maintenance charges & CA while residing within work premises	401,754
28.	DG Child Protection & Welfare Bureau Punjab, Lahore	2015-16	17661	Non recovery of CA and HRA	578,736
29.	DG Child Protection & Welfare Bureau Punjab, Lahore	2015-16	17665	Non recovery of CA	233,124
30.	SP Regional Investigation Branch, Bahawalpur	2013-16	17820	Irregular expenditure on repair and maintenance of transport. Non disposal of replaced parts and non recovery of sales tax	1,590,642
31.	SP/Battalion Commandant, Battalion No. 5, Lahore	2015-16	17827	Wasteful expenditure purchase of POL	770,490
32.	Chief Traffic Officer, Rawalpindi	2015-16	17835	Loss to government due to excess use of POL than authorized average consumption	1,505,210
33.	Central Jail Multan	2015-16	17892	Loss to government due to non registration of jail factory	5,423,607
34.	Central Jail Multan	2015-16	17896	Non operation of family rooms loss to government	91,560,000

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
35.	Central Jail Multan	2015-16	17900	Non installation of separate electricity meter of residence colony of jail.	-
36.	Central Jail Multan	2015-16	17901	Incomplete accounts and non preparation of profit and loss account of jail factory	30,029,120
37.	District Jail Jhelum	2014-16	17920	Loss due to recovery of electricity charges from the staff at very low rates	768,000
38.	Distt: Police Officer Rajanpur	2015-16	17940	Doubtful expenditure on account of POL defective maintenance of log books.	33,802,616
39.	SSP Spl. Branch R/Pindi	2014-16	18331	Non-transparent expenditure on rent of office buildings	1.625 (M)
40.	SSP Spl. Branch R/Pindi	2014-16	18334	Non-transparent expenditure on POL used in generator	625,742
41.	DIG/Dy.Commandant, Battalion No. 6 PC Farooqabad SKP	2015-16	18340	Unauthorized payment of CA	1,371,720
42.	I.G. Prisons Lahore	2015-16	18355	Loss due to non-recovery of house rent allowance and 5% house maintenance charges	673,632
43.	Borstal Institute & Juvenile Jail F/Abad	2015-16	18359	Doubtful expenditure on the purchase of ice	174,000
44.	Supdtt: Central Jail, Lahore	2015-16	18368	Loss due to payment of L.P. Surcharge on sui gas charges	801,277
45.	Supdtt: Central Jail R/Pindi	2015-16	18371	Irregular expenditure on pay and allowances to warders due to non observances of tenure service policy.	10.599 (M)
46.	Supdtt: Central Jail R/Pindi	2015-16	18373	Irregular expenditure on purchase of milk	8.953 (M)
47.	Supdtt: Central Jail Sahiwal	2015-16	18386	Irregular expenditure on repair of machinery and transport	189,825
48.	Central Jail F/Abad	2015-16	18392	Less deposit of electricity charges	763,427
49.	Central Jail F/Abad	2015-16	18403	Doubtful deposit of general sales tax	441,174
50.	Directorate of Monitoring Home Department	2011-16	18430	Non observance of codal formalities for acquiring	15,550,093

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
				office building on rent and payment—non adjustment of advance rent	
51.	Directorate of Monitoring Home Department	2011-16	18432	Non observance of codal formalities for incurring expenditure on repair/replacement of parts of vehicles	4,075,765
52.	Directorate of Monitoring Home Department	2011-16	18433	Non observance of codal formalities for incurring expenditure on repair of machinery and equipment	2,240,211
53.	Directorate of Monitoring Home Department	2011-16	18436	Irregular appointment of chowkidar in BPS-2 and driver in BPS-5 overpayment	69,236
54.	Borstal Institute & Juvenile Jail F/Abad	2015-16	18439	Irregular/doubtful expenditure on account of TA/DA	1,094,168
55.	Borstal Institute & Juvenile Jail F/Abad	2015-16	18443	Doubtful deposit of GST	428,254
56.	District Jail Jhang	2015-16	18451	Doubtful deposit of FST	372,135
57.	Supdtt:Central Jail B/Pur	2015-16	18455	Actual payees receipts not obtained	17,627,505
58.	Sr. Supdtt: of Police Motor Transport Punjab, Lahore	2015-16	18470	Doubtful deduction of CA	4,491,936
59.	Sr. Supdtt: of Police Motor Transport Punjab, Lahore	2015-16	18485	Non verification of sales tax deposit	4,161,197
60.	Sr. Supdtt: of Police Motor Transport Punjab, Lahore	2015-16	18491	Non verification of expenditure statements	413,173,786
61.	Sr. Supdtt: of Police Motor Transport Punjab, Lahore	2015-16	18493	Irregular/doubtful expenditure on repair of APC 5 Russian	1,554,156
62.	R.P.O. D.G.Khan	2014-16	18535	Irregular drawl of CA	959,808
63.	S.P. Traffic Region, Sahiwal	2015-16	18537	Unauthorized payment of CA	421,156
64.	Regional Office Counter Terrorism Department (CTD) LHR	2008-16	18539	Non deduction of CA against vehicle	1,252,464
65.	SP/Battalion Commander, Battalon-2 R/Pindi	2015-16	18544	Loss due to unauthorized payment of CA	320,296
66.	SP/Battalion Commander, Battalon-2 R/Pindi	2015-16	18545	Loss due to non recovery of electricity charges from residents of officials residence	252,000

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
67.	Chief Administrator, Health & Education Institutions, at Commissioner Office Lahore	2014-16	18551	Irregular retention of government vehicles/withdrawal of POL recovery thereof	106,745
68.	Distt: Police Officer Vehari	2015-16	18621	Irregular expenditure on account of POL charges	2,000,000
69.	Police Training College Chung	2015-16	18673	Non testing of dietary items before human use	46,309,586
70.	IGP/AIG Logistic Punjab, Lahore	2014-16	18691	Stock position of ordinance store not updated. Expenditure on ordinance store	1,146,242,497
71.	IGP/AIG Logistic Punjab, Lahore	2014-16	18697	Irregular expenditure on the purchase of POL for generators	12,571,928
72.	Central Jail Mianwali	2014-16	18713	Doubtful payments of GST	431,789
73.	District Jail Shahpur Sadar, Sargodha	2014-16	18761	Overpayment on account of GST	489,131
74.	District Jail Shahpur Sadar, Sargodha	2014-16	18762	Discrepancies in operation of jail generator unlawful expenditure	1,109,290
75.	District Jail Shahpur Sadar, Sargodha	2014-16	18763	Unfair purchase of AC and refrigerator	104,580
76.	DPO Chakwal	2015-16	18769	Loss due to less accountal of POL in the log books.	201,108
77.	SP/Battalion Commander Battalion-2 R/Pindi	2015-16	18916	Loss to government due to non deduction of CA	171,360
78.	District Police Officer, Toba Tek Sindh	2015-16	18918	Irregular payment on account of CA	120,000
79.	Supdtt: Borstal Institute and Juvenile Jail B/Pur	2015-17	19708	Doubtful deduction of house rent and CA	1,267,515
80.	Central Jail G/Wala	2015-17	19715	Irregular expenditure on repair/construction	500,000
81.	AIG Logistic Central Police Lahore	2014-2016	18699	Irregular payment of Liason Officer	67,377,743
82.	CTO Faisalabad	2016-2017	21030	Non deduction of HRA and 5 % Charges	122,166
83.	DIG Traffic	2016-2017	19735	Irregular drawl of conveyance allowance	1,404,720
84.	CTO Faisalabad	2016-2017	20921	Over payment of conveyance allowance	11,789,568
85.	DPO Sargodha	2016-2017	20934	Irregular drawl of conveyance allowance	4,125,330
86.	Add IGP PHP Lahore	2016-2017	20988	Irregular payment of conveyance allowance	80,000

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
87.	Secretary Home Lahore	2016-2017	21077	Non recovery of CA	420,000
88.	DIG Operation Lahore	2016-2016	21482	Loseof Govt. due to theft of vehicle	500,000
89.	High Security prison	2013-2017	19990	Credit verification of GST	33,869,497
90.	Secretary Home Lahore	2016-2017	21079	Fraudulent drawl of TADA	112,000
91.	Dist jail Lahore	2015-2016	20094	Non recovery of Electricity Charges	176,400
92.	High Security prison	2013-2017	19995	Non recovery of Electricity Charges	121,000
93.	Central Jail Rawalpindi	2016-2017	19933	Non recovery of Electricity Charges	124,000
94.	Distt jail Pak patan	2016-2017	20955	Recovery outstanding against Residents	45,000
95.	DPO Okara	2016-2017	20025	Doubtful expenditure of pay and allowances	
96.	CTO Rawalpindi	2016-17	20791	Irregular payment of medical reimbursement	2,097,007
97.	CPO Gujranwala	2016-2017	21038	Doubtful expenditure due to record not maintained	10,534,880
98.	Addl. IGP CTD, Lahore	2015-17	21010	Irregular/un-justified payment of travelling allowance	6,114,609
99.	DIG Traffic Punjab, Lahore	2016-2017	19744	Irregular/doubtful payment of encashment of LPR	33,787,099
100.	CTO Gujranwala	2016-17	20964	Irregular repair of transport	2,201,702
101.	DPO Okara	2016-17	20020	Irregular repair of machinery & Equipment	1,163,565
102.	DPO Khushab	2016-17	21745	Un-authorized expenditure on repair of vehicles	8,342,413
103.	PC Battalion 3 Multan	2016-17	21543	Irregular expenditure of repair of transport	1,553,761
104.	Sr. Suppt. Police Special Branch, Lahore	2016-17	19673	Irregular doubtful expenditure on repair of vehicle	1,564,881
105.	SP, PHP, Lahore	2016-17	19730	Un-economical and irregular on repair of vehicle	2,184,263
106.	DIG Traffic Punjab, Lahore	2016-17	19745	Doubtful repair of machinery & Equipment	639,846
107.	CTO Gujranwala	2016-17	20974	Irregular repair of photo copy machine	288,400
108.	DPO, Bahwalnagar	2016-17	20899	Doubtful expenditure on account of repair of vehicle	194,096

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
109.	District Jail PKP	2016-17	20953	Irregular expenditure on telecom facilities	1,672,840
110.	DPO Mianwali	2016-17	20752	Loss of Govt. due to excess use of POL	500,068
111.	Central Jail DG Khan	2014-17	21000	Non recovery of vegetable prices	422,820
112.	CPO Gujranwala	2016-17	21053	Overpayment on account of Feeding Charges	610,005
113.	Distt. Jail Jhelum	2016-17	19867	Irregular payment of Sales Tax on Cookin Oil	114,566
114.	Central jail Rawalpindi	2016-17	19932	Undue favour of late deposit of Advance Tax	123,000
115.	DIG Traffic, Lahore	2016-17	19741	Irregular/doubtful expenditure on rent of office building	4,630,122
116.	CTO Multan	2016-17	20911	Irregular expenditure on purchase of tyres	247,572
117.	DPO Bahawalpur	2016-17	20003	Irregular payment of rent of building	929,607
118.	CTO Lahore	2016-17	20883	Irregular payment of rent of building	632,332
119.	DIG Investigation, Lahore	2016-17	19882	Irregular payment of rent of building	2,660,491
120.	Dpo Jhelum	2016-17	19756	Irregular and doubtful expenditure due to non accountal of POL	256,498
121.	Distt. Jail Pakpattan	2016-17	20961	Irregular purchase from other jails	4,174,532
122.	Distt. Jail Pakpattan	2016-17	20956	Purchase of medicine in excess	669,150
123.	AIG Finance & Welfare, Lahore	2015-16	19070	Doubtful expenditure on repair of vehicle	159,863
124.	AIG Finance & Welfare, Lahore	2015-16	19067	Loss due to non disposal of old weapons	150 million
125.	DIG Investigation, Lahore	2016-17	19888	Irregular payment of POL	59,996,692
126.	New Central Jail Multan	2016-17	19908	Non utilization of family room	91,560,000
127.	DPO Okara	2016-17	20035	Expenditure of POL Charges on generator	6,559,765
128.	DIG Traffic Punjab, Lahore	2016-17	19742	Doubtful Payment of POL to SP Regional Offices	3,008,367
129.	DPO Jhang	2016-17	20212	Payment on account of pay & allowances	125,585,736
130.	DPO Jhang	2016-17	20211	Non recovery of major parts of Stole public property	166,189,458

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
131.	CTO GUjranwala	2016-17	20976	Non written of loss of motor bikes	200,000
132.	DIG Investigation, Lahore	2016-17	19887	Loss to Govt. due to non payment of Pending token taxes	213,000
133.	New Central Jail Multan	2016-17	19903	Irregular payment of GST	14,881,727
134.	District Jail Jhelum	2016-17	19870	Un-authorized payment of Salaries without performance of duties	539,684
135.	Secretary Home Lahore	2016-17	21089	Un-authorized allotment of vehicles	2,078,028
136.	Secretary Home Lahore	2016-17	21081	Likely misappropriation of receipts millions of rupees	
137.	DPO Jhang	2016-17	20219	Irregular expenditure on account of rent	256,980
138.	Addl. IGP CTD, Lahore	2015-17	21006	Unjustified expenditure without immediate requirements	16,145,156
139.	District Jail Jhelum	2016-17	19864	Non installation of separate electricity meters	8,698,123
140.	DPO Okara	2016-17	20024	Irregular payment of arrears and surcharge	1,072,006
141.	CTO Rawalpindi	2016-17	19951	Doubtful drawal of GP Fund	329,610
142.	CTO Rawalpindi	2016-17	19949	Wasteful expenditure on salaries	3,092,832
143.	CTO Rawalpindi	2016-17	19947	Unlawful payment of Sui Gas	270,344
144.	DPO Hafizabad	2016-17	21073	Recovery of GST & I. Tax	133,209
145.	Central Jail Gujranwala	2015-17	21454	Doubtful likely misappropriation on account of others	1,567,404
146.	Secretary Home Lahore	2016-17	21093	Un-authorized allotment of vehicles	168,276
147.	Secretary Home Lahore	2016-17	21083	Unjustified Expenditure on account of hiring of photo Copies	1,840,265
148.	CTO Gujranwala	2016-17	20962	High Involvement of cash in Financial System	4,231,365
149.	CTO Gujranwala	2016-17	20970	Non finalization/decision of pending court cases	507,900
150.	CTO Gujranwala	2016-17	20971	Irregular shifting of vehicles	400,000
151.	CTO Gujranwala	2016-17	20972	Non verification of GST Invoices	362,656

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
152.	CTO Gujranwala	2016-17	20981	Doubtful expenditure on account of rate & Taxes	118,200
153.	DIG Operation Lahore	2016-17	21468	Irregular expenditure on Hot & Cold	1,711,923
154.	DIG Operation Lahore	2016-17	21467	Irregular payment of service charges on account of corporate fleet cards	1,525,839
155.	DIG Operation Lahore	2016-17	21472	Irregular expenditure on advertising	891,144
156.	DIG Operation Lahore	2016-17	21480	Doubtful consumption of Pol	136,342,052
157.	DPO Jhang	2016-17	20210	Non Production of disbursement record	45,709,941
158.	DPO Jhang	2016-17	20206	Miss use of Imprest Money	425,000
159.	DPO Hafizabad	2016-17	21062	Irregular expenditure under head of repair of building	8,800,000
160.	DPO Pakpattan	2016-17	21534	Irregular expenditure on repair of Building	7,786,393
161.	CPO Gujranwala	2016-17	21036	Irregular payment of a/c of rent of building	3,038,960
162.	Central Jail DG Khan	2016-17	21002	Irregular/un-necessary purchase of medicine	375,732
163.	Central Jail DG Khan	2016-17	21001	Irregular purchase of stationery articles	377,222
164.	CPO Gujranwala	2016-17	21059	Doubtful expenditure on account of newspaper	146,960
165.	DPO Nankana Sahab	2016-17	20824	Irregular expenditure of repair & Maintenance of building	5,095,218
166.	Central Jail Rawalpindi	2016-17	19934	Irregular late deposit of Advance Tax	706,125
167.	CPO Rawalpindi	2016-17	20787	Non Waive of Loss of deceased horses	1,000,000
168.	DPO Jhelum	2016-17	19757	Doubtful drawal and undue retention of government money	131,000
169.	Central Jail DG Khan	2014-17	20999	Store articles purchased from un-approved suppliers	3,368,807
170.	DPO Vehari	2014-15	18632	Doubtful expenditure on account of hiring of vehicles	48,000
171.	DPO MB Din	2016-17	20870	Un-justifies expenditure on repair of transport	532,477
172.	Central Jail Sahiwal	2015-16	19973	Loss due to provision of fodder to non entitled officers	108,000

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
173.	PTC, Farooqabad	2015-17	20812	Non deduction of security deposit on maintenance and repair works	1,011,000
174.	Commandant Sihala College Rawalpindi	2015-16	18	Non completion of boundary wall Gate No.2	248,200
175.	CTO Rawalpindi	2015-16	9	Non auction of Used Mobile Oil	363,040
176.	Central Jail Gujranwala	2015-17	4	Irregular expenditure on purchase of Medicine Rs.2374486 Non deduction of Stamp duty Rs.5936 Less deduction f withholding Tax	2,418,834
177.	Addl IGP/ GIG of Police Elite Police force Punjab Lahore`	2015-17	11	Non accountal of Used Mobile Oil	88,533
178.	DPO Sialkot	2016-17	4	Inefficient utilization of funds	7,346,491
179.	DPO Sialkot	2016-17	19	Mis-Classification of expenditure	221,047
180.	CTO Faisalabad	2016-17	7	Irregular expenditure due to receiving supplies without inspections	7,544,000
181.	DIG of Police Investigation Lahore	2016-17	25	Irregular Opening of Bank Account	-
182.	Addl IGP PHP Lahore	2016-17	7	Misuse of fund and road safety fund	888,000
183.	BI & J Jail Bahawalpur	2015-17	2	Irregular expenditure on Purchases	1,705,235
184.	BI & J Jail Bahawalpur	2015-17	7	Unjustified payment to Sui Gas Department	870,000
185.	BI & J Jail Bahawalpur	2015-17	10	Understatement of Expenditure	298,594
186.	DIG Operations Lahore	2016-17	6	Non recovery of Stamp duty Rs.612 Less recovery of withholding Tax Rs.4897 Less Recovery of General Sales Tax Rs. 34408	39,917
187.	DIG Operations Lahore	2016-17	15	Unauthorized draw of conveyance allowance	60,000
188.	DIG Operations Lahore	2016-17	20	Loss due to non recovery of Tax	79,522
189.	DIG Traffic Punjab Lahore	2016-17	17	Non auction of uused Mobile Oil	113,640

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
190.	DPO Jhelum	2016-17	5	Irregular expenditure due to receiving supplies without inspection	4,428,583
191.	DPO Khanewal	2016-17	4	Non surrendering of savings	6,525,927
192.	DPO Khanewal	2016-17	10	Non disposal of unclaimed vehicles & Motor Cycles Loss to Govt. in Millions	-
193.	Supdt. District Jail Jhelum	2016-17	7	Excess expenditure of dietary charges	2,032,710
194.	Sr.Supdt. Of Police special Branch (Lahore Region) Lahore	2016-17	14	Irregular Purchase of Tyres	198,815
195.	Central Jail Mianwali	2014-16	3	Discrepancies in canteen contract and whereabouts of lease money not known and recover of electricity charges	24,000
196.	Central Jail Mianwali	2014-16	4	Acknowledgement of payments not obtained	11,663,906
197.	DPO Vehari	2015-16	2	irregular advance drawl of funds	2,575,000
198.	DPO Vehari	2015-16	14	Irregular expenditure on account of hiring transport	252,000
199.	DPO Vehari	2015-16	20	Non surrendering of savings of budget	3,609,997
200.	DPO Vehari	2015-16	21	Expenditure over and above budget allocation	46,609,594
201.	Addl Inspector General of Police (Finance & Welfare)	2015-16	3	Loss due to non disposal of old uniform items	10,000
202.	DIG/Deputy Commandant Battalion No.06 PC, Farooqabad Sheikhpura	2015-16	13	Loss due to irregular payment of GST	136,303
203.	Supdt. Central Jial Rawalpindi	2015-16	5	Non recovery of outstanding cost of Jail manufactured articles sold to other Jails	1,470,000
204.	Central Jail Faisalabad	2015-16	12	Non inspection of uncooked Rations/Dietary articles by Medical officer	29,766,087
205.	District Jail Chakwal	2012-16	4	Irregular expenditure on pay and allowances to warders due to non observance of tenure service policy	8,788,000
206.	District Jail Chakwal	2012-16	3	Non transparent	1,323,000

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
				expenditure on purchase of chicken for the prisoners	
207.	Supdt. Central Jail Bahawalpur	2015-16	5	Non auction of surplus stores	227,239
208.	Supdt. Central Jail Bahawalpur	2015-16	13	Irregular expenditure without supporting documents	2,179,200
209.	DPO Nankana Sahab	2015-16	4	Drawl of cost of investigation without vouched account	1,684,655
210.	DPO Nankana Sahab	2015-16	9	Irregular expenditure without calling tender through PPRA	3,112,341
211.	DPO Nankana Sahab	2015-16	11	Irregular expenditure on the repair of Govt. Vehicle Rs.268383 Recovery of Taxes Rs.51779	320,162
212.	DPO Nankana Sahab	2015-16	14	Doubtful payment of Travelling allowance	1,144,162
213.	SP Traffic Region Sahiwal	2015-16	1	Doubtful consumption of POL	466,399
214.	SP Traffic Region Sahiwal	2015-16	2	Doubtful consumption of POL	4,244,743
215.	SP Traffic Region Sahiwal	2015-16	3	Irregular Purchase of Stationary and licensing Material Rs.636340 Non deduction of Stamp Duty Rs.1591 Less/Non deduction of General Sales Tax Rs.2889 Less/Non deduction of Income Tax Rs.6371	647,191
216.	SSP Special Branch Rawalpindi	2014-16	2	Irregular expenditure on repair of vehicle	484,407
217.	SSP Special Branch Rawalpindi	2014-16	6	Loss due to non-utilization/allotment of motor cycles	510,000
218.	District Jail Jhang	2015-16	5	Irregular purchase and doubtful consumption of stationery	283,893
219.	Commandant Punjab Constabulary HQ Farooqabad	2014-16	3	Irregular expenditure on repair of transport	727,827
220.	DPO Rajanpur	2015-16	3	Doubtful purchase of stationery articles without stock entries	911,061

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
221.	DPO Rajanpur	2015-16	14	Non deposit/deduction of Punjab Sales Tax on repair of transport/furniture	86,224
222.	DPO Rajanpur	2015-16	17	Non disposal /auction of condemned/off road estimated loss to Govt.	3,000,000
223.	Police School of Information & analysis Chung Lahore	2015-16	3	Non deduction of Punjab Sales Tax on Services	112,078
224.	District Jail Attock	2015-16	1	Irregular Opening of Bank Accounts	-
225.	Chief Administrator Health & Education Institute at Commissioner office Lahore	2014-16	1	Non observance of instructions regarding maintenance of special drawing accounts	50,710,000
226.	Chief Administrator Health & Education Institute at Commissioner office Lahore	2014-16	13	Doubtful purchase due to non-maintenance of Stock Register	170,785
227.	Chief Administrator Health & Education Institute at Commissioner office Lahore	2014-16	15	Non submission of vouched account to treasury for post audit	22,010,850
228.	Director General Child protection & Welfare Bureau Punjab Lahore	2015-16	2	Lavish expenditure of dietary charges on rehabilitation of destitute and neglected without any yardstick	41,466,221
229.	Director General Child protection & Welfare Bureau Punjab Lahore	2015-16	4	Irregular and unauthorized drawl of electricity charges	4,126,745
230.	Director General Child protection & Welfare Bureau Punjab Lahore	2015-16	7	Non disposal of Deteriorated condition Off Road Vehicles suspected Loss to state	1,000,000
231.	DIG Security Division Lahore	2015-16	18	Misclassification of expenditure	192,800
232.	DPO Toba Tek Singh	2015-16	6	Blockage of Govt. Money due to un-necessary purchase of homicide Kits without immediate requirement	175,000
233.	DPO Toba Tek Singh	2015-16	7	Irregular procurement of homicide Kits for investigation	350,000
234.	DPO Toba Tek Singh	2015-16	8	Irregular expenditure of	105,300

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
				repair and maintenance of furniture	
235.	DPO Toba Tek Singh	2015-16	13	Irregular payment of hiring charges of private vehicles	400,000
236.	DPO Toba Tek Singh	2015-16	23	Excess expenditure on account of rate of POL purchased	413,263
237.	Supdt. Special branch Multan	2014-15	3	Doubtful/Irregular advance drawl of electricity charges	1,093,000
238.	Supdt. Special branch Multan	2014-15	4	Irregular expenditure of secret Service Fund	440,000
239.	Central Jail Multan	2014-15	7	Non installation of separate electricity meter for Factory	-
240.	Central Jail Multan	2014-15	8	Understatement of receipts in Govt. Accounts	5,507,106
241.	Central Jail Multan	2014-15	11	Loss due to non-allotment of Quarters	144,288
242.	Central Jail Multan	2014-15	16	Non auction of off road vehicle Loss	400,000
243.	Central Jail Multan	2014-15	17	Irregular Payment of Pay & allowances due to shifting of Headquarter	440,000
244.	AIG Logistics Central Police Office Lahore`	2014-16	5	Ordinance store not yet received from Wah Ordinance factory	16,503,860
245.	AIG Logistics Central Police Office Lahore`	2014-16	9	Wastage of Public Money	40,566,832
246.	AIG Logistics Central Police Office Lahore`	2014-16	23	Ordinance store not yet received from M/S Imran & Brothers	20,832,000
247.	Supdt. Jail vehari	2015-16	6	Irregular expenditure on purchase of Dietary articles	93,768
248.	Supdt. Jail vehari	2015-16	11	Doubtful Issue of Kit box	141,360
249.	Borstal Institute & Juvenile Prison Faisalabad	2015-16	14	Less booked of expenditure under object cost of other stores	137,146
250.	SP Tarffic Multan	2014-16	7	Irregular payment of pay and allowances during leave without pay	117,342
251.	SP Tarffic Multan	2014-16	10	Unauthorized payment of house rent and fixed daily allowance at special rate	59,263
252.	Battalion-4 PC Faisalabad	2015-16	11	Non auction of Dry & Fallen Trees	1,291,500
253.	SSP Telecommunication Punjab Lahore	2015-16	14	Loss to Govt. due to non deduction/collection of	52,923

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
				Stamp Duty	
254.	District Jail Sargodha	2014-16	4	Under retention into service of idle staff resulting unjustified payment of salaries and irregular expenditure	1,732,248
255.	District Jail Sargodha	2014-16	5	Doubtful payment on purchase of hand cuff and iron cots	339,050
256.	District Jail Sargodha	2014-16	9	Unrealistic deposits into irrelevant head	1,390,880
257.	District Jail Sargodha	2014-16	11	Non recovery of 30% social Security Benefits	87,201
258.	District Jail Sargodha	2014-16	12	Less deduction of Income Tax	61,766
259.	Directorate of Monitoring Home Department Lahore	2011-16	15	Wasteful expenditure on account of rent of Godown for store of surplus assets/unserviceable assets	1,120,835
260.	Supdt. Central Jail Sahiwal	2015-16	10	Doubtful Consumption of POL	230,400
261.	District Jail Shahpur Sadar Sargodha	2014-16	5	Undue retention into service of Dark Room assistant lying idle without unjustified payment of salaries	377,424
262.	District Jail Shahpur Sadar Sargodha	2014-16	10	Irregular payment of Jail Warden allowance	109,944
263.	District Jail Shahpur Sadar Sargodha	2014-16	14	Non allotment of Govt. residence	-
264.	District Jail Shahpur Sadar Sargodha	2014-16	15	Doubtful purchase and expense of razor cut wire	73,766
265.	District Jail Shahpur Sadar Sargodha	2014-16	16	Recoverable due to overpayment in conveyance allowance	21,252
266.	District Jail Shahpur Sadar Sargodha	2014-16	17	Less deduction of Income TAX	35,982
267.	District Jail Lahore	2015-16	13	Irregular/doubtful expenditure on purchase of various Items	2,116,053
268.	District Jail Attock	2015-16	3	Irregular sanction of expenditure	36,220,000
269.	DPO Kasur	2015-16	7	Doubtful purchase of Toners	832,767
270.	DPO Kasur	2015-16	12	Irregular hiring of rented building	680,180

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
271.	Commandant PC Battalion-3 Multan	2015-16	2	Excess payment on account of purchase of POL at higher rate	140,133
272.	Commandant PC Battalion-3 Multan	2015-16	6	Irregular expenditure on account of Purchase of Misc. Articles	297,999
273.	Commandant PC Battalion-3 Multan	2015-16	7	Doubtful expenditure on account of Travelling allowance	152,000
274.	Commandant PC Battalion-3 Multan	2015-16	10	Irregular/ Uneconomical expenditure on purchase of stationery	369,722
275.	SP PC, BTN-5, Lahore	2015-16	17815	Irregular expenditure on dietary charges	3,402,995
276.	SSP PC, BTN-7, Lahore	2015-16	18329	Mis-appropriation of canteen rent	120,000
277.	District Jail, Shahpur Sadar, Sargodha	2014-16	18758	Unrealistic expenditure on carpet adda	870,900
278.	CPO, Rawalpindi	2016-17	20789	Unjustified expenditure on off-road vehicle	278,002
279.	SSP MT, Lahore	2015-16	18475	Doubtful consumption of POL	646,207
280.	DIG Investigation, Lahore	2016-17	19889	Repair of vehicle without NOC	1,716,116
281.	CPO Rawalpindi	2016-17	20767	Less realization of SBP guard charges	4,162,155
282.	Secretary Home Department	2016-17	21078	Excess payment of maintenance charges of the residential building	157,032
283.	Secretary Home Department	2016-17	21088	Irregular expenditure due to violation of PPRA rules.	55,830
INDUSTRIES, COMMERCE & INVESTMENT DEVELOPMENT DEPARTMENT					
1.	Director General Industries, Prices, Weights and Measures Punjab, Lahore	2014-16	17523	Non deduction of conveyance allowance	209,194
2.	Secretary Industries, Commerce and Investment Department, Lahore	2015-16	19129	Non deduction of conveyance allowance	199,404
3.	Secretary Industries, Commerce and Investment Department Lahore	2015-16	19128	Irregular payment of special allowance on the basis of law qualification to the law officers	131,250

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
4	Secretary industries, Commerce and investment department Lahore	2015-16	17763	Improper operation of special drawing accounts	114,005,000
5	Secretary industries, Commerce and investment department lahore	2015-16	17765	Recovery of Punjab sales tax	12,00,000
6	Secretary industries, Commerce and investment department lahore	2015-16	17764	Vouched account not produced	114,005,000
7	Secretary Industries, Commerce & Investment dept LHR	2015-16	03	Irregular payment of pending liability	11,130,090
8	Secretary Industries, Commerce & Investment dept LHR	2015-16	06	Excess expenditure than budget allocation	3,383,661
9	Secretary Industries, Commerce & Investment dept LHR	2015-16	08	Unjustified transfer of vehicle to Minister, amount under observation	105,192
10	DG Industries , Prices Weights & measurement, Punjab Lahore.	2014-16	01	Irregular re-instatement of Ms. Saima Ijaz after resignation and termination of lien	374,194
INFORMATION AND CULTURE DEPARTMENT					
1.	Director General Public Relation, Lahore	2014-17		Fictitious repair of Vehicles	825,238
2.	Director Public Relations, Rawalpindi	2013-16	17703	Misappropriation of POL	395,300
3.	Bahawalpur Museum, Bahawalpur	2015-16	18169	Up gradation of post of Director from BS-18 to BS-19 and from BS-19 to BS-20 without getting approval of Government. Unlawful Excess Drawal of Salary in Higher Scales	1.50 million
4.	Director Lahore Museum	2014-16	18154	Irregular/Unjustified appointment of Museum Specialist	639,548
5.	Bahawalpur Museum, Bahawalpur	2015-16	18160	Loss due to non-investment of General Provident Contribution Fund	1 million
6.	Director Public Relations, Rawalpindi	2013-16	17675	Irregular expenditure on repair of Transport	502,961
7.	Alhamra Arts Council, Lahore	2015-16	18150	Excess payment on account of gratuity	650,503

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
8.	Director General Public Relation, Lahore	2014-17		Non-recovery of inadmissible payment of pay & allowances	433,042
9.	Director General Public Relation, Lahore	2014-17		Excess use of POL than Ceiling	279,930
10.	Alhamra Arts Council, Lahore	2015-16	18143	Irregular payment of house rent allowance at higher rate	150,000
11.	Alhamra Arts Council, Lahore	2015-16	18149	Irregular payment of entertainment and mobile phone charges	130,000
12.	DPR Multan	2013-16	17805	Non-deduction of 5% house maintenance charges	112,110
13.	DPR Multan	2013-16	17804	Excess payment of encashment	65,625
14.	Director General Public Relation, Lahore	2014-17		Wasteful expenditure on purchase of Equipment	3.13 million
15.	Bahawalpur Museum, Bahawalpur	2015-16	18163	Doubtful purchase of Charcoal & Ice	148,939
16.	Alhamra Arts Council, Lahore	2015-16	18141	Non recovery of rental charges of halls	3.24 (M)
17.	Bahawalpur Museum, Bahawalpur	2015-16	18158	Unlawful up-gradation of government employees	450000
18.	Bahawalpur Museum, Bahawalpur	2015-16	18167	Irregular regularization of services	500,000
19.	Director Public Relations, Rawalpindi	2013-16	17674	Irregular expenditure on pending liabilities	431,684
20.	Alhamra Arts Council, Lahore	2015-16	18144	Irregular shifting of headquarter	749,189
LABOUR AND HUMAN RESOURCE DEPARTMENT					
1.	Punjab Labour Court No.11, D.G. Khan	2011-16	17845	Unjustified payment of POL without Government Motor Vehicle	187,200
2.	D.G. Labour Welfare Punjab, Lahore	2013-16	17946	Unauthorized use of government vehicles	3.24 million
3.	Presiding Officer, Punjab Labour Court-5, Sargodha	2005-16	17969	Unlawful payment of Rs.1,423,449 on account of POL 200 liter per month	1,423,449
4.	Presiding Officer Punjab Labour Court No. 3 Ferozwala Lahore	2011-16	18507	Irregular drawl of allowances- Rs. 195,000	195,000
5.	Presiding Officer Punjab Labour Court No. 3 Ferozwala Lahore	2011-16	18506	Unjustified payment of pay & allowances	722,417
6.	Presiding Officer Punjab	2011-16	19962	Non recovery/Deposit of	-

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
	Labour Court No. 3 Ferozwala Lahore			over payment of pay & allowances	
7.	Presiding Officer Punjab Labour Court No. 3 Ferozwala Lahore	2011-16	18505	Irregular payment of pay & allowances	3,051,828
8.	Labour Court No. 3 Lahore	2011-16	18504	Irregular appointment against leave vacancy	1.74 (M)
9.	DG Labour and Human Resource Department, Lahore	2013-16	2	Abnormal flow of expenditure	164,903,101
10.	DG Labour and Human Resource Department, Lahore	2013-16	6	Irregular expenditure due to splitting and violation of tendering process	1,183,447
11.	DG Labour and Human Resource Department, Lahore	2013-16	7	Irregular/Misclassified expenditure	137,918
12.	Labour and Human Resource Department, Lahore	2014-16	4	Irregular expenditure due to split up in order to avoid tendering process	499,800
13.	Labour and Human Resource Department, Lahore	2014-16	6	Unauthentic expenditure on POL due to non availability of vouchers	158,276
14.	Labour and Human Resource Department, Lahore	2014-16	7	Expenditure on financial assistance	1,000,000
15.	Labour and Human Resource Department, Lahore	2014-16	8	Irregular expenditure on purchase from unregistered suppliers	977,482
16.	Labour and Human Resource Department, Lahore	2014-16	9	Non-reconciliation of expenditure statement form AG office	91,240,497
17.	Labour and Human Resource Department, Lahore	2014-16	10	Irregular/Misclassified expenditure	143,300
18.	Labour and Human Resource Department, Lahore	2014-16	13	Irregular expenditure on purchase of Tyres	271,156
19.	Labour and Human Resource Department, Lahore	2014-16	16	Unauthorized use of Govt. Vehicle	4,837,151

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
20.	Labour and Human Resource Department, Lahore	2014-16	17	Irregular expenditure due to splitting and violation of tendering process	803,549
21.	Punjab Labour Court No.11 DG Khan	2011-16	3	Expenditure incurred over and above than budget	1,550,348
22.	Presiding Officer Punjab Labour Court-5 Sargodha	2005-16	2	Irregular excess expenditure than budget allocation	8,290,284
23.	Presiding Officer Punjab Labour Court-5 Sargodha	2005-16	4	Non accountal of Purchased Items	55,191
24.	Presiding Officer Punjab Labour Court-5 Sargodha	2005-16	6	Unjustified payment of residential telephone charges at Rawalpindi without approval	-
25.	Presiding Officer Punjab Labour Court-I Lahore	2013-16	1	Non deduction of Punjab Sales Tax	20,379
26.	Presiding Officer Punjab Labour Court-II Lahore	2011-16	1	Non deduction of Punjab Sales Tax	42,261
27.	Punjab Labour Court No-II, D G Khan	2011-16	17843	Procurement made without observing required response time	398,460
28.	Labour and Human Resource Department, Lahore	2014-16	17953	Excess use of POL than ceiling	205,548
LAHORE HIGH COURT					
1.	Senior Civil Judge, Multan	2014-16	17961	Unauthorized Payment of allowances and non deduction of recoverable amount from employees	366,804
2.	Senior Civil Judge, Faisalabad	2015-16	19136	Unauthorized Payment of allowances and non deduction of recoverable amount from employees	152,998
3.	Senior Civil Judge, Pakpattan	2014-16	19472	Unauthorized Payment of allowances and non deduction of recoverable amount from employees	101,087
4.	Senior Civil Judge, Pakpattan	2014-16	19473	Unauthorized Payment of allowances and non deduction of recoverable	124,833

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
				amount from employees	
5.	Senior Civil Judge, Rawalpindi	2015-16	19453	Unauthorized Payment of allowances and non deduction of recoverable amount from employees	82,224
6.	District & Session Judge, Multan	2014-16	19487	Unauthorized Payment of allowances and non deduction of recoverable amount from employees	356,470
7.	Senior Civil Judge, Gujrat	2007-17	20277	Unauthorized Payment of allowances and non deduction of recoverable amount from employees	225,563
8.	Registrar Lahore High Court Lahore	2015-16	19556	Loss of Rs. 4,706,646 to Govt. due to non obtaining of Sales Tax Invoice From the firm	4,706,646
9.	Senior Civil Judge, Bahawalnagar	2010-16	18887	Drawal of Deposits out of Sherriff's Petti Account (Current/Lapsed) of Civil Courts Bahawalnagar-Rs.318,540 and Non-lapsing of Personal Deposits Rs.401,630 due to Insufficient Balance.	401,630
10.	Lahore High Court, Bahawalpur Bench	2010-16	19540	Loss to Government of Rs.148,000 (Approx.) Due to non auction of shop No.3. and advance tax less collected-Rs.31,050	148,000
11.	Registrar Lahore High Court, Lahore	2015-16	19561	Unjustified expenditure of courier charges by engaging private service ignoring Pakistan Post office valuing Rs.5,989,717	5,989,717
12.	Senior Civil Judge, Multan	2014-16	17961	Non deduction of Conveyance Allowance	366,804
13.	Senior Civil Judge, Faisalabad	2015-16	19136	Non deduction of Conveyance Allowance	152,998
14.	Senior Civil Judge, Pakpattan	2014-16	19472	Non deduction of Conveyance Allowance	101,087
15.	Senior Civil Judge, Pakpattan	2014-16	19473	Non deduction of Conveyance Allowance	124,833
16.	Senior Civil Judge, Rawalpindi	2015-16	19453	Non deduction of Conveyance Allowance	82,224
17.	District & Session Judge, Multan	2014-16	19487	Non deduction of Conveyance Allowance	356,470

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
18.	Senior Civil Judge, Gujrat	2007-17	20277	Non deduction of Conveyance Allowance	225,563
19.	Sr. Civil Judge, Narowal	2007-17	20248	Non deduction of Conveyance Allowance	3,777,593
20.	Senior Civil Judge, Sailkot	2015-16	18650	Non deduction of income tax	1,808
21.	Senior Civil Judge, Gujranwala	2010-16	18184	Non deduction of Conveyance Allowance	1,616,817
22.	Senior Civil Judge, Rawalpindi	2015-16	19450	Non deduction of Conveyance Allowance	2,037,782
23.	Senior Civil Judge, Gujranwala	2010-16	18178	Non observance of women quota during recruitment and recruitment of 4 excess process servers in open merit quota	0
24.	Senior Civil Judge, Gujrat	2007-17	20276	Non deduction of Conveyance Allowance	6,028,553
25.	Registrar Lahore High Court, Lahore	2015-16	19548	Unspent balance	35.58 (M)
26.	Distt: Session Judge, Lahore	2015-17	22444	Blockage of public money due to purchase without immediate requirement	7,509,603
27.	Registrar Lahore High Court	2015-16	19554	Irregular award of contract for photocopies and excess payment	4.86 (M)
28.	District & Session Judge, Lahore	2015-17	22316	Excess expenditure over budget allocation	1,834,110
29.	Registrar Lahore High Court, Lahore	2015-16	19545	Excess expenditure over budget allocation	1,753,200
30.	District & Sessions Judge, Bahawalnagar	2010-16	17865	Irregular procurement of I.T. Equipment/Stores at higher rate	4.47 (M)
31.	District and Sessions Judge, Multan	2014-16	19481	Doubtful issuance of IT Equipment	3.87 (M)
32.	Senior Civil Judge, Sheikhpura	2015-16	17851	Undue retention of cash in hand.	1,994,800
33.	Registrar Lahore High Court, Lahore	2015-16	19547	Doubtful drawl of other allowance	1.79 (M)
34.	District & Session Judge, R/Pindi	2010-16	17857	Encroachment of judicial complex land/government land by land mafia	0
35.	Senior Civil Judge, Jhang	2013-17	20263	Misuse of receipt as late deposited into treasury - Rs.675,900	675,900

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
LAW & PARLIAMENTARY AFFAIRS					
1.	Advocate General Punjab, Lahore	2014-16	18521	Unauthorized expenditure on account of Special pay	576,000
2.	Secretary Law & Parliamentary Affairs Department	2015-16	17976	Payment of GST without obtaining GST invoice and non-deduction of taxes & duties	217,224
3.	Advocate General Punjab, Lahore	2014-16	18520	Irregular award of contract for purchase of computers without obtaining performance guarantee	591,160
4.	Secretary Law & Parliamentary Affairs Department	2015-16	20671	Non-appointment of staff for Urdu Translation Cell	-
5.	Secretary Law & Parliamentary Affairs Department	2015-16	17979	Irregular expenditure on repair of transport	1,074,545
6.	Advocate General Punjab, Lahore	2014-16	19960	Irregular award of contract of expenditure on photocopies	658,204
7.	Secretary Law & Parliamentary Affairs	2015-16	7	Doubtful Consumption of POL	2,286,796
8.	Secretary Law & Parliamentary Affairs	2015-16	9	Irregular expenditure on repair of Machinery, Less Deduction of Punjab Sales Tax, Less deduction of General Sales Tax, Less Deduction of Income Tax	658,041
9.	Secretary Law & Parliamentary Affairs	2015-16	11	Irregular expenditure on repair of durable goods Rs.873939 Less/non deduction of Punjab Sales Tax Rs.34431 Less/non deduction of General Sales Tax Rs.58663 Less/non deduction of withholding Tax Rs.22871	989,904
10.	Secretary Law & Parliamentary Affairs	2015-16	12	Irregular expenditure on purchase of Books Rs.388994 Shortage of Books recovery Rs.144727	533,721
11.	District Attorney Toba Tek Singh	2011-16	2	Irregular excess expenditure than budget allocation	1,580,987

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
12.	District Attorney Toba Tek Singh	2011-16	3	Lapse of funds due to inefficient control over fund management	8,387,319
13.	Advocate General Punjab Lahore	2014-16	5	Irregular expenditure than budget allocation	1,116,239
14.	District Attorney Jhang	2011-16	20194	Non finalization of pending civil cases	-
LITERACY AND NON FORMAL EDUCATION DEPARTMENT					
1.	Secretary Literacy and NFBE, Lahore	2014-16	21149	Double Drawl of Conveyance Charges	145,680
2.	Secretary Literacy and NFBE, Lahore	2014-16	21160	Double expenditure on national celebration	138,355
3.	Secretary Literacy and NFBE, Lahore	2014-16	21159	Unjustified expenditure on hot and cold charges	90,166
4.	Secretary Literacy and NFBE, Lahore	2014-16	21161	Misclassification of expenditure-Rs. 302,396	302,396
5.	Secretary Literacy and NFBE, Lahore	2014-16	21157	Doubtful expenditure on fuel used in generators-Rs. 124,842	124,842
LIVESTOCK AND DAIRY DEVELOPMENT DEPARTMENT					
1.	Livestock Experiment Station, Bahadurnagar, Okara	2016-17	19432	Irregular procurement due to non deduction of Performance Guarantee	1.28 (M)
2.	Livestock Training Centre Sheikhpura	2014-17	17606	Irregular award of contract for supply of green fodder-Rs.909,561	909,561
3.	Secretary, Livestock & Dairy Development Department, Lahore	2016-17	5	Non-sealing of speedometers	1,450,383
4.	Director Livestock Farms Punjab, Lahore	2015-16	19125	Huge difference between balances of cash book and bank	29.72 (M)
5.	Camel Breeding and Research Station, Rakh Mahni Bhakkar	2014-16	18023	Whereabouts of 11,427 Kg black gram bhosa	91,416
6.	Livestock Experiment Station Qadirabad Sahiwal	2016-17	19517 19518	Non disposal of unserviceable stock	620,000
7.	Director General (Ext) Livestock & Dairy Development Punjab, Lahore	2016-17	20645	Irregular expenditure on repair of vehicle	6,093,132
8.	Secretary, Livestock & Dairy Development	2016-17	21514	Irregular expenditure on repair of vehicle	417,108

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
	Punjab, Lahore				
9.	Director Veterinary Research Institute, Lahore	2016-17	19634	Irregular purchase of POL from unauthorized dealer	5.27 (M)
10.	Director Veterinary Research Institute	2016-17	19625	Irregular purchase of -80 C freezer 18 cft by violating specification	3.74(M)
11.	University of Veterinary and Animal Sciences, Lahore	2016-17	20588	Irregular expenditure on honey bee farming	800,000
12.	University of Veterinary and Animal Sciences, Lahore	2016-17	20589	Irregular expenditure on commercial breeding of Python	479,000
13.	Livestock Experiment Station Chak Katora, Bahawalpur	2014-16	18716	Irregular expenditure on repair of machinery & equipment	1.63 (M)
14.	Livestock Experiment Station, Chak Katora, Bahawalpur	2014-16	18220	Irregular sale of standing wheat crop at lesser rate	1.43 (M)
15.	Livestock Experiment Station Chak Katora, Bahawalpur	2014-16	18862	Irregular Expenditure of M&R of Transport	1.12 (M)
16.	Livestock Experiment Station, Chak Katora, Bahawalpur	2014-16	18017	Purchase of bulk quantity of diesel at higher rates as compared with OGRA rates-Rs.546,046	546,046
17.	Principal, Live stock Training Center, Sheikhpura	2014-16	17739	Recovery of conveyance allowance	1,388,242
18.	Live Stock Farm Jugaitpeer, Bahawalpur	2015-16	18291	Non Cultivation of 54% Cultivable Area	-
19.	Director General (Ext) Livestock & Dairy Development, Lahore	2016-17	20646	Non-transparent expenditure on POL used in government vehicles	3.382 (M)
20.	University of Veterinary and animal sciences, Lahore	2016-17	20588	Irregular expenditure on honey bee farming without desired results	800,000
21.	University of Veterinary and animal sciences, Lahore	2016-17	20589	Irregular expenditure on conservation & commercial breeding of Python	479,000
22.	Support Services for livestock farmers, Lahore	2008-12	22670	Uneconomically purchase of motor cycles	4,65,89,347
23.	Support Services for livestock farmers, Lahore	2008-12	22669	Irregular purchase of furniture	2,858,944

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
24.	Support Services for livestock farmers, Lahore	2008-12	22663	Non- recovery of motor cycles	15,029,000
25.	Support Services for livestock farmers, Lahore	2008-12	22664	Non-Surrendering of savings	40,840,866
26.	Support Services for livestock farmers, Lahore	2008-12	22665	Non-transfer of M & E of deficit project	25,34,420
27.	Support Services for livestock farmers, Lahore	2008-12	22666	Non-production of sales tax invoices	7,454,296
28.	Support Services for livestock farmers, Lahore	2008-12	22667	Irregular purchase of tyres	99509
29.	Support Services for livestock farmers, Lahore	2008-12	22668	Misclassification of expenditures	2858944
30.	Secretary Livestock & Dairy Development, Lahore	2016-17	21513	Non-transparent expenditure on POL used in vehicles due to non-sealing of speedometers of Government vehicles	1.450 (M)
31.	Secretary Livestock & Dairy Development, Lahore	2016-17	21515	Non deduction of conveyance allowance	180000
32.	Secretary Livestock & Dairy Development, Lahore	2016-17	21516	Non-deduction of income tax	172500
33.	Director Veterinary Research Institute lahore	2016-17	19626	Irregular purchase of equipments without provision in the PC-1	2,453,367
34.	Director Veterinary Research Institute lahore	2016-17	19627	Irregular payment of GST on purchase of GST exempted montanide oil	20,653,365
35.	Director Veterinary Research Institute lahore	2016-17	19632	Unauthorised provision of vaccine to private firms	1,008,000
36.	Director, Livestock and Dairy Development Department, Rawalpindi	2016-17	22422	A) Lavish expenditure on transportation of inter district Goods B) Less deduction of income tax	205440 6163
37.	Director, Livestock and Dairy Development Department, Rawalpindi	2016-17	22421	Unjustified withdrawals	132000
38.	Director, Livestock and Dairy Development Department, Rawalpindi	2016-17	22423	Unfair supply of Trigold powder valuing	7809872
39.	Director, Livestock and Dairy Development Department, Rawalpindi	2016-17	22424	A) Unfair expenditure on domestic farmer training B) Less deduction of income tax @ 12%	172855 20743

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
				C) Less deduction of PST @ 16%	27657 48400
40.	Director, Livestock and Dairy Development Department, Rawalpindi	2016-17	22429	Lapse of budget /non surrendering of saving	41,525,625
41.	Director, Livestock and Dairy Development Department, Rawalpindi	2016-17	22428	Irregular expenditure on purchase of buffalos without authentication of age and weight	9,214,194
42.	Director, Livestock and Dairy Development Department, Rawalpindi	2016-17	22427	Un spend performance gurantee lying in shape of CD	3466494
43.	Director, Livestock and Dairy Development Department, Rawalpindi	2016-17	22426	Stamp duty not levied on contract amount, recovery	173,325
44.	Director, Livestock and Dairy Development Department, Rawalpindi	2016-17	22425	Fine on liquidated damage charges on late supply not levied	2170166
45.	Director, Livestock and Dairy Development Department, Rawalpindi	2016-17	22443	Doubtful expenditure on repair of vehicles (Dev expenditure)	677835
46.	Director, Livestock and Dairy Development Department, Rawalpindi	2016-17	22442	Unjustified expenditure on purchase of medicine	2227660
47.	Director, Livestock and Dairy Development Department, Rawalpindi	2016-17	22441	Delayed execution of development scheme as PC-I, Loss to Government	8600000
48.	Director, Livestock and Dairy Development Department, Rawalpindi	2016-17	22440	Un-realistic statistics relating to development scheme as per PC-I, Loss to Government	3145000
49.	Director, Livestock and Dairy Development Department, Rawalpindi	2016-17	22439	Non-achievement of target of poverty elevation scheme as per PC-I, loss to Government	1095632
50.	Director, Livestock and Dairy Development Department, Rawalpindi	2016-17	22438	Doubtful expenditure on TA from regular budget (non-dev)	874710
51.	Director, Livestock and Dairy Development Department, Rawalpindi	2016-17	22437	Unjustified expenditure on TA from development scheme	456096
52.	Director, Livestock and Dairy Development Department, Rawalpindi	2016-17	22436	A) Unjustified expenditure on cost of other stores B) Furniture and fixture	799461 1600000
53.	Director, Livestock and Dairy Development	2016-17	22435	Unjustified expenditure on printing & publication	2000000

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
	Department, Rawalpindi				
54.	Director, Livestock and Dairy Development Department, Rawalpindi	2016-17	22434	Unjustified expenditure on stationery	850000
55.	Director, Livestock and Dairy Development Department, Rawalpindi	2016-17	22433	Unjustified expenditure on domestic training	569000
56.	Director, Livestock and Dairy Development Department, Rawalpindi	2016-17	22432	Unjustified expenditure on fair and exhibition	599875
57.	Director, Livestock and Dairy Development Department, Rawalpindi	2016-17	22431	Unjustified expenditure on POL	900000
58.	Director, Livestock and Dairy Development Department, Rawalpindi	2016-17	22430	Unjustified expenditure on contingent paid drivers	458830
59.	Livestock experiment station, Qadirabad Sahiwal	2016-17	19521	Non-recovery of dues from director livestock Multan division Multan	4858266
60.	Livestock experiment station, Qadirabad Sahiwal	2016-17	19515	Non surrendering of unspent balances	172730
61.	Director Poultry Research Institute Rawalpindi	2015-16	18008	Mis-procurement of feed	14.9 (M)
62.	Director Poultry Research Institute Rawalpindi	2015-16	18006	Irregular beyond competency expenditure on purchase of hardware items	1.4 (M)
63.	Director Poultry Research Institute Rawalpindi	2015-16	18009	Mis-procurement of stationery and store items	687064
64.	Director Poultry Research Institute Rawalpindi	2015-16	18010	Extravagant expenditure on gas charges	9.0 (M)
65.	Director Poultry Research Institute Rawalpindi	2015-16	18026	Loss due to non-achievement of revenue target	885385
66.	Director Poultry Research Institute Rawalpindi	2015-16	18025	Non Surrendering of unspent balances	5891877
67.	Director, Barrani livestock production research institute kherimurat, Attock	2015-16	18011	Mis-procurement of goods	4.33 (M)
68.	Director, Barrani livestock production research institute kherimurat, Attock	2015-16	18013	Loss due to non utilization/non auction of agricultural land	-----
69.	LES Bhunikey, Pattoki, District Kasur	2016-17	21492	Loss due to non recovery of water charges	124800
70.	LES Bhunikey, Pattoki,	2016-17	21493	Irregular and unauthorized	2071500

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
	District Kasur			advance draws	
71.	LES Bhunikey, Pattoki, District Kasur	2016-17	21494	Loss due to non cultivation of agricultural land	6175000
72.	LES Bhunikey, Pattoki, District Kasur	2016-17	21495	Loss due to irregular retention of eight milky buffalo in Governor house	1200000
73.	Officer LES Chak Katora Tehsil Hasilpur District Bahawalpur	2014-16	18862	A) Irregular expenditure of M&R of transport B) Fake purchase of tyres, purchase at higher rates & non/less deduction of taxes	1,119,873 202,091
74.	Officer LES Chak Katora Tehsil Hasilpur District Bahawalpur	2014-16	18716	A) Irregular expenditure on repair of Machinery & Equipment B) Recovery of	1,626,945 473,693
75.	Government live stock, kallur kot, Bhakkar	2014-17	21140	Non recovery of outstanding amount of animals	989,501
76.	Government live stock, kallur kot, Bhakkar	2014-17	21141	Loss due to non-utilization of 159 acre un-commended land	3,975,000
77.	Government live stock, kallur kot, Bhakkar	2014-17	21142	Non recovery of outstanding dues on account of land rent from the tenants	309,132
78.	Government live stock, kallur kot, Bhakkar	2014-17	21143	Loss to Government due to low yield	6,544,253
79.	Government live stock, kallur kot, Bhakkar	2014-17	21144	Loss to Govt. Due to less production of Fodder	3,489,664
80.	Government live stock, kallur kot, Bhakkar	2014-17	21145	Non auction of Grains farm produced	805,200
81.	Government live stock, kallur kot, Bhakkar	2014-17	21146	Non disposal of fallen tree valuing	529,758
82.	Live Stock Experimental Station Khushab	2016-17	20661	Loss due to purchase of fertilizers at higher rates	121,300
83.	Live Stock Experimental Station Khushab	2016-17	20662	Loss to Govt. due to low yield	3,504,000
84.	Live Stock Experimental Station Khushab	2016-17	20663	Irregular purchase of anmol wanda beyond competency	3,825,050
85.	Live Stock Experimental Station Khushab	2016-17	20664	Loss to Govt. due to less production of wheat	1,410,500
86.	Live Stock Experimental Station Khushab	2016-17	20665	Unjustified purchase of POL without immediate requirement	1,487,948
87.	Live Stock Experimental	2016-17	20666	Irregular / doubtful	353,088

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
	Station Khushab			expenditure on repair of Machinery & Equipment	
88.	Live Stock Experimental Station Khushab	2016-17	20667	Irregular uneconomical purchase of medicines beyond competency	622,636
89.	Live Stock Experiment Station, Rakh Gulaman, Bhakkar	2016-17	20656	Non recovery of outstanding dues on account of land rent from the tenants	7588,616
90.	Live Stock Experiment Station, Rakh Gulaman, Bhakkar	2016-17	20657	Loss due to non-utilization of 1408 acre un-commended land	21,120,000
91.	Live Stock Experiment Station, Rakh Gulaman, Bhakkar	2016-17	20658	Non recovery of medicinal seed	930,760
92.	Live Stock Experiment Station, Rakh Gulaman, Bhakkar	2016-17	20604	Non recovery of outstanding amount of cash crops	4,432,946
93.	Live Stock Experiment Station, Rakh Gulaman, Bhakkar	2016-17	20659	Non disposal of fallen tree valuing	1,930,057
94.	Live Stock Experiment Station, Rakh Gulaman, Bhakkar	2016-17	20605	Non effecting account of embezzled/misappropriated amount	4,460,060
95.	Live Stock Experiment Station, Rakh Gulaman, Bhakkar	2016-17	20660	Loss to Government due to low yield	4,249,476
96.	Live Stock Experiment Station, Rakh Gulaman, Bhakkar	2016-17	20606	Non auction of Grains farm produced	7,154,570
97.	Officer LES Chak Katora Tehsil Hasilpur District Bahawalpur.	2014-16	05	Excess Consumption of POL than Entitlement	1601,868
98.	Officer LES Chak Katora Tehsil Hasilpur District Bahawalpur.	2014-16	09	Likely Misappropriation of school Bus Receipt	144,000
99.	Principal, Live Stock Training Center, Sheikhpura.	2014-16	02	Irregular and Uneconomical purchase of Mobil oil amounting	200,000
100.	Superintendent, Govt. Livestock Farm Jugaitpeer, BWP	2015-16	04	Non obtaining of quality/Analysis Report for Purchase of Anmol Wanda/Dry Ration Worth	4,966,000
101.	Superintendent, Govt. Livestock Farm Jugaitpeer, BWP	2015-16	08	Loss to Govt. Due to Non Achievement of Revenue Targets	4,142,028
102.	Superintendent, Govt. Livestock Farm Jugaitpeer,	2015-16	14	Actual Payees Receipts not Obtained	4,196,930

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
	BWP				
103.	Livestock Experiment Station, Bahadurnagar (Okara)	2016-17	04	Unjustified procurements without advertisement on PPRA web site	358,778
104.	Livestock Experiment Station, Bahadurnagar (Okara)	2016-17	06	Expenditure exceeding budget allocation	808,205
105.	Livestock Experiment Station, Bahadurnagar (Okara)	2016-17	08	Irregular procurement of furniture & fixture	462,799
106.	Livestock Experiment Station, Bahadurnagar (Okara)	2016-17	09	Non disposal of fallen / dead trees	700,000 (Approx)
107.	Support Services for Livestock Farmers, Lahore	2008-12	04	Non recovery of conveyance allowance	190,960
108.	Government Poultry Farm, Multan	2016-17	05	Excess expenditure than budget allocation	56,023
109.	Director Poultry Research Institute, Rawalpindi	2015-16	03	Mis-procurement of medicine, birds and store items	4.5 (M)
110.	Director Poultry Research Institute, Rawalpindi	2015-16	04	Mis-procurement of medicines	1.7 (M)
111.	Director, Barrani Livestock Production Research Institute Kherimurat, Attock.	2015-16	03	Doubtful expenditure due to non-maintenance of vouched account	438,120
112.	LES / CB&RS Rakh Mahni Bhakkar	2014-16	02	Non Surrendering of Savings	7,085,610
113.	LES / CB&RS Rakh Mahni Bhakkar	2014-16	04	Loss to Govt. Due to non sowing of 43706 Kg black gram	7,141,875
114.	LES / CB&RS Rakh Mahni Bhakkar	2014-16	03	Irregular excess expenditure than budget allocation	557,558
115.	LES / CB&RS Rakh Mahni Bhakkar	2014-16	05	Non achievements of targets	10,410,446
116.	LES / CB&RS Rakh Mahni Bhakkar	2014-16	11	Non control over expenditure due to heavy withdrawals during last months of financial year	
117.	LES / CB&RS Rakh Mahni Bhakkar	2014-16	09	Unlawful expenditure on repairs on defective history sheet register	1,761,766
118.	Director, Live Stock Farms, Punjab, Lahore	2015-16	07	Irregular expenditure on purchase of machinery & equipment	55,396,773
119.	Director, Live Stock	2015-16	13	Lapse of funds due to non	21408,802

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
	Farms, Punjab, Lahore			submission of excess & surrenders statement	
120.	Director, Live Stock Farms, Punjab, Lahore	2015-16	05	Purchase of livestock at exorbitant rate	3,853,331
121.	Director, Live Stock Farms, Punjab, Lahore	2015-16	02	Non recovery of Late delivery charges	850,055
122.	Director, Live Stock Farms, Punjab, Lahore	2015-16	14	Expenditure over and above budget allocation	562,802
123.	Director, Live Stock Farms, Punjab, Lahore	2015-16	03	Purchase at exorbitant rate	2000,000
124.	Director, Live Stock Farms, Punjab, Lahore	2015-16	04	Consumptin Account Not Available	9908,222
125.	Director, Live Stock Farms, Punjab, Lahore	2015-16	06	Unjustified purchase o POL in bulk & consumption account not shown	199,960
126.	Superintendent, Govt. Livestock Farm Jugaitpeer, BWP	2015-16	09	Non-Auction of unserviceable items	2,545,873
127.	DG Ext L&DD Lahore	2016-17	21509	Utilization of medicines without batch number	150.403 (M)
128.	Govt. Poultry Farm Multan	2016-17	04	Irregular expenditure of pending liabilities	169190
129.	Govt. Poultry Farm Multan	2016-17	1	Non obtaining of actual payment payee receipt for payment	2736639
130.	Govt. Poultry Farm Multan	2016-17	3	Non obtaining of write off sanction of mortality	78575
131.	Govt. Poultry Farm Multan	2016-17	2	Non recovery of outstanding dues on account of supply of chicks	3650000
MINES & MINERALS DEPARTMENT					
1.	Secretary Mines and Minerals Department	2015-17	19158	Irregular purchase of vehicle	3,792,000
2.	Secretary Mines and Minerals Department	2015-17	19153	Irregular/unlawful appointments on contract basis due to non-joining within stipulate period of time and undue payment on account of Pay & Allowance	478,452
3.	Punjab School of Mines, Katas, Chakwal	2012-16	17455	Loss to Government due to unauthorized occupation of designated residences	1.48 million
4.	Punjab School of Mines, Katas, Chakwal	2012-16	17463	Loss to Government revenue due to non-	195,000

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
				deduction of Professional Tax	
5.	Secretary Mines and Minerals Department	2015-17	19150	Non-deduction of 5% house maintenance charges	175,536
6.	Punjab School of Mines, Katas, Chakwal	2012-16	17461	Unauthorized payment of Conveyance Allowance while using Government Vehicles	175,000
7.	Secretary Mines and Minerals Department	2015-17	19154	Non-recovery of over payment of pay & allowances	132,753
8.	Secretary Mines & Mineral, Lahore	2015-17	19149	Excess expenditure over and above budget allocation	1,491,154
9.	Assistant Mines Labour Welfare Commissioner, Rawalpindi at Choa Saiden Shah, District Chakwal	2006-16	17466	Excess expenditure over and above budget allocation	293,549
10.	Punjab School of Mines, Katas, Chakwal	2012-16	17460	Non disposal of condemned vehicles	550,000
11.	Assistant Mines Labour Welfare Commissioner, Rawalpindi at Choa Saiden Shah, District Chakwal	2006-16	17465	Unauthorized payment due to purchase of goods from incorrect head of accounts	101,978
12.	Mines & Minerals Department, Lahore	2015-17	19156	Loss due to excessive consumption of POL	168,000
PLANNING & DEVELOPMENT DEPARTMENT					
1.	D.G. Monitoring and Evaluation, P&D Department	2016-17	21207	Unauthorized retention of government vehicle by Member (ID) P& DD and expenditure on account of POL	98,021
2.	Secretary, Planning and Development, Department, Lahore	2016-17	21176	Doubtful deposit of General Sales Tax	2.40 (M)
3.	D.G. Monitoring and Evaluation, P&D Department	2016-17	21212	Irregular award of facility of mobile telephone facility and unauthorized issuance of mobiles to officers serving in Planning & Development Department	52,217
4.	DG ABAD, Rawalpindi	2016-17	21776	Irregular withdrawal of travelling allowances for	109,910
5.	Secretary P&D Department, Lahore	2016-17	15	Non recovery of House Rent Allowance from the occupants of government residences	217,344

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
6.	Secretary P&D Department, Lahore	2016-17	21172	Unauthorized drawl of conveyance allowance during leave period	103,421
7.	Secretary P&D Department, Lahore	2016-17	21163	Less deduction of Income Tax on Honorarium	296,666
8.	DG ABAD, Rawalpindi	2016-17	21771 21772	Irregular / un authorized allotment of rooms of rest houses	3,524,000
9.	Secretary P&D Department, Lahore	2016-17	18	Improper planning in preparation of PC-I of various project/schemes at initial level which led to revision of PC-I of projects/schemes at later stages and resulted in increases in cost of the projects	-
10.	DG ABAD, Rawalpindi	2016-17	19	Non-achievement of target due to the favoritism and wastage of resources	186,171,851
11.	DG ABAD, Rawalpindi	2016-17	21780	Excess use of POL than Ceiling	428,800
12.	DG ABAD, Rawalpindi	2016-17	21781	Improper Maintenance of vehicle Log Books	2,340,320
13.	DG ABAD, Rawalpindi	2016-17	21782	Irregular expenditure on stationery	290,796
14.	P&D Department, Lahore	2016-17	21162	Non accounting of stores	1,281,293
15.	P&D Department, Lahore	2016-17	21165 21166 21167	Irregular purchase of stationery/computer stationery	11.788 (M)
16.	P&D Department, Lahore	2016-17	21169	Irregular purchase of furniture	3,985,794
17.	P&D Department, Lahore	2016-17	21178	Irregular/doubtful expenditure on account of repair of furniture	359,260
18.	DG ABAD, Rawalpindi	2016-17	2727	Overpayment due to incorrect application of rate	149,773
19.	DG ABAD, Rawalpindi	2016-17	21775	Non adjustment of vouched account	3.25 (M)
20.	Secretary, Planning and Development, Department, Lahore	2016-17	21170	Irregular repair of machinery and equipment	1.17 (M)
21.	Secretary, Planning and Development, Department, Lahore	2016-17	21175	Irregular expenditure on renovation of multi sectorial nutrition cell	3.38 (M)

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
22.	DG ABAD, Rawalpindi	2016	21768	Likely favoritism to the farmer for selection of subsidy-Rs. 560,000	560,000
23.	DG ABAD, Rawalpindi	2016	21773	Irregular appointment of consultant-Rs.620,000	620,000
24.	DG ABAD, Rawalpindi	2016	21770	Non vacation of designated residences recovery of penal rent-Rs. 927,600	927,600
POPULATION WELFARE DEPARTMENT					
1.	Director General Population Welfare Department, Lahore	2016-17	20721	Irregular expenditure on repair of Mobile Health Units vehicles, at higher rates	30,702,000
2.	Director General Population Welfare, Lahore	2016-17	20739	Non disposal of condemned vehicles / articles	300,000
3.	Director General Population Welfare Department, Lahore	2016-17	20733	Payment to DGPR without monitoring by Population Welfare Department- without Population Advertisement Policy/Plan of Population Department	44,305,403
4.	Director General Population Welfare Department, Lahore	2016-17	20737	Difference amount Rs.278,677,989 in ACL data and department cash book	278,677,989
5.	Director General Population Welfare Department, Lahore	2016-17	20722	Overpayment of freight charges	1.724 million
6.	DPWO Sheikhpura	2014-17	21099	Non disposal of condemned vehicles / articles	690,000
7.	Director General Population Welfare Department, Lahore	2014-16	17542	Irregular expenditure on entertainment	232,445
8.	RHSA Family Health Clinic Okara	2013-17	4	Medicines, Tea Set, Store items, Computer stationery and other stationery	624,200
9.	Director General Population Welfare Department, Lahore	2014-16	17539	Non/less deduction of late delivery charges	25,980
10.	Director General Population Welfare Department, Lahore	2014-16	17531	Misclassification of expenditure	52,219
11.	District Population Welfare Officer, Sialkot	2014-17	19179	Irregular/unauthorized payment of office rent building	1,560,000

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
12.	Secretary Population Welfare Department, Lahore	2015-16	17885	Misclassification of expenditure	186,611
13.	Secretary, Population Welfare Department, Lahore	2015-16	17887	Non surrendering of saving of budget grant	312,952
14.	Director General Population Welfare, Lahore	2014-16	17527	Non submission of adjustment accounts-Rs. 181.38 million	181.38 million
15.	Secretary, Population Welfare Department	2015-16	17888	Mis-procurement due to Non Publishing of Bid Evaluation Report	322565
16.	Secretary Population Welfare Department, Lahore.	2016-17	19404	Unjustified retention of Govt. vehicles without sanction of approved vehicles from the Finance Department and misuse of vehicle	1,497,145
17.	Secretary Population Welfare Department, Lahore.	2016-17	19405	Unjustified retention of Govt. vehicles without sanction of approved vehicles from the Finance Department and misuse of vehicle	-
18.	District Population Welfare Officer, Sheikhpura	2014-17	21098	Misclassification of expenditure	211,144
19.	District Population Welfare Officer, Sheikhpura	2014-17	21102	Irregular expenditure on Exhibitions, Fairs & Others	97,491
20.	RHS (A) Pattoki Kasur	2012-16	4	Irregular purchase of medicines without testing from drug lab	1,935,134
21.	District Population Welfare Officer, Khushab	2016-17	21120	Unjustified payment of remuneration to male mobilizers-Rs. 9.429 million and 2016-17 recovery of income tax-Rs. 1,044,157/-thereof.	1,044,157
22.	District Population Welfare Officer, Khushab	2016-17	21122	Non disposal of condemned vehicles / articles	2.4 (M)
23.	District Population Welfare Officer, Khushab	2016-17	21518	Non surrendering of saving of budget grant	17,569,316
24.	District Population Welfare Officer, Sialkot	2014-16	19187	Non surrendering of saving of budget grant	13,999,361
25.	FHC/RHS-A Sargodha	2013-16	5	Expenditure in excess of allocation	143,729

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
26.	RHSA, (Family Health Clinic) Nankana Sahib	2009-16	19147	Double drawal	77,554
27.	District Population Welfare Officer, Attock	2013-17	22552	Non verification of deposits into government treasury	98,268
28.	RHSA/FWC centre Pind Dadan Khan Attock	2009-16	2	Non utilization of machinery and equipment	200,000
29.	RHSA/FWC centre Pind Dadan Khan Attock	2009-16	1	Revision of estimates of RHSA Centre at THQ Hospital Pind Dadan Khan from Rs.2.143 million to- 3.551 million without any justification.	3.551 million
30.	District Population Welfare Officer, Multan	2014-17	20224	Non disposal of condemned vehicles / articles	321,000
31.	RHSA/FWC Centre Pind Dadan Khan	2009-16	3	Non posting of Medical Officer at FHC Pind Dadan Khan since its establishment	-
32.	District Population Welfare Officer, Dera Ghazi Khan	2014-17	22661	Wasteful payment of retainership fee to male mobilize	9.480 (M)
33.	District Population Welfare Officer, Dera Ghazi Khan	2014-17	22657	Irregular Expenditure of Rs.123,941,172 due to Non revision of PC-1	123,941,172
34.	District Population Welfare Officer, Dera Ghazi Khan	2014-17	6	Irregular Expenditure incurred due to payment made from incorrect head Rs.467,281/- Recovery of PST Rs. 74,764	467,281
35.	District Population Welfare Officer, Layyah	2013-17	22347	Irregular Drawl of conveyance allowance	205,000
36.	RHSA, (Family Health Clinic) Nankana Sahib	2015-16	19143	Unauthorized use of vehicle involving expenditure on POL and repair	1.103 million
37.	RHSA/FWC, Sargodha	2013-16	2	Effectiveness of the Project	-
38.	RHSA/FWC, Sargodha	2013-16	3	Progress Reports regarding feed Back of the project not furnished	-
39.	RHSA/FWC, Sargodha	2013-16	4	Post Evaluation of Complete Project not conducted	-
40.	RHSA, Family Health Clinic) Sargodha	2013-16	19064	Unreal expenditure on training	522,520
41.	District Population Welfare Officer, Toba Tek Singh	2013-16	18214	Unauthorized consumption of POL beyond prescribed ceiling	11.092 million
42.	District Population	2016-17	18213	Non disposal of condemned	200,000

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
	Welfare Officer, Toba Tek Singh			vehicles / articles	
43.	RHSA, Nankana Sahib	2009-16	19145	Non disposal of condemned vehicles / articles	2,000,000
44.	DPWO, Siaklkot	2014-17	19181	Non disposal of condemned vehicles / articles	1,054,000
45.	District Population Welfare Officer, Lahore	2014-17	19420	Non disposal of condemned vehicles / articles	1,000,000
46.	RHSA/FWC, Nishtar Hospital, Multan	2013-16	1	Irregular Payment of Hotel Charges Rs. 953,800 Recovery Rs. 43,295	1000,000
47.	FWC, Okara	2013-17	22672	Irregular discharging of pending liabilities	203,392
48.	FHC/RHS-A Sargodha	2013-16	06	Un necessary expenditure of development project	72,979
49.	FHC/RHS-A Pasrur	2014-16	03	Lapse of funds due to non-utilization of budget	1,199,978
50.	DPWO, Sargodha	2014-16	08	Improper maintenance of receipt/ record of medicine / Furniture etc	-
51.	DPWO, Sargodha	2014-16	06	Irregular expenditure under head of advertisement	2,164,828
52.	DPWO, Toba Tek Singh	2013-16	02	irregular expenditure on procurement of stationery	839,661
53.	D.G. Population Welfare, Lahore	2014-16	18	Non disposal of unserviceable	531,965
54.	D.G. Population Welfare, Lahore	2014-16	13	Irregular expenditure on pending liabilities	123,307
55.	Secretary Population Welfare, Lahore	2015-16	05	Non recovery of house maintenance charges	41,756
56.	D.G. Population Welfare, Lahore	2014-16	12	Irregular expenditure on contingent paid staff	692,100
57.	RHS(A) Pattoki, Kasur	2012-16	05	Irregular purchase of medicine	1,935,334
58.	RHS(A) Pattoki, Kasur	2012-16	04	Irregular purchase of medicine	1,935,134
59.	FHC/RHS-A Nankana	2009-16	04	Irregular/ doubtful expenditure on repair of building	144,630
60.	DPWO, Toba Tek Singh	2013-16	03	Irregular excess expenditure than budget allocation	513,158
61.	FHC, Lady Willingdon Hospital, Lahore	2012-16	02	Non disposal of vehicles valuing	900,000
62.	FHC, Lady Willingdon Hospital, Lahore	2012-16	01	Mis-procurement of medicines	2.4 (M)
63.	FHC(RHSA)- Multan	2013-16	01	Irregular payment of hotel charges	9,53,800

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
64.	FHC/RHS-A Sargodha	2013-16	11	Non surrendering of Savings	2,814,294
65.	FHC/RHS-A Sargodha	2013-16	09	Irregular expenditure	797,468
66.	FHC/RHS-A Sargodha	2013-16	05	Expenditure in excess of allocation	143,729
67.	FHC/RHS-A Sargodha	2013-16	07	Wasteful payments on salaries to staff	51,600
68.	FHC/RHS-A Sargodha	2013-16	10	Irregular excess expenditure than budget allocation	2,389,288
69.	FHC/RHS-A Sargodha	2013-16	12	Non Control over expenditure due to heavy withdrawals	450,567
70.	RHSA Pind Dadan Khan	2015-16	02	Non utilization of machinery and equipment	200,000
71.	RHSA Pind Dadan Khan	2015-16	03	Non posting of medical officer	-
72.	RHSA Pind Dadan Khan	2009-16	01	Revision of estimates of RHSA Centre	2.143 (M)
73.	RHSA Pind Dadan Khan	2015-16	04	Doubtful purchase due medicine to non maintenance of record	150,000
74.	FHC, THQ Hospital, Samundri	2009-16	03	Un-authorized shifting of headquarter	358,476
75.	FHC, THQ Hospital, Samundri	2009-16	04	Vouched account not produced on account of repair of building works	175,000
76.	FHC, THQ Hospital, Samundri	2009-16	02	Irregular excess expenditure than budget allocation	1,004,444
77.	FHC, THQ Hospital, Samundri	2009-16	01	Non surrendering of savings	3,311,976
78.	Secretary , Population Welfare Department Lahore	2016-17	04	Non control over expenditure	5,243,731
79.	FHC, Sir Ganga Ram Hospital, Lahore	2016-17	01	Expenditure over and above than budget allocation	70,273
80.	FHC, Sir Ganga Ram Hospital, Lahore	2016-17	03	non surrendering of savings	416,677
81.	DPWO, Sialkot	2014-17	06	non deduction of mandatory subscription	247,104
82.	DPWO, Jhang	2014-17	01	non surrendering of saving of budget grant	1,438,735
83.	DPWO, Jhang	2014-17	09	Monthly post audit of salaries not conducted	185,390,852
84.	DPWO, Faisalabad	2014-17	21517	Excess expenditure over above the budget allocation	7,351,898

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
85.	DPWO, Faisalabad	2014-17	21519	Income tax not deducted	1,538,400
86.	DPWO, Faisalabad	2014-17	21520	Unauthorized payment of office rent building	3,375,000
87.	DPWO, Faisalabad	2014-17	21510	Unjustified payment during leave without as CA	108,039
88.	DPWO, Toba Tek Singh,	2013-16	18213	Non disposal of unserviceable articles	200,000
89.	DPWO, Sargodha	2014-16	19417	Irregular expenditure of store items	759,188
90.	DPWO, Sargodha	2014-16	19416	Loss to department due to payment of rent at higher rate	-
91.	DPWO, Sargodha	2014-16	19419	Approved list of vehicles not provided	1,496,502
92.	Family Health Centre , Multan	2013-17	22704	Loss to govt due to non auction of govt vehicles	300,000
93.	Family Health Centre , Multan	2013-17	22703	Expenditure incurred over and above the budget allocation	1,456,340
94.	DPWO, Multan	2014-17	20225	Unjustified payment during leave without as CA	142,612
95.	RHS, FHC, DHQ Hospital, Sahiwal	2013-17	22685	Irregular appointment of theatre nurse	381,712
96.	DPWO, Jhang	2014-17	22554	Irregular expenditure due to misclassification and without deduction of PST	10,948,000
97.	DPWO, Jhang	2014-17	22555	Loss due to non auction of unserviceable off road vehicle	1,220,000
98.	DPWO, Jhang	2014-17	22556	Doubtful expenditure due to record not maintained	224,162
99.	DPWO, Jhang	2014-17	22557	Irregular mode of payment in cash instead of through bank	704,785
100.	DPWO, Jhang	2014-17	22558	Irregular drawl of CA during leave	203,843
101.	DPWO, Jhang	2014-17	22559	Irregular drawl of fix TA/DA	138,950
102.	DPWO, Jhang	2014-17	22560	Expenditure over and above the budget allocation	118,727
103.	DPWO, Layyah	2013-17	22349	Non obtaining of valid rent assessment from Excise & Taxation Department	3,606,551
104.	DPWO, Layyah	2013-17	22345	Over payment of CA during the leave	123,711

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
105.	DPWO, DG Khan	2014-17	22658	Irregular payment of rent of building	4095501
106.	DPWO, DG Khan	2014-17	22656	Expenditure Over and above Budget	6,144,174
107.	DPWO, DG Khan	2014-17	22655	Non auction of condemn Articles	294,350
108.	DPWO, DG Khan	2014-17	22662	Non Verification of sales tax	171,811
109.	DPWO, Jhelum	2014-17	23008	Target not achieved	
110.	DPWO, Attock	2013-17	22548	Overpayment of CA	77,732
111.	DPWO, Attock	2013-17	22549	Non disposal of off road vehicles	1,000,000
112.	DPWO, Attock	2013-17	22553	Lapse of budget allocation	486,992
113.	DPWO, Shikhpura	2014-17	21099	Non disposal of unserviceable vehicles	690,000
114.	DPWO, Shikhpura	2014-17	21100	Unauthorized payment of CA	116,897
115.	DPWO, Hafizabad	2016-17	22686	Irregular withdrawn of CA	57,014
116.	Secretary, Population Welfare Department, Lahore	2016-17	19409	Unjustified expenditure on TA/DA	105,484
117.	FHC, Allied Hospital, Faisalabad	2016-17	22697	Mis-procurement of medicine and surgical items	4.969 (M)
118.	FHC, Allied Hospital, Faisalabad	2016-17	22698	laps of funds due to non surrendering of saving	2.037 (M)
119.	FHC, Allied Hospital, Faisalabad	2016-17	22699	Excess expenditure over and above the Budget Allocation	1,756,551
120.	FHC, Allied Hospital, Faisalabad	2016-17	22700	Unauthorized payment to Provincial Buildings Department	1.720 (M)
121.	FHC, Allied Hospital, Faisalabad	2016-17	22701	Loss to govt due to Non/ less deduction of income tax	153,476
122.	DG Population Welfare Department Lahore	2016-17	20721	Irregular expenditure on repair of mobile health units	1,685,676
123.	DPWO Jhang	2016-17	01	Non surrendering of saving of budget grants	11425416
124.	D.G. Population Welfare Lahore	2016-17	21511	Irregular expenditure incurred on funds of medicine	14794956

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
SERVICES & GENERAL ADMINISTRATIVE DEPARTMENT					
1.	Deputy Commissioner, Toba Tek Singh	01 to 06/17	22326	Non/less deduction of House Rent and 5% maintenance charges	-
2.	ACS (S&GAD), Lahore	2016-17	22956	Overpayment due to overcharging of POL rates by petrol pumps	348,840
3.	Secretary MPDD, Lahore	2014-16	18249	Late deposit of training cost into treasury	0.590 million
4.	Secretary MPDD, Lahore	2014-16	18241	Charging of expenditure to wrong cost centers	0.745 million
5.	Secretary MPDD, Lahore	2014-16	18238	Irregular Purchase of Stationery beyond competency	2.167 millions
6.	Secretary MPDD, Lahore	2014-16	17984	Unjustifiable Expenditure on Tour	1.027 millions
7.	Secretary MPDD, Lahore	2014-16	17980	Irregular purchase excess than requirement loss	281,400
8.	ACS, (Welfare Wing) S&GAD, Lahore	2016-17	22973	Loss due to irrational expenditure on buses	22.16 million
9.	PPSC (S&GAD), Lahore	2016-17	20070	Internal audit of selection process and financial matters not conducted	-
10.	Secretary MPDD, Lahore	2014-16	18236	Non auction of condemned items	2,000,000
11.	Secretary MPDD, Lahore	2014-16	5	Non auction of condemned items	1,500,000
12.	Secretary MPDD, Lahore	2014-16	18239	Non auction of condemned items	600,000
13.	Deputy Commissioner, TT Singh	01 to 06/17	22325	Non auction of condemned items	1,000,000
14.	Secretary, MPDD (S&GAD)	2014-16	17987	Excess drawl of estimated training cost than actual requirements	30.50 (M)
15.	DC TT Singh (S&GAD)	2016-17	22327	Inaction on bogus issuance of weapon license	0
16.	ACS, (SO Account) S&GAD, Lahore	2016-17	37	Unauthorized payment of inadmissible allowance	363,377
17.	ACS, (Archive Wing) S&GAD, Lahore	2016-17	49	Unauthorized payment of social security benefits	56,320
18.	ACS, (Cabinet Wing) S&GAD, Lahore	2016-17	43	Expenditure in excess of budget allocation	164,000
19.	DC TT Singh (S & GAD)	2016-17	22328	Non recovery of penal rent on account of illegal occupation of	566,697

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
				accommodation	
20.	Additional Chief Secretary (S&GAD), LHR (MT Wing)	2016-17	22959	Drawl of POL beyond prescribed limit	214,912
21.	Additional Chief Secretary (S&GAD), LHR (I&C Wing)	2016-17	22961	Drawl of POL beyond prescribed limit	131,327
22.	Secretary management & professional training development department	2013-16	13	Non-preparation of expenditure statement	15,993,385
23.	Secretary management & professional training development department	2013-16	15	Non production of history sheet for repair of vehicles	1,918,112
24.	Secretary management & professional training development department	2013-16	25	Irregular expenditure of POL without obtaining average consumption certificate	7,015,646
25.	Secretary management & professional training development department	2013-16	27	Variation in expenditure statement	110,490
SCHOOL EDUCATION DEPARTMENT					
1.	Directorate of Staff Development Lahore	2016-17	21345	Irregular/uneconomical procurement under Head A03902-Printing and Publication-Rs. 1,664,577 Recovery of Stamp Duty Rs. 4161 Non Verification of GST Rs. 193,490	1,664,577
2.	Cadet College Choa Saiden Shah, Chakwal	2015-16	17508	Irregular expenditure	65.2 (M)
3.	Directorate of Staff Development Lahore	2015-16	19112	Un-authorized payment of half daily allowance to the trainees provided with boarding & lodging facilities	19.808 (M)
4.	Directorate of Staff Development Lahore	2016-17	21341	Non Auction of unserviceable items	650,000
5.	Govt. College for Elementary Teachers (Male), Lalamosa Gujrat	2002-16	22565	Non utilization of well-equipped computer lab and e-library	-
6.	Cadet College Choa Saiden Shah, Chakwal	2015-16	17492	Non/Less Collection of Outstanding Scholarship of Baluchistan and FATA Students	5.499 (M)

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
7.	Cadet College Choa Saiden Shah, Chakwal	2015-16	17505	Inadmissible Payment of Deputation Allowance to Principal / Project Director	178,957
8.	Govt. College for Elementary Teachers (Male), Lalamosa Gujrat	2002-16	20193	Unauthorized payment of house rent allowance	277,814
9.	Govt. College for Elementary Teachers (Male), Lalamosa Gujrat	2002-16	20192	Non recovery of conveyance allowance during vacations	443,860
10.	Directorate of Staff Development Lahore	2016-17	21349	Poor Performance of AJ Security amounting to Rs. 512,150 Excess amount paid recovered 384,113 Recovery of Stamp Duty Rs. 1280	512,150
11.	Cadet College Choa Saiden Shah, Chakwal	2015-16	17506	Non framing of Regulations for Cadet College	-
SOCIAL WELFARE BAIT-UL-MAAL DEPARTMENT.					
1.	Assistant Director Salai Markaz, Rawlapindi.	2001-16	08	Shortage of store articles	51,618
2.	Superintendent, Shelter Home , Chakwal	2005-16	01	Irregular payments through cash instead of crossed cheque	446,000
3.	DG Social Welfare and Bait ul Mall	2014-16	19500	Irregular expenditure as incurred out of incorrect head of account	1,031,453
4.	Superintendent, Shelter Home (Dar-ul-Aman), Chakwal	2005-16	18176	Irregular expenditure as incurred out of incorrect head of account	68,863
5.	Superintendent, Shelter Home (Dar-ul-Aman), Chakwal	2005-16	18175	Unauthorized Payment of Conveyance Allowance while using Government Vehicles	175,000
6.	DG Social Welfare & Bait-ul-Maal Department	2014-16	19501	Unjustified expenditure on repair of vehicles	2.719 (M)
7.	Deputy Director Social Welfare,Multan	2012-16	18976	Non-functioning of Industrial Homes	14.91 million
SPECIAL EDUCATION DEPARTMENT					
1.	Government in-service training college for the teachers of disabled children, Lahore	2011-17	19681	Irregular / excess payment to WAPDA	1.11 (M)

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
2.	Directorate of Special Education Lahore	2014-17	8	Unauthorized Shifting of Headquarter	1,416,887
3.	Directorate of Special Education Lahore	2014-17	9	Non auction of Off Road Vehicles	1,205,000
4.	Directorate of Special Education Lahore	2014-17	12	Excess expenditure than budget allocation	687,959
5.	Directorate of Special Education Lahore	2014-17	13	Non verification of deposits	291,900
6.	Government in-service training college for the teachers of disabled children, Lahore	2011-17	19682	Unauthorized payment due to purchase of goods from incorrect head of accounts	866,500
7.	Government in-service training college for the teachers of disabled children, Lahore	2011-17	20608	Overpayment of CA during leave	102,433
8.	Government in-service training college for the teachers of disabled children, Lahore	2011-17	19683	Irregular payment of pay and allowances during temporary transfer	563,472
9.	Government in-service training college for the teachers of disabled children, Lahore	2011-17	19684	Irregular payment of pay and allowances due to unjustified transfer of officials	351,660
10.	Directorate of Special Education Lahore	2014-17	19348	Non submission of PC-IV of the completed ADP schemes	20,443,000
11.	Directorate of Special Education Lahore	2014-17	19680	Irregular expenditure on electricity charges	2,084,570
12.	Directorate of Special Education Lahore	2014-17	19352	Purchase of machinery and equipment in excessive quantity without immediate requirements	1,016,800
13.	Secretary Special Education Department	2014-17	20628	Non recovery of house rent allowance and 5% house maintenance charges	352,181
14.	Secretary Special Education Department	2014-17	20629	Irregular drawl of CA	307,440
15.	Govt. Braille Printing Press Bahawalpur	2008-17	20615	Loss to government due to non disposal of old machinery valuing million of rupees	-
16.	Govt. In-Service TC for the Teachers of Disabled Children, Lahore	2011-17	20607	Irregular payment of honorarium-Rs.402,000	402,000
17.	Secretary Special Education, Lahore	2014-17	20619	Non-accountal of various items - Rs.762,330	762,330

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
WOMEN DEVELOPMENT DEPARTMENT					
1.	Women Development Department, Lahore	2011-16	20104	Non production of record regarding appointments of contingent paid staff	632,739
2.	Women Development Department, Lahore	2011-16	20110	Non-deduction of 5% house maintenance charges	137,238
3.	Women Development Department, Lahore	2011-16	20105	Defective maintenance of log books- Rs.3.81 million and Non Production of Record - Rs. 346,701	3.81 million
4.	Women Development Department, Lahore	2011-16	20107	Irregular expenditure on entertainment	167,474
YOUTH AFFAIRS, SPORTS AND ARCHEOLOGY					
1.	Lahore Fort & Shalamar Garden Lahore	2011-17	21245	Unauthorized/doubtful repair of transformers	231,575
2.	Lahore Fort & Shalamar Garden Lahore	2011-17	21244	Doubtful purchase of miscellaneous items	426,897
3.	D G Sports Board Lahore	2014-16	21255	Non Control over Expenditure due to Heavy Withdrawals during Last months of Financial Year	-
4.	D G Sports Board Lahore	2014-16	21257	Non recovery of conveyance allowance	120,000
5.	D G Archeology Lahore	2015-16	19334	Idle amount laying in bank account / Non Utilization of Punjab Heritage funds due to Non Functioning of Punjab Heritage Foundation and Deterioration of Archeological sites	193.617 (M)
6.	Sports Board of Punjab, Lahore	2014-16	21240	Non recovery of lease money	281,250
7.	D.G. Archeology, Lahore	2015-16	19335	Non recovery of surcharge on delay depositing of installment	252,691
8.	D.G. Sports Board Lahore	2014-16	21256	Unlawful payment of salaries to defunct staff of Iqbal Park	1.48 (M)
9.	Lahore Fort & Shalimar Garden Lahore	2011-17	21241	Procurement was split up to avoid tendering process	342,000
10.	D G Sports Board Lahore	2014-16	18902	Procurement was split up to avoid tendering process	394,757

Sr. No.	Name of Formation	Period of audit	PDP/AIR Para No.	Caption of Para	Amount (Rs.)
11.	D G Sports Board Lahore	2014-16	18903	Procurement was split up to avoid tendering process	243,735
12.	Lahore Fort & Shalimar Garden Lahore	2011-17	21242	Irregular/doubtful repair of residential building- Rs. 363,782	363,782

Annexure-2 (Audit Para No. 2.4.7)

Sr. No.	Name of formation	Period of audit	PDP No.	Description	Amount (Rs.)
1.	Agriculture Engineer Soil Conservation, Rawalpindi	2014-16	18966	Without advertisement on PPRA website	5,382,167
2.	Director Cotton Botanist Research Institute, Multan	2014-17	19507	Avoided PPRA website by splitting the indents	4,328,484
3.	Secretary Agriculture Government of Punjab	2016-17	19192	Without advertisement on PPRA website	1,585,678
4.	Rice Research Institute, KSK	2014-16	18723	Avoided PPRA website by splitting the indents	923,024
5.	Chief Technical Advisor Agriculture Delivery Unit, Lahore	2016-17	19422	Avoided PPRA website by splitting the indents	796,729
6.	Director General Pest Warning & Quality Control of Pesticides Punjab, Lahore	2016-17	19427	Avoided PPRA website by splitting the indents	531,784
7.	Assistant Director Agriculture (EXT), Sahiwal	2016-17	19326	Avoided PPRA website by splitting the indents	479,062
8.	Director Cotton Botanist Research Institute, Multan	2014-17	19506	Without advertisement on PPRA website	467,250

Sr. No.	Name of formation	Period of audit	PDP No.	Description	Amount (Rs.)
9.	Rape Seed Botanist, Oil Seeds Research Station, Khanpur	2003-16	17516	Without advertisement on PPRA	0
10.	Director Wheat Research Institute, Faisalabad	2014-17	22333	Auction of fodder without advertisement	1,119,552
Total					15,613,730

Annexure-3 (Audit Para No. 9.4.17)

Sr. No.	Name of formation	Period of audit	PDP No.	Nature of tax	Amount (Rs.)
1.	DFC Bhakkar	2016-17	21784	PST	139,129
2.	DFC Bhakkar	2016-17	21788	PST	2,073,243
3.	DFC Bhakkar	2016-17	21790	PST & I/tax	2,109,744
4.	DFC M.B Din	2014-16	18571	PST	2,642,663
5.	DFC Gujranwala	2015-16	18561	PST	4,675,211
6.	DFC Gujranwala	2015-16	18562	PST & I/Tax	92,766,997
7.	DFC Jehlum	2016-17	21795	PST	135,697
8.	DFC Jehlum	2016-17	21796	I/Tax	47,774,736
9.	DFC Jhang	2016-17	22567	PST & I/Tax	7,085,197
10.	DFC Jhang	2016-17	22570	I/Tax	1,795,370
11.	DFC Rawalpindi	2016-17	21553	PST & I/Tax	220,046,534
12.	DFC DG Khan	2016-17	21570	I/Tax	213,871
13.	DFC Bahawalpur	2016-17	21810	I/Tax	12,784,726
14.	DFC Bahawalpur	2016-17	21814	I/Tax	160,665
15.	Director Food	2015-16	19774	I/Tax	317,931,963
16.	DFC Khanewal	2016-17	21832	PST & I/Tax	1,179,806
17.	DFC RY Khan	2016-17	22592	PST& I/Tax	155,501,458
18.	DFC RY Khan	2016-17	22594	PST & I/Tax	17,457,294
19.	DFC Vehari	2016-17	21562	I/Tax	111,453
20.	DFC Sahiwal	2016-17	21581	PST & I/Tax	81,897,669
21.	DFC Sahiwal	2016-17	21583	PST & I/Tax	23,345,872
22.	DFC MuzafarGarh	2016-17	21597	PST & I/Tax	11,062,735
23.	DFC Bahawalnagar	2016-17	22187	I/Tax	1,356,569
24.	DFC Bahawalnagar	2016-17	22188	PST	2,170,511
25.	Punjab Food Authority	2016-17	21182	I/Tax	1,003,572
26.	Punjab Food Authority	2016-17	21183	PST	974,635
27.	DFC Kasur	2015-16	18583	PST	966,078
28.	DFC Kasur	2015-16	18585	PST	738,521
29.	DFC Vehari	2015-16	17620	I/Tax	1,108,879
30.	DFC Pakpattan	2015-16	17627	PST & I/Tax	1,039,584
31.	DFC Pakpattan	2015-16	17632	PST & I/Tax	31,329,890
32.	DFC Sheikhpura	2015-16	17640	PST	1,588,704
Total					1,045,168,976

Annexure-4 (Audit Para No. 10.4.2)

Sr. No.	Name of formation	Period of audit	PDP No.	Nature of record	Amount (Rs.)
1.	DFO Bhakkar	2016-17	21133	Deposit Challans of sale proceed of potted plants	2,103,832
2.	Divisional Forest Officer, R.Y Khan	2015-16	18261	Cash Account, Contingent Bills, Pay bills, Timber Form-7, Material Form-7, Nursery Registers, Form-8, 12 & 17, Forest Cases Register, PC Register, CC Register, Muster Roll of Sowing & Planting cases, Treasury Challans.	5,920,405
3.	DFO Cholistan (RM), Bahawalpur	2016-17	20042	POL, Log Books	5,331,065
4.	DFO (RM) Chakwal	2013-16	17610	POL, Log Books	412,297
5.	Director General Wildlife and Parks Punjab, Lahore	2015-16	18227	Rent Deed Agreement	216,688
6.	DFO South, Rawalpindi	2016-17	19525	APO, Success ratio, Inspection Reports, Compartment Files, Muster Rolls	1,099,800
7.	DFO South, Rawalpindi	2016-17	19532	APO, Success ratio, Inspection Reports, Compartment Files, Muster Rolls	5,377,788
8.	Director General Wildlife and	2015-16	18223	Log Books	528,995

Sr. No.	Name of formation	Period of audit	PDP No.	Nature of record	Amount (Rs.)
	Parks Punjab, Lahore				
9.	DFO Murree	2016-17	19320	Purchases Record of Development Schemes (1. Mechanization of forestry operations & Fire, 2. Afforestation in Murree Hills), Annual Plan, Replenishment Cost	0
10.	Divisional Forest Officer, LalSohanra, Bahawalpur	2016-17	20701	Measurement Book, Inspection Reports, Completion Report.	23,446,363
Total					44,437,233

Annexure-5 (Audit Para No. 10.4.4)

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	Conservator of Forest, Lahore	2011-16	18950	244,500
2.	DFO Jhelum	2016-17	19618	807,600
3.	DFO Jhelum	2016-17	19615	769,075
4.	DFO Cholistan (RM), Bahawalpur	2016-17	20041	8,549,800
5.	DFO Pest control, Lahore	2016-17	20050	1,186,282
6.	DFO Jhelum	2016-17	19614	1,497,000
7.	DFO Murree	2016-17	19312	1,443,039
8.	DFO Murree	2016-17	19308	22,821,000
9.	DFO Cholistan (RM), Bahawalpur	2016-17	20044	3,276,720
10.	DFO Khushab	2016-17	19650	150,000
11.	DFO Khushab	2016-17	19649	509,600
12.	DFO Khushab	2016-17	19643	1,149,708
13.	DFO Khushab	2016-17	19644	843,200
14.	DFO South, Rawalpindi	2016-17	19523	548,250
15.	DFO Khushab	2016-17	19642	14,725,531
16.	DFO South, Rawalpindi	2016-17	19526	654,830
17.	DFO South, Rawalpindi	2016-17	19536	2,130,021
18.	DFO South, Rawalpindi	2016-17	19537	270,300
19.	DFO Murree	2016-17	19315	906,955
20.	DFO Cholistan (RM), Bahawalpur	2016-17	20047	428,248
21.	DFO Cholistan (RM), Bahawalpur	2016-17	20048	173,852
22.	Deputy Director Wildlife, Rawalpindi	2014-16	18295	8,301,213
23.	A.D. Wildlife Breeding Farm Jallo Park, LHR	2014-16	18953	902,572
24.	Deputy Director Wildlife, Rawalpindi	2014-16	18201	698,710
25.	A.D. Wildlife Park, Loi Bher, Rawalpindi	2010-16	17598	30,249,404
26.	A.D. Wildlife Park, Loi Bher, Rawalpindi	2010-16	17599	860,643
27.	DFO Changa Manga, Kasur	2016-17	22358	864,600
28.	DFO Changa Manga, Kasur	2016-17	22351	3,798,160
29.	DFO Changa Manga, Kasur	2016-17	22352	2,903,250
30.	DFO Changa Manga, Kasur	2016-17	22350	9,294,307
31.	Lahore Zoo, Lahore	2016-17	22417	1,500,000
32.	DFO Attock	2016-17	22546	1,171,650
33.	DFO Bhakkar	2016-17	21125	550,000
Total				124,180,020

Annexure-6 (Audit Para No. 10.4.12)

Sr. No.	Name of formation	Period of audit	PDP No.	Nature of tax	Amount (Rs.)
1.	DFO (RM) Chakwal	2013-16	17608	Income tax on supplies	152,441
2.	Divisional Forest Officer, Pest Control Forest Division, Lahore	2016-17	20052	Income tax on services rendered	163,710
3.	Divisional Forest Officer, Chichawatni	2015-16	17778	Punjab Sales Tax on services rendered	99,840
4.	DFO (RM) Chakwal	2013-16	17609	Punjab Sales Tax on services rendered	180,482
5.	Conservator of Forest, Lahore	2011-16	18948	Punjab Sales Tax & Income tax on supplies & services rendered	630,849
6.	Assistant Director Wildlife Breeding Farm Jallo Park, Lahore	2014-16	18954	Punjab Sales Tax on services rendered	162,351
7.	Deputy Director Wildlife, Rawalpindi	2014-16	18293	Punjab Sales Tax on services rendered	81,082
8.	Divisional Forest Officer, R.Y Khan	2015-16	18262	Advance Income tax on auction & Sales Tax on supplies	9,402,078
9.	Director General Wildlife & Parks Punjab, Lahore	2015-16	18231	Punjab Sales Tax on services rendered	286,935
10.	Divisional Forest Officer, Layyah	2015-16	18872	Punjab Sales Tax & Income tax on services rendered	881,476
11.	Divisional Forest Officer, Bahawalnagar	2016-17	19176	Income tax on services rendered	243,666
12.	Divisional Forest Officer, Bahawalnagar		19174	Punjab Sales Tax on services	389,865

Sr. No.	Name of formation	Period of audit	PDP No.	Nature of tax	Amount (Rs.)
				rendered	
13.	Director (Ext) Fisheries Punjab, Lahore	2015-16	17785	Income tax on services rendered	246,500
14.	DFO Multan	2016-17	21502	Income tax on supplies & services rendered	594,819
15.	DFO Changa Manga, Kasur	2016-17	22354	Punjab Sales Tax on services rendered	1,744,720
16.	DFO Changa Manga, Kasur	2016-17	22355	I.T/ Sales tax on supplies & Income tax on services rendered.	4,840,125
17.	DFO Changa Manga, Kasur	2016-17	22356	Sales tax on supplies	488,632
18.	DFO Changa Manga, Kasur	2016-17	22353	Income tax on services rendered	743,000
19.	Lahore Zoo, Lahore	2016-17	22419	Income tax on services rendered	243,120
20.	Lahore Zoo, Lahore	2016-17	22416	Advance Income tax on auction	150,550
21.	Lahore Zoo, Lahore	2016-17	22411	Income tax on supplies	687,714
Total					22,413,955

Annexure-7 (Audit Para No. 11.4.6)

Sr. No.	Name of formation	Period of Audit	PDP No.	Amount (Rs.)
1.	Fatima Jinnah Medical University, Sir GR Hospital, Lahore	2016-17	20351	726,682,929
2.	Punjab Institute of Cardiology, Lahore	2016-17	22763	296,905,650
3.	Principal PGMI & Allied Institutions, Lahore	2016-17	22816	235,182,797
4.	Govt. Teaching Hospital, Shahdra, Lahore	2014-17	22843	143,935,823
5.	Secretary Specialized Health Care Department	2016-17	22708	120,525,197
6.	Govt. Teaching Hospital Shahdra, Lahore	2014-17	22851	95,596,000
7.	Punjab Institute of Cardiology, Lahore	2016-17	22764	94,213,630
8.	Institute of Blood Transfusion Services, Punjab, Lahore	2016-17	19354	91,262,000
9.	Secretary Specialized Health Care Department	2016-17	22707	60,000,000
10.	Nishtar Medical College & Allied Institutions, Multan	2015-16	17426	54,089,732
11.	Fatima Jinnah Medical University, Sir GR Hospital, Lahore	2016-17	20331	47,692,732
12.	Khawaja Muhammad Safdar Medical College & Allied Institutions, Sialkot	2016-17	20440	30,000,000
13.	Punjab Institute of Cardiology, Lahore	2016-17	22762	25,194,438
14.	The Children Hospital & Institute of Child Health, Multan	2016-17	22767	18,933,000
15.	Secretary Specialized Health Care Department	2016-17	22709	12,316,432
16.	Secretary Specialized Health Care Department	2016-17	22712	6,989,229
17.	Director, Drug Testing Lab. Lahore	2013-16	17453	6,056,505
18.	MS Lady Wallingdon Hospital, Lahore	2016-17	20482	2,788,000
19.	Gujranwala Medical College and DHQ Hospital	2015-16	18131	4,187,500

Sr. No.	Name of formation	Period of Audit	PDP No.	Amount (Rs.)
20.	Secretary Specialized Health Care Department	2016-17	22711	3,372,439
21.	Institute of Blood Transfusion Services, Lahore	206-17	19370	3,052,904
22.	Institute of Blood Transfusion Services, Lahore	2016-17	19369	320,284
23.	Nishtar Medical College & Allied Institutions, Multan	2015-16	17443	0
24.	Director, Drug Testing Lab. Lahore	2013-16	17446	0
25.	Punjab Dental Hospital, Lahore	206-17	19372	0
26.	AIMC, Jinnah Hospital & Nursing School, Lahore	206-17	20404	0
27.	Secretary Specialized Health Care Department	2016-17	22740	0
28.	King Edward Medical University, Lahore	2016-17	22871	0
29.	Principal PGMI & Allied Institutions, Lahore	2016-17	22780	0
30.	Ch. PervaizElahi Institute of Cardiology, Multan	2016-17	21627	0
31.	Ch. PervaizElahi Institute of Cardiology, Multan	2016-17	21604	0
32.	Principal PGMI & Allied Institutions, Lahore	2016-17	22815	0
Total				2,079,297,221

Annexure-8 (Audit Para No. 11.4.7)

Sr. No.	Name of Formation	Period of audit	PDP No.	Amount (Rs.)
1.	Children Hospital, Lahore	2016-17	22932	684,175,094
2.	Nishtar Medical College & Allied Institution, Multan	2015-16	17425	446,761,932
3.	King Edward Medical University, Lahore	2016-17	22870	228,622,000
4.	Govt. Mian Nawaz Sharif Hospital, Lahore	2015-16	18138	196,110,000
5.	Institute of Blood Transfusion Services, Lahore	2016-17	19365	40,942,904
6.	Govt. Khawaja Muhammad safdar Medical college & Allied Institution, Sialkot	2016-17	20437	39,246,000
7.	Nishtar Medical College & Allied Institution, Multan	2015-16	17415	37,631,427
8.	King Edward Medical University, Lahore	2016-17	22899	28,493,370
9.	Secretary, Specialized Healthcare Department, Lahore	2016-17	22710	13,341,004
10.	King Edward Medical University, Lahore	2016-17	22895	11,469,001
11.	Govt. Khawaja Muhammad safdar Medical college & Allied Institution, Sialkot	2015-16	18044	9,719,200
12.	Secretary, Specialized Healthcare Department, Lahore	2016-17	22729	7,431,418
13.	Govt. Khawaja Muhammad safdar Medical college & Allied Institution, Sialkot	2015-16	18067	7,165,870
14.	Govt. Teaching Hospital, Shahdra, Lahore	2016-17	22849	7,106,000
15.	Secretary, Specialized Healthcare Department, Lahore	2016-17	22728	6,959,842
16.	Secretary, Specialized Healthcare Department, Lahore	2016-17	22706	6,878,981
17.	Secretary, Specialized Healthcare Department, Lahore	2016-17	22730	6,834,747
18.	Secretary, Specialized Healthcare Department, Lahore	2016-17	22727	4,843,019
19.	Principal, AIMC, Jinnah Hospital, Lahore	2016-17	20385	4,604,000

Sr. No.	Name of Formation	Period of audit	PDP No.	Amount (Rs.)
20.	Govt. Khawaja Muhammad safdar Medical college & Allied Institution, Sialkot	2015-16	18039	4,408,799
21.	Fatima Jinnah Medical University, Sir G.R Hospital, Lahore	2016-17	20341	4,246,145
22.	Ch. PervaizElahi Institute of Cardiology, Multan	2016-17	21613	3,919,600
23.	Secretary, Specialized Healthcare Department, Lahore	2016-17	22732	3,471,941
24.	Principal PGMI, Ameerud din Medical College, General Hospital, Lahore	2016-17	22808	3,302,900
25.	Nishtar Medical College & Allied Institution, Multan	2015-16	17445	2,596,823
26.	Governor's House Medical Centre, Lahore	2015-16	17672	2,137,518
27.	Lady Aitchison Hospital, Lahore	2016-17	20284	1,866,596
28.	Secretary, Specialized Healthcare Department, Lahore	2016-17	22722	1,742,976
29.	Secretary, Specialized Healthcare Department, Lahore	2016-17	22734	1,618,995
30.	PMC & Allied Institution, Faisalabad	2016-17	20515	1,571,897
31.	Gujranwala Medical college and DHQ Hospital	2015-16	18091	1,224,000
32.	PMC & Allied Institution, Faisalabad	2016-17	20545	1,095,900
33.	Secretary, Specialized Healthcare Department, Lahore	2016-17	22733	1,092,914
34.	PMC & Allied Institution, Faisalabad	2016-17	20503	897,253
35.	Secretary, Specialized Healthcare Department, Lahore	2016-17	22725	834,983
36.	Faisalabad Institute of Cardiology, Lahore	2016-17	20313	720,000
37.	Nishtar Medical College & Allied Institution, Multan	2015-16	17442	702,142
38.	King Edward Medical University, Lahore	2016-17	22903	684,365
39.	Ch. PervaizElahi Institute of Cardiology, Multan	2016-17	21619	530,090
40.	King Edward Medical University, Lahore	2016-17	22900	511,325
41.	Govt. Mian Nawaz Sharif Hospital, Lahore	2015-16	17796	403,000
42.	Gujranwala Medical college and DHQ Hospital	2015-16	18070	379,320

Sr. No.	Name of Formation	Period of audit	PDP No.	Amount (Rs.)
43.	Secretary, Specialized Healthcare Department, Lahore	2016-17	22737	337,610
44.	Gujranwala Medical college and DHQ Hospital	2015-16	18113	291,798
45.	Gujranwala Medical college and DHQ Hospital	2015-16	18086	207,800
46.	Gujranwala Medical college and DHQ Hospital	2015-16	18114	198,680
Total				1,829,331,179

Annexure-9 (Audit Para No. 11.4.9)

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	Principal AIMC Jinnah Hospital Lahore	2016-17	20355	1,027,491,773
2.	Principal AIMC Jinnah Hospital Lahore	2016-17	20356	638,280,823
3.	Gujranwala Medical college and DHQ hospital	2015-16	18120	187,228,680
4.	Principal AIMC Jinnah Hospital Lahore	2016-17	20362	100,856,167
5.	Lady Willington Hospital Lahore	2016-17	20480	47,523,769
6.	Lady a Hospital, Lahore	2015-16	17653	39,993,466
7.	Faisalabad Institute of Cardiology, Faisalabad	2016-17	20293	36,608,357
8.	KhawajaMuhamamdSafdar Medical College & Allied Institutions, Sialkot	2016-17	20439	31,171,445
9.	King Edward Medical University, Lahore	2016-17	22902	18,275,533
10.	Faisalabad Institute of Cardiology, Faisalabad	2016-17	20294	17,658,498
11.	Faisalabad Institute of Cardiology, Faisalabad	2016-17	20296	10,040,130
12.	Institute of Mental Health, Lahore	2016-17	19305	7,777,786
13.	Faisalabad Institute of Cardiology, Faisalabad	2016-17	20298	6,434,751
14.	Faisalabad Institute of Cardiology, Faisalabad	2016-17	20299	6,025,510
15.	Faisalabad Institute of Cardiology, Faisalabad	2016-17	20300	5,009,566
16.	Faisalabad Institute of Cardiology, Faisalabad	2016-17	20301	4,516,877
17.	Faisalabad Institute of Cardiology, Faisalabad	2016-17	20302	4,331,165
18.	Faisalabad Institute of Cardiology, Faisalabad	2016-17	20303	4,109,000
19.	Faisalabad Institute of Cardiology, Faisalabad	2016-17	20304	3,899,097
20.	Faisalabad Institute of Cardiology, Faisalabad	2016-17	20306	2,247,807
21.	Govt. Khawaja Muhammad Safdar Medical college & Allied Institutions, Sialkot	2015-16	18062	1,542,759

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
22.	Faisalabad Institute of Cardiology, Faisalabad	2016-17	20309	1,133,090
23.	Faisalabad Institute of Cardiology, Faisalabad	2016-17	20311	895,750
Total				2,203,051,799

Annexure-10 (Audit Para No. 11.4.11)

Sr. No	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	Principal PGMI, Ameerud din Medical College, General Hospital, Lahore	2016-17	22801	1,135,548,227
2.	Children Hospital, Lahore	2016-17	22934	337,188,117
3.	Nishtar Medical College & Allied Institutions, Multan	2015-16	17421	291,718,664
4.	Nishtar Medical College & Allied Institutions, Multan	2015-16	17417	165,826,276
5.	Chaudhary Pervaiz Elahi Institute of Cardiology, Multan	2016-17	21609	104,737,990
6.	Nishtar Medical College & Allied Institutions, Multan	2015-16	17427	96,013,548
7.	Fatima Jinnah Medical University, Sir Ganga Ram Hospital, Lahore	2016-17	20336	85,904,126
8.	Gujranwala Medical College and DHQ Hospital	2015-16	18090	51,588,202
9.	Principal AIMC, Jinnah Hospital & Nursing School, Lahore	2016-17	20382	30,466,863
10.	Nishtar Medical College & Allied Institution, Multan	2015-16	17408	28,328,995
11.	Principal Sheikh Zayed Medical College Rahim Yar Khan	2015-16	17469	22,146,085
12.	Government Teaching Hospital, Shahdra Lahore	2014-17	22840	19,636,000
13.	AIMC, Jinnah Hospital & Nursing School, Lahore	2016-17	20379	3,240,508
14.	Nishtar Medical College & Allied Institution, Multan	2015-16	17411	7,137,084
15.	Punjab Medical College & Allied Institutions Faisalabad	2016-17	20558	5,562,477
16.	The Children Hospital & the Institute of Child Health, Multan	2016-17	22768	3,471,028

Sr. No	Name of formation	Period of audit	PDP No.	Amount (Rs.)
17.	Punjab Medical College & Allied Institutions Faisalabad	2016-17	20561	2,489,084
18.	Gujranwala Medical College and DHQ Hospital	2015-16	18132	2,365,000
Total				2,393,368,274

Annexure-11 (Audit Para No. 11.4.31)

Sr. No.	Name of formation	Period of audit	PDP No.	Nature of tax	Amount (Rs.)
1.	Fatima Jinnah Medical University, Sir G.R.Hospital, Lahore.	2016-17	20334	income tax not deducted at source on supplies	36,241,821
2.	Punjab Medical College & its Allied Institutions Faisalabad	2016-17	20508	Non / less deduction of income tax on account of payment to PGs & Hos	32,402,306
3.	Principal, AIMC, Jinnah Hospital & Nursing School, Lahore	2016-17	20372	Non / less deduction of income tax from salaries of employees	16,385,949
4.	Principal, AIMC, Jinnah Hospital & Nursing School, Lahore	2016-17	20373	Non / less deduction of income tax on account of payment to PGs & HOs	16,249,000
5.	Punjab Medical College & its Allied Institutions Faisalabad	2016-17	20527	Non / less deduction of income tax on account of payment to PGs & HOs	13,492,013
6.	Nishtar Medical College & Allied Institutions, Multan	2015-16	17419	income tax not deducted at source on supplies	11,370,459
7.	Nishtar Medical College & Allied Institutions, Multan	2015-16	17430	Non / less deduction of income tax from salaries of employees	6,896,568

Sr. No.	Name of formation	Period of audit	PDP No.	Nature of tax	Amount (Rs.)
8.	Punjab Medical College & its Allied Institutions Faisalabad	2016-17	20528	income tax not deducted at source on supplies	6,809,800
9.	Khawaja Muhammad Safdar Medical College & Allied Institutions, Sialkot	2016-17	20443	income tax not deducted at source on supplies	6,727,303
10.	King Edward Medical University, Lahore	2016-17	22889	income tax not deducted at source on supplies	6,170,447
11.	PIC, Lahore	2016-17	22744	income tax not deducted at source on supplies	5,990,471
12.	King Edward Medical University, Lahore	2016-17	22882	income tax not deducted at source on supplies	4,751,248
13.	Punjab Medical College & its Allied Institutions Faisalabad	2016-17	20505	income tax not deducted at source on supplies	3,858,671
14.	Children Hospital, Lahore	2016-17	22920	income tax not deducted at source on supplies	3,367,228
15.	Punjab Medical College & its Allied Institutions Faisalabad	2016-17	20524	income tax not deducted at source on supplies	3,357,515
16.	PGMI/LGH and Nursing School, Lahore	2016-17	22784	Non/less deduction of income tax @ 10% on shares money	74,002

Sr. No.	Name of formation	Period of audit	PDP No.	Nature of tax	Amount (Rs.)
17.	Secretary, Specialized Health Care Department, Lahore	2016-17	22719	income tax not deducted at source on supplies	3,262,809
18.	Punjab Medical College & its Allied Institutions Faisalabad	2016-17	20803	Non / less deduction of income tax from salaries of employees	3,162,276
19.	Fatima Jinnah Medical University, Sir G.R..Hospital, Lahore.	2016-17	20337	income tax not deducted at source on supplies	2,558,784
20.	Gujranwala Medical College and DHQ Hospital	2015-16	18073	Non / less deduction of income tax from salaries of employees	1,984,218
21.	Faisalabad Institute of Cardiology, Faisalabad	2016-17	20308	non receipt of advance tax on auction	1,785,000
22.	Government Teaching Hospital, Shahdra, Lahore	2014-17	22831	Non/less deduction of income tax @ 10% on shares money	1,688,000
23.	Institute of Blood Transfusion Services, Lahore	2016-17	19355	income tax not deducted at source on supplies	1,498,841
24.	Principal, AIMC, Jinnah Hospital & Nursing School, Lahore	2016-17	20394	Non/less deduction of income tax @ 10% on shares money	1,454,349
25.	Principal, Sheikh Zayed Medical College/Hospital Rahim Yar Khan	2015-16	17470	Non/less deduction of income tax @ 10% on shares	536,473

Sr. No.	Name of formation	Period of audit	PDP No.	Nature of tax	Amount (Rs.)
				money	
26.	Punjab Medical College & its Allied Institutions Faisalabad	2016-17	20555	income tax not deducted at source on supplies	1,142,180
27.	PIC, Lahore	2016-17	22741	Non / less deduction of income tax from salaries of employees	691,809
28.	Faisalabad Institute of Cardiology, Faisalabad	2016-17	20310	Non/less deduction of income tax @ 10% on shares money	1,026,615
29.	Govt. Khawaja Muhammad Safdar Medical College & Allied Institutions, Sialkot	2015-16	18060	Non/less deduction of income tax @ 10% on shares money	569,151
30.	Government Teaching Hospital, Shahdra, Lahore	2014-17	22834	income tax not deducted at source on supplies	985,754
31.	Govt. Mian Nawaz Sharif Hospital Lahore	2015-16	17787	Non/less deduction of income tax @ 10% on shares money	931,696
32.	Secretary, Specialized Health Care Department, Lahore	2016-17	22716	income tax not deducted at source on supplies	930,938
33.	Govt. Mian Nawaz Sharif Hospital, Lahore	2015-16	17786	income tax not deducted at source on supplies	883,999
34.	PIC, Lahore	2016-17	22753	income tax not	855,313

Sr. No.	Name of formation	Period of audit	PDP No.	Nature of tax	Amount (Rs.)
				deducted at source on supplies	
35.	Khawaja Muhammad Safdar Medical College & Allied Institutions, Sialkot	2016-17	20454	Non/less deduction of income tax @ 10% on shares money	336,370
36.	M.S., Lady Willingdon Hospital, Lahore	2016-17	20475	income tax not deducted at source on supplies	236,392
37.	Punjab Medical College & its Allied Institutions Faisalabad	2016-17	20568	income tax not deducted at source on supplies	770,330
38.	Gujranwala Medical College and DHQ hospital	2015-16	18105	income tax not deducted at source on supplies	763,402
39.	Faisalabad Institute of Cardiology, Faisalabad	2016-17	20314	income tax not deducted at source on supplies	546,000
40.	Government Teaching Hospital, Shahdra, Lahore	2014-17	22837	non receipt of advance tax on auction	403,000
41.	Govt. Mian Nawaz Sharif Hospital Lahore	2015-16	17788	income tax not deducted at source on supplies	398,586
42.	Khawaja Muhammad Safdar Medical College & Allied Institutions, Sialkot	2016-17	20460	Non / less deduction of income tax on account of payment to PGs & HOs	375,060
43.	MS Lady Atchison	2015-16	17801	income tax not	341,117

Sr. No.	Name of formation	Period of audit	PDP No.	Nature of tax	Amount (Rs.)
	Hospital Lahore.			deducted at source on supplies	
44.	Director, Drug Testing Laboratory, Lahore	2013-16	17454	income tax not deducted at source on supplies	340,943
45.	M.S., Lady Willingdon Hospital, Lahore	2016-17	20474	non receipt of advance tax on auction	223,300
46.	M.S., Lady Willingdon Hospital, Lahore	2016-17	20473	non receipt of advance tax on auction	220,550
47.	King Edward Medical University, Lahore	2016-17	22901	Non/less deduction of income tax @ 10% on shares money	192,177
48.	Punjab Medical College & its Allied Institutions Faisalabad	2016-17	20572	non receipt of advance tax on auction	165,469
49.	Gujranwala Medical College and DHQ hospital	2015-16	18076	Non / less deduction of income tax on account of payment to PGs & HOs	165,000
50.	King Edward Medical University, Lahore	2016-17	22905	Non / less deduction of income tax from salaries of employees	144,589
51.	King Edward Medical University, Lahore	2016-17	22914	Non / less deduction of income tax from salaries of employees	117,667
Total					205,832,958

Annexure-12 (Audit Para No. 11.4.32)

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	Punjab Medical College & its Allied Institutions Faisalabad	2016-17	20495	26,841,085
2.	Principal, AIMC, Jinnah Hospital & Nursing School, Lahore	2016-17	20370	24,669,229
3.	Principal, Sheikh Zayed Medical College/Hospital Rahim Yar Khan	2015-16	17474	15,529,012
4.	Chaudhary Pervaiz Elahi Institute of Cardiology, Multan	2016-17	21623	13,101,893
5.	Faisalabad Institute of Cardiology, Faisalabad	2016-17	20295	11,927,233
6.	Fatima Jinnah Medical University, Sir G.R.Hospital, Lahore.	2016-17	20345	11,643,137
7.	Punjab Medical College & its Allied Institutions Faisalabad	2016-17	20536	10,148,104
8.	Children Hospital, Lahore	2016-17	22942	8,413,253
9.	Lady Aitchison Hospital, Lahore	2016-17	20282	3,636,626
10.	M.S., Lady Willingdon Hospital, Lahore	2016-17	20485	3,254,188
11.	Khawaja Muhammad Safdar Medical College & Allied Institutions, Sialkot	2015-16	18054	2,425,284
12.	Khawaja Muhammad Safdar Medical College & Allied Institutions, Sialkot	2016-17	20449	1,824,059
13.	The Children Hospital & The Institute of Child Health Multan	2016-17	22772	1,479,961
14.	PIC, Lahore	2016-17	22761	1,300,404
15.	S.M Hussain Govt. Sanatorium SamliMuree	2014-16	17831	826,936
16.	Punjab Medical College & its Allied Institutions Faisalabad	2016-17	20550	657,148
17.	Gujranwala Medical College and DHQ hospital	2015-16	18104	450,638
18.	Principal College of Ophthalmology and Allied Vision Sciences Lahore	2015-16	17798	245,962
Total				138,374,152

Annexure-13 (Audit Para No. 11.4.33)

Sr. No.	Name of formation	Period of Audit	PDP No.	Amount (Rs.)
1	Faisalabad Institute of Cardiology, Faisalabad	2016-17	20297	7,312,040
2	Gujranwala Medical College and DHQ hospital	2015-16	18106	2,348,607
3	FJMU/Sir Ganga Ram Hospital, Lahore	2016-17	20349	1,463,352
4	Nishtar Medical College & Allied Institutions, Multan	2015-16	17437	1,316,000
5	Nishtar Medical College & Allied institutes, Multan	2015-16	17431	1,305,346
6	PGMI/LGH and Nursing School, Lahore	2016-17	22789	338,960
7	Gujranwala Medical College and DHQ hospital	2015-16	18129	469,592
8	Children Hospital, Lahore	2016-17	22931	421,415
9	Govt. Mian Nawaz Sharif Hospital Lahore	2015-16	17792	314,074
10	M.S. Lady Atchison Hospital Lahore.	2015-16	17657	277,000
11	Gujranwala Medical College and DHQ hospital	2015-16	18080	221,949
12	Punjab Dental Hospital Lahore	2016-17	19377	106,286
13	M.S. Lady Atchison Hospital, Lahore	2015-16	17658	106,272
Total				16,000,893

Annexure-14 (Audit Para No. 11.4.34)

Sr. No.	Name of formation	Period of audit	PDP No.	Nature of allowances	Amount (Rs.)
1.	Nishtar Medical College and Allied Institutions Multan	2015-16	17405	Un-authorized payment of Adhoc Allowance	55,787,808
2.	PIC, Lahore	2016-17	22743	Irregular payments of Adhoc Allowance 2010	7,520,173
3.	The Children Hospital & the Institute of Child Health Multan	2016-17	22765	Irregular payments of Adhoc Allowance 2010	5,970,800
4.	Nishtar Medical College & Allied Institutions, Multan	2015-16	17440	Irregular payment of Anesthesia Allowance	5,970,703
5.	Nishtar Medical College & Allied Institutions, Multan	2015-16	17433	Irregular payment of Anesthesia Allowance	5,790,703
6.	Children Hospital, Lahore	2016-17	22922	Unauthorized payment of qualification allowance amounting	5,340,000
7.	Children Hospital, Lahore	2016-17	22921	Irregular payments of Adhoc Allowance 2010	3,840,000
8.	Children Hospital and the Institute of Child Health Lahore	2016-17	22933	Irregular payment of Teaching Allowance	3,060,000
9.	PGMI/LGH and Nursing School, Lahore	2016-17	22799	Unauthorized payment of qualification	2,035,161

Sr. No.	Name of formation	Period of audit	PDP No.	Nature of allowances	Amount (Rs.)
				allowance amounting	
10.	Fatima Jinnah Medical University, Sir G.R. Hospital, Lahore.	2016-17	20327	Unauthorized payment of qualification allowance amounting	2,640,000
11.	Gujranwala Medical College and DHQ hospital	2015-16	18074	Unauthorized payment of qualification allowance amounting	2,515,000
12.	Chaudhary Pervaiz Elahi Institute of Cardiology, Multan	2016-17	21614	Irregular payment of Anesthesia Allowance	1,920,000
13.	Punjab Medical College & its Allied Institutions Faisalabad	2016-17	20577	Unauthorized payment of qualification allowance amounting	1,680,804
14.	Govt. Mian Nawaz Sharif Hospital Lahore	2015-16	18139	Irregular payment of Anesthesia Allowance	1,140,000
15.	King Edward Medical University, Lahore	2016-17	22904	Irregular payment of Anesthesia Allowance	900,000
16.	Children Hospital, Lahore	2016-17	22945	Excess drawl of pay & allowances	865,440
17.	Director General, Health Nursing, Lahore	2013-16	18988	Mess / Dress allowance paid unauthorisely	739,600
18.	Children Hospital, Lahore	2016-17	22944	Excess drawl of pay & allowances	554,384

Sr. No.	Name of formation	Period of audit	PDP No.	Nature of allowances	Amount (Rs.)
19.	Director Health Services, Sargodha	2009-16	18028	Irregular payment of NPA and Health Professional Allowance, Motor cycle Allowance	509,300
20.	Punjab Dental Hospital, Lahore	2016-17	19374	Irregular payments of Adhoc Allowance	445,380
21.	M.S. Lady Willingdon Hospital, Lahore	2016-17	20477	various allowance not admissible	330,757
22.	Principal, PGMI/LGH, School of Nursing, Lahore	2016-17	22805	SSB paid unauthorisedly	176175
Total					109,732,188

Annexure-15 (Audit Para No. 11.4.35)

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	Nishtar Medical College & Allied Institutions, Multan	2015-16	17407	26,048,128
2.	Punjab Medical College & its Allied Institutions Faisalabad	2016-17	20501	18,756,565
3.	Fatima Jinnah Medical University, Sir G.R..Hospital, Lahore.	2016-17	20333	17,228,872
4.	PGMI/LGH and Nursing School, Lahore	2016-17	22779	12,200,000
5.	Nishtar Medical College & Allied Institutions, Multan	2015-16	17428	8,234,020
6.	Nishtar Medical College & Allied Institutions, Multan	2015-16	17435	4,798,522
7.	Govt. Khawaja Muhammad Safdar Medical College & Allied Institutions, Sialkot	2016-17	20446	971,533
8.	Lady Aitchison Hospital, Lahore	2016-17	20285	1,721,750
9.	PGMI/LGH and Nursing School, Lahore	2016-17	22778	1,406,780
10.	MS Lady Atchison Hospital Lahore.	2015-16	17651	1,022,100
11.	MS Lady Atchison Hospital Lahore.	2015-16	17659	940,000
12.	Faisalabad Institute of Cardiology, Faisalabad	2016-17	20312	770,602
13.	M.S. Lady Atchison Hospital, Lahore	2016-17	20286	720,000
14.	Gujranwala Medical College and DHQ Hospital	2015-16	18095	600,000
15.	Punjab Medical College & its Allied Institutions Faisalabad	2016-17	20521	500,000
16.	Punjab Medical College & its Allied Institutions Faisalabad	2016-17	20579	440,000
17.	Principal College of Ophthalmology and allied vision sciences Lahore	2015-16	17797	412,506
18.	Punjab Medical College & its Allied Institutions Faisalabad	2016-17	20520	200,000
19.	Principal, Sheikh Zayed Medical College/Hospital Rahim Yar Khan	2015-16	17480	180,947
Total				97,152,325

Annexure-16 (Audit Para No. 11.4.38)

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	Nishtar Medical College & Allied Institutions, Multan	2015-16	17416	31,227,134
2	Principal PGMI, Ameerud Din Medical College, General Hospital, Lahore	2016-17	22783	25,217,795
3	PMC & Allied Institution Faisalabad	2016-17	20556	12,684,640
4	PMC&Allied Institution, Faisalabad	2016-17	20537	8,308,000
5	Secretary Specialized Healthcare Department	2016-17	22724	7,080,000
6	PMC&Allied Institution, Faisalabad	2016-17	20578	6,128,700
7	Gujranwala Medical College and DHQ Hospital	2015-16	18096	5,880,000
8	King Edward Medical University, Lahore	2016-17	22912	5,585,880
9	Principal AIMC, Jinnah Hospital, Lahore	2016-17	20386	3,002,689
10	PMC&Allied Institution, Faisalabad	2016-17	20562	2,800,000
11	PMC&Allied Institution, Faisalabad	2016-17	20551	1,582,000
12	PMC & Allied Institution Faisalabad	2016-17	20573	1,369,705
13	Gujranwala Medical College and DHQ Hospital	2015-16	18092	1,130,800
14	Gujranwala Medical College and DHQ Hospital	2015-16	18087	687,500
15	PMC & Allied Institution Faisalabad	2016-17	20574	359,475
16	Gujranwala Medical College and DHQ Hospital	2015-16	18125	-
Total				113,044,318

Annexure-17 (Audit Para No. 11.4.40)

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1.	PIC, Lahore	2016-17	22746	28,402,399
2.	PGMI/LGH and Nursing School, Lahore	2016-17	22787	25,252,380
3.	Chaudhary Pervaiz Elahi Institute of Cardiology, Multan	2016-17	21612	4,224,000
4.	Faisalabad Institute of Cardiology, Faisalabad	2016-17	20305	3,129,000
5.	Fatima Jinnah Medical University, Sir G. R. Hospital, Lahore.	2016-17	20328	1,296,000
6.	Khawaja Muhammad Safdar Medical College & Allied Institutions, Sialkot	2016-17	20457	650,265
7.	Lady Aitchison Hospital, Lahore	2016-17	20287	595,105
8.	Director Health Services Sargodha	2009-16	18028	509,300
9.	Gujranwala Medical College and DHQ Hospital	2015-16	18135	450,523
10.	Gujranwala Medical College and DHQ hospital	2015-16	18107	368,000
11.	Punjab Dental Hospital Lahore	2016-17	19376	360,000
12.	Punjab Medical College & its Allied Institutions Faisalabad	2016-17	20509	193,320
13.	Punjab Medical College & its Allied Institutions Faisalabad	2016-17	20531	157,103
14.	Punjab Medical College & its Allied Institutions Faisalabad	2016-17	20538	118,206
Total				65,705,601

Annexure-18 (Audit Para No. 12.4.4)

Sr. No.	Name of Formation	Period of audit	PDP No.	Nature of Record not shown to audit	Amount (Rs.)
1.	Secretary, Higher Education, Lahore	2016-17	21930	Vouched account of expenditure on Punjab Educational Endowment Fund	4,835,617,532
2.	Islamia University of Bahawalpur	2015-16	22041	Receipt record, contract documents, cash books etc	1,900,486,448
3.	Secretary, Higher Education, Lahore	2016-17	21933	Vouched account of expenditure from Board of Intermediate and Secondary Education Lahore	760,000,000
4.	Secretary, Higher Education, Lahore	2016-17	21934	Vouched account of expenditure from University of Education Lahore	701,121,000
5.	University of the Punjab Lahore	2014-16	19231	Expenditure on self-supporting programs	640,000,000
6.	Khawaja Fareed University of Engineering & Information Technology R.Y.Khan	2014-17	22218	Vouched account for the payments	390,579,000
7.	Govt. College University Faisalabad	2015-16	22092	Vouched account for the services rendered	210,000,000
8.	BZU Multan	2016-17	22508	Payment record of expenditure	28,621,898
9.	Murray College Sialkot	2016-17	21981	Complete vouched account of expenditure	27,603,380
10.	Govt. Post	2006-16	19805	Record consisting of	18,170,770

Sr. No.	Name of Formation	Period of audit	PDP No.	Nature of Record not shown to audit	Amount (Rs.)
	Graduate College for Women M.B.Din			cash book and paid vouchers	
11.	Principal Govt. Girls College for Women Gulshan Ravi, Lahore	2014-17	21664	Cash book , vouched account and log books etc	17,659,879
12.	Principal Govt. Girls College for Women Gulshan Ravi, Lahore	2014-17	21666	Cash book , vouched account and log books etc	17,511,176
13.	Govt. Post Graduate College for Women M.B.Din	2006-16	19807	Record consisting of cash book paid vouchers and receipt books etc	17,305,215
14.	Secretary, Higher Education, Lahore	2016-17	21937	Disbursement record of salaries paid to MIS staff	16,682,000
15.	Govt. Post Graduate College for Women M.B.Din	2006-16	19802	Appointment record of teaching staff like HTIs / CTIs	14,296,246
16.	Govt. College University Faisalabad	2015-16	22093	Hostel record	13,321,000
17.	Queen Mary College, Lahore	2016-17	21973	Vouched account of construction work	11,099,159
18.	BZU Multan	2016-17	22514	Vouched account of expenditure	7,946,790

Sr. No.	Name of Formation	Period of audit	PDP No.	Nature of Record not shown to audit	Amount (Rs.)
19.	BahuddinZakria University Multan	2015-16	21310	Record consisting of technical sanctions, bidding document, measurement books etc	5,712,407
20.	Govt. College University Faisalabad	2015-16	22094	Procurement record of solar panel	5,451,434
21.	Govt. Post Graduate College for Women M.B.Din	2006-16	19260	Record consisting of cash book and paid vouchers	4,547,919
22.	Principal Govt. College of Science Multan	2014-16	22051	Vouched account of expenditure	4,421,575
23.	Govt. College of Commerce Attock	2012-16	18793	Record of purchases and hiring of services	4,408,765
24.	Principal Govt. College Ravi Road Lahore	2006-16	18828	Vouched account like bills, stock registers etc.	3,772,303
25.	Govt. Post Graduate College for Women M.B.Din	2006-16	19803	Complete record of Mina Bazar neither maintained nor shown to audit	3,500,000
26.	Board of Intermediate & Secondary Education, Sahiwal	2016-17	22141	Details of bills	1,200,000
27.	Govt. Islamia College for Women Lahore Cantt.	2014-17	22149	Payment record of arrear bills of salaries	2,424,798
28.	Principal Govt. College for	2015-17	21339	Vouched account of GP Fund Advance and	2,403,240

Sr. No.	Name of Formation	Period of audit	PDP No.	Nature of Record not shown to audit	Amount (Rs.)
	Boys Gulberg, Lahore			Superannuation Encashment.	
29.	Government College for Boys, KotMomin, Sargodha	2009-16	21259	Vouched account for the payments was not produced.	2,368,000
30.	Principal Govt. College of Science Lahore	2015-16	20177	Complete record of computer science funds	1,679,223
31.	Principal Govt. College of Science Multan	2014-16	22056	Funds and Prospectus Account etc.	1,635,047
32.	Govt. Girls Degree College (W) Chunian	2005-16	19818	Cash book , vouched account and log books etc.	1,244,030
33.	Govt. College for Women Sarai Alamgir, Gujrat	2006-16	19259	Vouched account for payments to other services	732,860
34.	UET Texila	2016-17	22268	Vouched account	680,533
35.	UET Texila	2016-17	22262	Vouched account for the payments	656,666
36.	Board of Intermediate & Secondary Education, Multan	2016-17	22247	vouched account of expenditure	600,000
37.	Govt. Girls Degree College, Khushab	2014-16	21654	computer fee record	576,000
38.	Board of Intermediate & Secondary	2016-17	21965	Vouched account for expenditure on sports activities	543,634

Sr. No.	Name of Formation	Period of audit	PDP No.	Nature of Record not shown to audit	Amount (Rs.)
	Education, Bahawalpur				
39.	Govt. College of Home Economics Gulberg Lahore	2015-17	21705	Vouched account of funds	537,923
40.	UET Texila	2016-17	22263	construction record	421,423
41.	University of Education, Lahore	2016-17	22008	Log books	267,873
42.	Principal Govt. College of Science Lahore	2015-16	20178	Record of scholarship fund	66,000
43.	University of the Punjab Lahore	2014-16	19217	Record of revenue & expenditure	0
44.	University of Engineering & Technology Lahore	2014-16	20151	Details of bank accounts etc.	0
45.	Govt. Islamia College Boys Ghazia Abad Lahore	2009-16	21655	Cash book vouchers for different periods	0
46.	Principal Govt. College of Science Multan	2014-16	22052	Hostel record	0
47.	Murray College Sialkot	2016-17	21995	Appointment and expenditure record of CTIs, transport fund etc.	51,150
48.	Govt. Post Graduate College	2015-16	22175	Details of donation received and expenditure etc.	0

Sr. No.	Name of Formation	Period of audit	PDP No.	Nature of Record not shown to audit	Amount (Rs.)
	Samanabad Faisalabad				
49.	BZU Multan	2016-17	22533	Scholarships, rental receipt etc.	0
50.	BZU Multan	2016-17	22532	Remuneration of Distance Learning program	0
51.	BZU Multan	2016-17	22523	Appointments record	0
Total					9,677,924,296

Annexure-19 (Audit Para No. 12.4.12)

Sr. No.	Name of formation	Period of audit	PDP No.	Brief description of irregularity	Amount (Rs.)
1	University of Engineering & Technology Lahore	2014-16	20113	Execution of construction work and procurement of different items made without devising annual procurement planning, advertisement of advance annual requirements and bid evaluation reports on the web site of authority etc.	829,768,923
2	University of Sargodha	2016-17	21379	Purchases of different articles like furniture items etc. made without devising annual procurement planning, advertisement on the web site of the authority and announcement of evaluation report	62,160,524
3	Fatima Jinnah Women University Rawalpindi	2016-17	21275	Purchases of different store items and hiring of services made without annual procurement planning and announcement of bid evaluation reports.	45,050,334
4	University of Sargodha	2016-17	21366	Purchases of different store items made without annual procurement planning and announcement of bid evaluation reports.	43,544,860

Sr. No.	Name of formation	Period of audit	PDP No.	Brief description of irregularity	Amount (Rs.)
5	BISE, Lahore	2015-16	19828	Hiring of services for printing work made without advertisement on the website of authority and annual procurement planning	35,380,000
6	University of Engineering & Technology Lahore	2014-16	20120	Execution of construction work without tender	35,204,000
7	University of Sargodha	2016-17	21397	Procurement of equipment made without advertisement	31,640,832
8	University of Sargodha	2016-17	21426	Procurement of different items made without advertisement	29,718,525
9	University of Sargodha	2016-17	21420	Procurement of medicine made without advertisement	21,987,244
10	Queen Mary College Lahore	2016-17	21972	Procurement of lab equipment made without advertising annual requirement on the web and announcing bid evaluation reports	20,691,846
11	University of the Punjab, Lahore	2014-16	19216	Procurement of CRI-CSR test system made by ignoring lowest bidder , bid evaluation criteria and response time etc.	20,515,058
12	BISE Sahiwal	2015-16	19041	Procurement requirements of stationer items, printed material etc. was not advertise in advance on the website of authority	16,622,196

Sr. No.	Name of formation	Period of audit	PDP No.	Brief description of irregularity	Amount (Rs.)
13	Fatima Jinnah Women University Rawalpindi	2016-17	21302	Procurement requirement of vehicle was not advertise in advance on the website of authority	15,900,000
14	University of Education, Lahore	2016-17	22003	Procurement of different items made without advertisement etc.	15,504,971
15	BISE Sahiwal	2015-16	19044	Hiring of services for printing work made without advertisement on the website of authority and annual procurement planning	14,570,000
16	University of the Punjab, Lahore	2014-16	19245	Procurement of scanning electron microscope made by ignoring international bidding process , bid evaluation criteria and response time etc	13,883,630
17	Fatima Jinnah Women University Rawalpindi	2016-17	21303	Procurement requirements of vehicle was not advertise in advance on the website of authority	13,172,000
18	University of the Punjab, Lahore	2014-16	19246	Procurement of MNR Spectrophotometer made by ignoring international bidding process , bid evaluation criteria and response time etc	12,437,745
19	University of Education, Lahore	2014-16	22002	Procurement requirements of different items made without advance advertisement on the website	12,752,433

Sr. No.	Name of formation	Period of audit	PDP No.	Brief description of irregularity	Amount (Rs.)
20	University of the Punjab, Lahore	2014-16	19221	Procurement of Coal Elemental Analyzer made by ignoring international bidding process , bid evaluation criteria and response time etc	11,716,446
21	Chairman BISE Bahawalpur	2015-16	21893	Hiring of services for printing work made without advertisement on the website of authority and annual procurement planning	11,600,000
22	Board of Intermediate & Secondary Education, Bahawalpur	2016-17	21970	Hiring of services for printing work made without advertisement on the website of authority and annual procurement planning	10,637,500
23	University of Engineering & Technology Lahore	2014-16	20126	Procurement requirements of vehicle was not advertise in advance on the website of authority	9,250,500
24	University of Sargodha	2016-17	21386	Hiring of services for distribution made without advertisement on the website	8,924,374
25	University of Sargodha	2016-17	21381	Procurement of medical lab equipment made without advertisement on the website	7,642,987
26	University of the Punjab, Lahore	2014-16	19224	Procurement of Gas Chromatograph mass spectrometer made by ignoring international bidding process , bid	8,849,493

Sr. No.	Name of formation	Period of audit	PDP No.	Brief description of irregularity	Amount (Rs.)
				evaluation criteria and response time etc.	
27	University of Sargodha	2016-17	21395	Procurement of Wifi / Networking system made without advisement on the website	8,689,128
28	University of the Punjab, Lahore	2014-16	19247	Procurement of Gas analyzers made by ignoring international bidding process , bid evaluation criteria and response time etc.	8,484,087
29	University of the Punjab, Lahore	2014-16	19220	Procurement of article size analyzer made by ignoring lowest bidder , bid evaluation criteria and response time etc.	7,715,317
30	Govt. College of Home Economics Gulberg, LHR	2015-17	21698	Auction of canteen and shops made without advertisement on the website	6,245,259
31	University of the Punjab, Lahore	2014-16	19086	Construction work executed without obtaining performance security	6,042,000
32	University of the Punjab, Lahore	2014-16	19237	Procurement of cyclone separator series and diester concentration table made by ignoring international bidding process , bid evaluation criteria and response time etc.	5,544,249
33	University of Sargodha	2016-17	21449	Procurement of lab equipment made without advertising annual requirement on the web and	5,708,272

Sr. No.	Name of formation	Period of audit	PDP No.	Brief description of irregularity	Amount (Rs.)
				announcing bid evaluation reports	
34	University of the Punjab, Lahore	2014-16	19255	Procurement of Mag Mill made by ignoring international bidding process , bid evaluation criteria and response time etc.	6,097,770
35	University of the Punjab, Lahore	2014-16	19097	Construction work executed without obtaining performance security	5,422,000
36	Chairman BISE Lahore	2015-16	19838	Hiring of rooms and catering services etc. made without advertisement on website and in national dailies.	5,142,572
37	Fatima Jinnah Women University Rawalpindi	2016-17	21285	Procurement of furniture and fixture items made without advertising annual requirement on the website and announcing bid evaluation reports.	4,662,775
38	University of Sargodha	2016-17	21413	Procurement of lab equipment etc. made without advertising annual requirement on the website and announcing bid evaluation reports.	4,636,974
39	University of the Punjab, Lahore	2014-16	19202	Procurement of arms and animations without advertisement on the website and on bogus invoices	4,601,200

Sr. No.	Name of formation	Period of audit	PDP No.	Brief description of irregularity	Amount (Rs.)
40	University of the Punjab, Lahore	2014-16	19253	Procurement of dynamic light scattering made by ignoring international bidding process , bid evaluation criteria and response time etc.	4,541,581
41	Chairman BISE Lahore	2015-16	19840	Expenditure on different activities relating to prize distribution ceremony made without advertisement on the website of the authority	4,326,896
42	University of the Punjab, Lahore	2014-16	19222	Procurement of high performance liquid chromatograph made by ignoring international bidding process, bid evaluation criteria and response time etc.	4,295,445
43	Government College of Commerce, Attock	2012-16	18800	Execution of repair works made without advertisement on the website	4,226,759
44	University of the Punjab, Lahore	2014-16	19212	Procurement of Infra red spectrophotometer made by ignoring international bidding process , bid evaluation criteria and response time etc.	4,185,707
45	University of Sargodha	2016-17	21367	Procurement requirement of vehicle was not advertise in advance on the website of authority	4,055,204

Sr. No.	Name of formation	Period of audit	PDP No.	Brief description of irregularity	Amount (Rs.)
46	University of the Punjab, Lahore	2014-16	19209	Procurement requirement of vehicle was not advertise in advance on the website of authority	3,877,500
47	University of Engineering & Technology Lahore	2014-16	20135	Hiring of janitorial services made by splitting the indents to avoid tending process	3,671,890
48	University of the Punjab, Lahore	2014-16	19256	Procurement of dense medium separation vessel made by ignoring international bidding process , bid evaluation criteria and response time etc	3,360,161
49	University of the Punjab, Lahore	2014-16	19225	Construction work executed without obtaining performance security	3,335,442
50	University of the Punjab, Lahore	2014-16	19219	Procurement of double roll crusher made by ignoring international bidding process , bid evaluation criteria and response time etc	3,182,886
51	University of the Punjab, Lahore	2014-16	19200	Procurement of arms, magazines and bandoliers made without advertisement on the website	3,080,000
52	University of Sargodha	2016-17	21409	Hiring of courier services made without advertisement on the website	2,968,650
53	GC University Lahore	2015-16	18779	Hiring of printing work made by ignoring lowest bidder and informing bidders	2,861,914

Sr. No.	Name of formation	Period of audit	PDP No.	Brief description of irregularity	Amount (Rs.)
				about rejection of bids	
54	Government College for Boys Kotmomin, Sargodha	2009-16	21266	Procurement of machinery, equipment and furniture items made without giving sufficient response time	2,830,176
55	Government College for Women, SaraiAlamgir, Gujrat	2006-16	19012	Procurement of furniture made without advertisement on the website	2,709,190
56	Chairman BISE Lahore	2015-16	19834	Hiring of services made without advertisement on the website	2,573,569
57	Government Degree College for Women Zafar-ul-Haq Road Rawalpindi	2005-16	18823	Procurement of IT equipment , plant and machinery items made without advertisement on the website	2,512,977
58	University of the Punjab, Lahore	2014-16	19239	Procurement of bet surface area analyzer made by ignoring international bidding process , bid evaluation criteria and response time etc	2,487,460
59	University of the Punjab, Lahore	2014-16	19257	Procurement of helium pycnometer made by ignoring international bidding process , bid evaluation criteria and response time etc	2,465,839
60	Principal Govt. Post Graduate College for	2016-17	21687	Hiring services for security measures made without	2,463,840

Sr. No.	Name of formation	Period of audit	PDP No.	Brief description of irregularity	Amount (Rs.)
	Boys Sahiwal			advertisement on the website	
61	University of the Punjab, Lahore	2014-16	19236	Procurement of hammer mill made by ignoring international bidding process , bid evaluation criteria and response time etc	2,386,891
62	University of the Punjab, Lahore	2014-16	19254	Procurement of jig washer & disc pulveriser made by ignoring international bidding process , bid evaluation criteria and response time etc	2,345,740
63	Fatima Jinnah Women University Rawalpindi	2016-17	21288	Procurement requirement of computers was not advertise in advance on the website of authority	2,316,326
64	Abdus Salam School of Mathematical Sciences Lahore	2011-16	19282	Procurements of different items made without advertisement on the website	2,198,108
65	Govt. College of Home Economics Gulberg, Lahore	2015-17	21699	Hiring services for security measures made without advertisement on the website	2,161,865
66	Principal Govt. College of Science, Multan	2014-16	22059	Procurements of different items made without advertisement on the website	2,049,150
67	University of Engineering & Technology Lahore	2014-16	20139	Award of contract for the hostel shops made without advertisement on the website	2,000,000
68	University of	2014-16	19238	Procurement of sleeve	1,984,540

Sr. No.	Name of formation	Period of audit	PDP No.	Brief description of irregularity	Amount (Rs.)
	the Punjab, Lahore			shaker with sleeves made by ignoring international bidding process , bid evaluation criteria and response time etc	
69	Principal Government College Women Baghbanpura Lahore	2014-16	18996	Hiring of services for printing work made without advertisement on the website of authority and annual procurement planning	1,927,692
70	Government ost Graduate College Boys PattokiKasur	2014-16	19842	Hiring services for private transportation made without advertisement on the website	1,692,475
71	University of the Punjab, Lahore	2014-16	19244	Procurement of Helium Pycnometer made by ignoring international bidding process , bid evaluation criteria and response time etc.	1,534,124
72	University of Sargodha	2016-17	21429	Procurements for entertainment stuff made without advertisement on the website	1,530,195
73	Govt. Degree College for Women P.D.Khan	2012-16	18820	Procurement of lab equipment etc. made without advertisement on the website	1,438,655
74	Govt. Postgraduate College for Women Cooper Road Lahore	2016-17	22034	Hiring services for security measures made without advertisement on the website	1,964,746

Sr. No.	Name of formation	Period of audit	PDP No.	Brief description of irregularity	Amount (Rs.)
75	Murray College Sialkot	2016-17	21987	Hiring services for security measures made without advertisement on the website	1,923,288
76	University of the Punjab, Lahore	2014-16	19210	Procurement of equipment made by ignoring 1st lowest bidder	1,752,000
77	Govt. Post Graduate College for Women, R.Y.Khan	2013-17	21918	Auction of canteen made without advertisement on the website	1,588,800
78	University of Sargodha	2016-17	21416	Auction of canteen and cycle stand made without advertisement on the website	1,476,000
79	Govt. Postgraduate College Satellite Town Gujranwala	2016-17	22016	Procurements made by splitting the indent to avoid tending process	786,297
80	University of the Punjab, Lahore	2014-16	19211	Procurement of cloth made by ignoring 1st lowest bidder	1,335,000
81	Principal Govt. College of Science, Multan	2014-16	22049	Hiring services for security measures made without advertisement on the website	1,296,937
82	BahuddinZakria University Multan	2015-16	21313	Hiring of services for catering purposes made without advertisement on the website	1,290,000
83	Chairman BISE Lahore	2015-16	19826	Procurement of tonners made without	1,266,817

Sr. No.	Name of formation	Period of audit	PDP No.	Brief description of irregularity	Amount (Rs.)
				advertisement on the website	
84	University of Sargodha	2016-17	21414	Auction of agriculture produce made without advertisement on the website	1,266,460
85	Govt. College of Home Economics Gulberg, Lahore	2015-17	21706	Procurement of items made by splitting the indent to avoid tendering process	1,142,785
86	Govt. Post Graduate College for Women R.Y.Khan	2013-17	21928	Hiring services for security measures made without advertisement on the website	1,064,877
87	University of Engineering & Technology Lahore	2014-16	20147	Award of contract of CNG Pump made without advertisement on the website	1,000,000
88	Govt. Post Graduate College Bhakkar	2011-16	22060	Procurement requirement for purchase of equipment was not advertise in advance on the website of authority	999,998
89	Murray College Sialkot	2016-17	22000	Procurements made without advertisement on the website	942,054
90	Fatima Jinnah University, Rawalpindi	2016-17	21284	Hiring of services for printing work made without advertisement on the website of authority and annual procurement planning	871,183
91	Govt. Postgraduate College Satellite Town	2016-17	22017	Hiring services for security measures made without advertisement on the	737,144

Sr. No.	Name of formation	Period of audit	PDP No.	Brief description of irregularity	Amount (Rs.)
	Gujranwala			website	
92	Govt. College for Women, SaraiAlamgir, Gujrat	2006-16	19007	Procurement of furniture and other items made without advertisement on the website	731,417
93	University of Education, Lahore	2016-17	22009	Execution of whitewash made without advertisement on the website	720,000
94	Islamia University of Bahawalpur	2015-16	22046	Procurement of fodder made without advertisement on the website	712,182
95	Govt. Postgraduate College Satellite Town Gujranwala	2016-17	22015	Printing work made by splitting the indent to avoid tendering process	673,955
96	Principal Govt. College of Science, Multan	2014-16	22057	Hiring of services for printing work made without advertisement on the website of authority and annual procurement planning	662,400
97	Govt. College for Boys, Model Town, Lahore	2013-16	19028	Hiring services for security measures made without advertisement on the website	629,647
98	Fatima Jinnah Women University Rawalpindi	2016-17	21304	Procurement requirement for purchase of equipment was not advertise in advance on the website of authority	625,619
99	Murray College Sialkot	2016-17	21999	Printing work made without advertisement	621,200

Sr. No.	Name of formation	Period of audit	PDP No.	Brief description of irregularity	Amount (Rs.)
				on the website	
100	Fatima Jinnah Women University Rawalpindi	2016-17	21291	Auction of food stalls made without advertisement on the website	609,000
101	Principal Govt. College of Multan	2014-16	22050	Auction of cycle stand made without advertisement on the website	585,000
102	Government Graduate College Boys Pattoki Kasur	2014-16	19783	Hiring of services for printing work made without advertisement on the website of authority and annual procurement planning	566,615
103	Punjab Higher Education Commission	2014-16	18819	Procurement of IT equipment made without advertisement on the website	535,752
104	Board of Intermediate & Secondary Education, Bahawalpur	2016-17	21968	Hiring of services made without advertisement on the website	515,556
105	University of Sargodha	2016-17	21448	Procurement of chemicals made without advertisement on the website	492,463
106	Govt. Postgraduate College for Women Cooper Road Lahore	2016-17	22037	Procurement of store items made by splitting the indents to avoid tendering process	462,653
107	Govt. Kulliyatul Banat Degree College Lahore	2016-17	21670	Hiring services for security measures made without advertisement on the website	442,537

Sr. No.	Name of formation	Period of audit	PDP No.	Brief description of irregularity	Amount (Rs.)
108	Govt. Post Graduate College for Women R.Y.Khan	2013-17	21919	Procurement of CCTV Cameras made without advertisement on the website	433,977
109	Chairman BISE Lahore	2015-16	19827	Procurements for entertainment stuff made without advertisement on the website	403,000
110	Govt. College for Boys, Gulberg Lahore	2015-17	21337	Hiring services for security measures made without advertisement on the website	393,380
111	Govt. Post Graduate College for Boys Sahiwal	2016-17	21691	Auction of canteen and shops made without advertisement on the website	380,000
112	Govt. Millat Degree College, Ghulam Muhammad Abad, Faisalabad	2016-17	21639	Hiring services for security measures made without advertisement on the website	372,600
113	Fatima Jinnah Women University Rawalpindi	2016-17	21279	Execution of construction work without tender	308,748
114	Principal Govt. College of Science, Multan	2014-16	22058	Construction work was made by splitting the indent to avoid tendering process	264,012
115	University of Sargodha	2016-17	21437	Auction of canteen made without advertisement on the website	238,865

Sr. No.	Name of formation	Period of audit	PDP No.	Brief description of irregularity	Amount (Rs.)
116	Government Post Graduate College Boys PattokiKasur	2014-16	19787	Hiring services for security measures made without advertisement on the website	237,000
117	Govt. College of Home Economics Gulberg, Lahore	2015-17	21702	Printing work made without advertisement on the website	210,600
118	Fatima Jinnah Women University Rawalpindi	216-17	21297	Procurement requirement for purchase of ACs was not advertise in advance on the website of authority	191,400
119	Fatima Jinnah Women University Rawalpindi	2016-17	21280	Procurement was made by splitting of indent to avoid tendering process	158,000
120	Fatima Jinnah Women University Rawalpindi	2016-17	21292	Hiring of mailing services was not made without advertisement on the website	155,385
121	University of Sargodha	2016-17	21431	Procurement was made by splitting of indent to avoid tendering process	127,702
122	Govt. College of Commerce Gujranwala	2012-16	21645	Printing work made without advertisement on the website	110,000
123	Govt. Islamia College for Boys Railway Road Lahore	2015-16	21653	Hiring services for security measures made without advertisement on the website	0
Total					1,572,752,321

Annexure-20 (Audit Para No.12.4.14)

Sr. No.	Name of formation	Period of audit	PDP No.	Brief description of Irregularity	Amount (Rs.)
1.	GCW, Model Town, Lahore	2015-16	19039	Without approval from College Council.	24,880,072
2.	GPGC for Boys, Sahiwal	2016-17	21684	Without approval from College Council.	20,623,439
3.	Govt. MZA Khan Degree College, Gujranwala	2011-16	21716	College Council was not constituted.	9,283,064
4.	GCW SaraiAlamgir, Gujrat	2006-16	19014	College Council was not constituted.	8,500,083
5.	GPG Islamia College Gujranwala	2016-16	21269	College Council was not constituted.	8,427,573
6.	GDC (W) Chunian	2005-16	19817	College Council was not constituted.	8,273,279
7.	GCB, Gulberg, Lahore	2015-17	21334	Without approval from College Council.	6,409,029
8.	Murry College, Sialkot	2016-17	21,980	College Council was not constituted.	6,288,444
9.	GDC for Boys, Chunian	2011-16	21709	College Council was not constituted.	5,160,178
10.	Murray College, Sialkot	2016-17	21982	Expenditure incurred out of development Funds without approval of College Council.	2,297,094
11.	GPGC S. Town, Gujranwala	2014-16	18781	Without approval from College Council.	2,220,192

Sr. No.	Name of formation	Period of audit	PDP No.	Brief description of Irregularity	Amount (Rs.)
12.	GMD College, 41JB, Faisalabad	2012-16	19795	Without approval from College Council.	653,728
13.	GCB, KotMomin, Sargodha	2009-16	21261	Without approval from College Council.	648,920
14.	Govt. Mian Rahmat Ali Memorial Home Economics College, Gujranwala	2016-17	22010	Without approval from College Council.	558,794
15.	Government Post Graduate College for Boys, Pattoki, District Kasur	2014-16	19785	Re-appropriation of students funds without approval of college council	450,000
16.	Murray College, Sialkot	2016-17	21998	Expenditure out of Sports Fund without approval from College Council.	340,555
Total					105,014,444

Annexure-21 (Audit Para No. 12.4.15)

Sr. No.	Name of formation	Period of audit	PDP No.	Criteria	Condition	Amount (Rupees in million)
1	Government College University Faisalabad	2015-16	21909	Section 7 of the First statutes of the Government College University, Faisalabad states that the Selection Board recommends the names of suitable persons for appointment to teaching or other posts, as case may be, by following recruitment procedure.	42 Assistant Professors were recruited. The recruitment procedure to determine the merit (granting of marks for qualification, extra qualification, experience or publication etc.) were not prepared and got approved from the competent authority.	70.26
2	University of Education, Lahore	2016-17	22001	According to Para 5 of Finance Department Notification No. FD.PC.14-19/2014 dated 04.03.2015, BS-17 was granted to Superintendents carrying BS-16 + Special Pay/Rs.100. Further, according to Finance Department letter No. FD.PC.14-19/2014 dated 19.05.2015, only those incumbents were beneficiaries of Para 5 of above notification who were in BS-16 and were in receipt of Rs.100 as Special Pay. Moreover, according to Finance Department letter No. FD.PC.39-14/77 (Pt.IV) (APCA/2008) (Provl) dated 04.01.2016, there	The posts of Admin Officer and Accounts Assistant were upgraded from BPS-16 to 17 and BPS-14 to 16 respectively were upgraded without observing the conditions laid down in Finance Department Notification dated 04.03.2015 and letter dated 04.01.2016. Moreover, the post of Accounts Assistant was of BS-16 available in the approved budget but the incumbents were not upgraded and were in receipt of pay & allowances of BS-14 for which no provision was available in the approved budget.	18.01

Sr. No.	Name of formation	Period of audit	PDP No.	Criteria	Condition	Amount (Rupees in million)
				was no provision of up-gradation of the post of Administrative Officer while the post of Accounts Assistant/Head Clerk was upgraded from BS-14 to BS-16.		
3	Islamia University, Bahawalpur	2015-16	19856	As per schedule of the Statute of the Islamia University Bahawalpur, the prescribed qualification for appointment of Medical Officer was M.B.B.S from a recognized University with three years practical experience.	<ul style="list-style-type: none"> • A doctor was appointed as part time Medical Officer on 18.8.2000. • Afterwards, he was appointed on contract basis for the period of two years on 08.08.2001 without advertisement of the post in newspaper. • After that, he was appointed as Senior Medical Officer (BS-17) on regular basis on the recommendation of Selection Board on 26.06.2007 and he was awarded higher side of the scale without recording any cogent reasons. • The post of SMO (BS-18) was advertised in newspapers on 11.08.2009 with last date for submission of application 17.08.2009. In response, only one 	1.86

Sr. No.	Name of formation	Period of audit	PDP No.	Criteria	Condition	Amount (Rupees in million)
					candidate namely the one described above applied and selected by the Selection Board in its meeting dated 27-31 August 2009 at higher initial pay of Rs.31,510 in BS-18(12910-930-31510) by allowing him 20 advance increments without recording the reasons for grant of maximum of the scale.	
4	University of Sargodha	2014-16	21365	As per Section 6(5) of UOS Ordinance 2002, in selecting candidates for the posts of Professors and Associate Professors, the Selection Board shall co-opt or consult three experts in the subject concerned and in selecting candidates for other teaching posts, two experts in the subject concerned, to be nominated by the Vice-Chancellor from a standing list of experts for each subject approved by the Syndicate on the recommendation of the Selection Board and revised from time to time.	<ul style="list-style-type: none"> • A Research Officer in BS-17 (borrowed from BISE Gujranwala) was appointed on deputation basis as Assistant Professor Education BS-17. • He was selected and appointed as Director Academics in BS-19 on 20.01.2006 without the presence of the criteria of the post. • He was promoted to BS-20 by upgradation of the post of Director Academics and the incumbent on dated 19.11.2007. • Thereafter, his name was included in the panel forwarded to government for the appointment of 	1.76

Sr. No.	Name of formation	Period of audit	PDP No.	Criteria	Condition	Amount (Rupees in million)
					Controller of Examination BS-20 by showing and it included his name wherein his basic scale was shown as BS-20 (by upgradation) and as a result he succeeded in getting appointment orders as Controller of Examination on 30.06.08.	
5	BZU, Multan	2014-16	21324	According to eligibility conditions for appointment of faculty members clause 1 chapter-1 of Part-IV University Employees Statutes, there was no clause which permits appointment of a retired person as professor on contract basis.	A professor was appointed in the department of Physics on contract basis for a period of six months on 1.04.2016. As per record, the date of birth of said professor was 27.02.1951 and on 01.04.2016 he was over 65 years and did not meet the eligibility criteria i.e. upto 65 years. His appointment was further extended for one year upto 30.09.2017.	1.20
6	Islamia University, Bahawalpur	2015-16	19857	As per Section 43(a)(2) of the Islamia University Bahawalpur Act 1975, the Chancellor may fill any post in the University by appointing a person in the service of Government, or an officer, teacher or other employee of any other University or educational or research institution	A Deputy Director (BS-18) of PirMehar Ali Shah, Arid Agriculture University, Rawalpindi was appointed on deputation to Islamia University Bahawalpur against the post of Joint Director (CIDS) in BS-19. The deputation, absorption and appointment was held unlawful, illegal and unjustified on the following shortcomings:	0

Sr. No.	Name of formation	Period of audit	PDP No.	Criteria	Condition	Amount (Rupees in million)
				set up or established by Government or a University in the province of the Punjab.	<ul style="list-style-type: none"> <li data-bbox="829 266 1068 768">• According to section-43(a) of IUB Act 1975, the Chancellor was the competent authority to determine the period and terms and conditions of deputation but in the instant case, the period and terms and conditions were approved by the Vice Chancellor/Syndicate for which they were not competent. <li data-bbox="829 768 1068 1161">• Advance increments were given twice on same qualification i.e. first time for acquiring of first division from Matric to M.Sc. Agriculture and second time by declaring M.Sc. equal to M. Phil general, that too without asking for equivalence from HEC. <li data-bbox="829 1161 1068 1412">• Borrowing agency was not competent to award premature increments to the officers on deputation without acquiring further higher qualification. <li data-bbox="829 1412 1068 1431">• Vice 	

Sr. No.	Name of formation	Period of audit	PDP No.	Criteria	Condition	Amount (Rupees in million)
					<p>Chancellor/Syndicate has no such powers to absorb the officer on deputation without prior approval of the Chancellor.</p> <ul style="list-style-type: none"> According to the criteria for the post of Associate Professor of Agriculture, Ph.D in relevant field with 10 years teaching/research experience in HEC recognized university but the officer did not meet the criteria because he was working as Deputy Director in Arid University <p>Although, the post of Associate Professor was advertised to call applications but finally above mentioned officer was selected by the selection Board.</p>	
7	Islamia University, Bahawalpur	2015-16	19847	As per Section 14 of IUB Act 1975, the Registrar shall be a whole-time officer of the University and shall be appointed by the Syndicate on such terms and conditions as may be determined by it. Moreover, as per Section 18 of IUB Act 1975, Controller of Examinations	The post of the Registrar was vacant and the additional charge of the post was irregularly assigned to an Assistant Professor of Geography. Similarly, it was noticed that since the post of the Controller of Examination was vacant, the additional charge was irregularly assigned to the Chief	0

Sr. No.	Name of formation	Period of audit	PDP No.	Criteria	Condition	Amount (Rupees in million)
				shall be a whole-time officer of the University and shall be appointed by the Syndicate on such terms and conditions as may be determined by it.	Warden instead of regular appointments. It was further observed that in addition to the regular pay & allowances, the University was also paying them extra charges in lieu of remuneration equal to one month gross pay and other benefits.	
8	Fatima Jinnah Women University, Rawalpindi	2016-17	21300	As per Sr. No.5 of application form of the Fatima Jinnah Women University, Rawalpindi for appointment of administrative posts, "without NOC of the present employer, the application will be treated as incomplete". Further, as per Sr. No. 2 of the advertisement floated in newspaper daily "Jang", candidates working in government /semi government /autonomous organizations must apply through proper channel. Moreover, as per Sr. No. 4 ibid, incomplete application, or applications received after due date will not be entertained.	An officer was appointed as Treasurer BPS-20 on contract basis. Since officer was working as Director at NTC, Islamabad and was on Leave Preparatory to Retirement (LPR) at National Telecommunication Corporation (NTC), Government of Pakistan, Islamabad w.e.f. 14.10.2016 to 14.10.2017, therefore the appointment was invalid on the ground that he had not applied through proper channel in violation of above instructions.	0
Total						93.09

Annexure-22 (Audit Para No.12.4.39)

Sr. No.	Name of formation	Period of audit	PDP No	Brief irregularity	Amount (Rs.)
1.	Government College Women University, Sialkot	2015-17	22113	Purchases of furniture items and machinery items	22,109,697
2.	BISE Bahawalpur	2015-16	21897	Misclassified expenditure	18,900,000
3.	Bahaud Din Zakriya University, Multan	2015-16	21309	Construction of building out of head repair of Buildings	17,955,057
4.	Government College for women, Kharian.	2012-16	19003	Payment to College Teaching Internees (CTIs) out of head service render	7,074,434
5.	Punjab Higher Education Commission, Lahore	2014-16	18812	Purchase of vehicle out of Transportation of goods	3,843,500
6.	BISE Sahiwal	2015-16	19054	Payment to College Teaching Internees (CTIs) out of head service render	2,626,992
7.	Government College for Boys, Gulberg Lahore	2015-17	21335	Payment to College Teaching Internees (CTIs) out of head service render	1,576,020
8.	Government Post graduate Islamia College Gujranwala	2015-16	21274	Payment to College Teaching Internees (CTIs) out of head service render	1,440,000
9.	UET, Lahore	2014-16	20144	Purchase of POL out of irrelevant Head	1,155,510
10.	Government Post graduate College for Boys Sahiwal	2016-17	21694	Expenditure out of irrelevant head	123,078
11.	Govt. Government Postgraduate College, Bhakkar	2011-16	22070	Expenditure out of irrelevant head	108,153
Total					76,912,441

Annexure-23 (Audit Para No. 12.4.41)

Sr. No	Name of Formation	Period of audit	PDP No.	Nature of appointment	Amount (Rs.)
1.	University of the Punjab, Lahore	2016-17	19241	Unlawful appointment of Assistant professors, lecturers on contract basis	104,242,237
2.	University of Sargodha	2016-17	21433	Irregular appointments on contact bases	91,759,336
3.	University of Sargodha	2016-17	21434	Irregular appointments	35,600,712
4.	Islamia University of Bahawalpur	2015-16	19845	Irregular appointments	23,423,630
5.	University of Sargodha	2016-17	21424	Irregular appointments	14,677,659
6.	University of Sargodha	2016-17	21363	Irregular appointments	7,975,000
7.	University of Sargodha	2016-17	21361	Irregular appointments	7,129,740
8.	Abdus Salam School of Mathematical Sciences, Lahore	2011-16	19281	Unlawful appointments	4,540,000
9.	Fatima Jinnah Women University, Rawalpindi	2016-17	21294	Irregular appointments of non-gazetted staff	3,426,396
10.	Fatima Jinnah Women University, Rawalpindi	2016-17	21278	Irregular appointments	3,212,744
11.	Govt. P. G. College (w) Cooper Road, Lahore	2016-17	22035	Irregular appointments	2,549,356
12.	Government Dyal Singh Lahore	2015-16	18990	Irregular appointments	2,319,783
13.	Islamia University of Bahawalpur	2015-16	19849	Irregular appointments of retired officers	2,280,000
14.	Islamia University of Bahawalpur	2015-16	22042	Irregular appointments	1,480,895
15.	Islamia University of Bahawalpur	2015-16	22045	Irregular appointments	1,446,948
16.	UET Lahore	2014-16	20143	Irregular appointments	1,317,290

Sr. No	Name of Formation	Period of audit	PDP No.	Nature of appointment	Amount (Rs.)
17.	GC University Faisalabad	2015-16	21913	Irregular appointments	1,944,930
18.	Islamia University of Bahawalpur	2015-16	19848	Irregular appointments of staff	1,898,913
19.	Govt. P. G. College S.town Gujranwala	2015-16	19266	Irregular appointments of staff	1,766,150
20.	Govt. College of Commerce, Attock	2012-16	18799	Irregular appointments of staff	1,732,961
21.	Islamia University of Bahawalpur	2015-16	19858	Irregular appointments of staff	1,614,240
22.	University of the Punjab, Lahore	2014-16	19208	Irregular appointment of Lecturer without advertisement	1570,660
23.	University of Sargodha	2016-17	21364	Irregular appointments	938,016
24.	Government Shalimar College, Lahore	2015-17	20163	Irregular appointments	908,400
25.	Govt. College for Boys Ravi Road, Lahore	206-16	18831	Irregular appointments	869,989
26.	Govt. College for Boys Gulberg, Lahore	2015-17	21338	Irregular appointments of staff	838,200
27.	Higher Education Department	2005-16	19816	Irregular appointments	816,170
28.	Fatima Jinnah Women University, Rawalpindi	2016-17	21301	Irregular appointments of coordinator	309,323
29.	Govt. Institute of Commerce Chiniot	2012-16	18786	Irregular appointments	181,800
30.	University of Sargodha	2016-17	21368	Irregular appointments	0
31.	University of Sargodha	2016-17	21362	Irregular appointments	0
32.	University of Sargodha	2016-17	21360	Irregular appointments	0
33.	University of Sargodha	2016-17	21359	Irregular appointments	0
34.	University of	2016-17	21358	Irregular appointments	0

Sr. No	Name of Formation	Period of audit	PDP No.	Nature of appointment	Amount (Rs.)
	Sargodha				
35.	Islamia University of Bahawalpur	2015-16	20168	Irregular appointments	0
36.	Islamia University of Bahawalpur	2015-16	22047	Irregular appointments	0
Total					322,771,478

Annexure-24 (Audit Para No. 12.4.48)

Sr. No.	Name of formation	Period of audit	PDP No.	Amount of PST (Rs.)	Amount of IT (Rs)	Amount of GST	Stamp Duty	Total (Rs.)
1.	Islamia University, Bahawalpur	2015-16	19861	11,633,626	1,843,518	75,353	-	13,552,497
2.	Govt. College University, Faisalabad	2015-16	21915	12,404,222	0	0	-	12,404,222
3.	University of Engineering Technology, Lahore	2014-16	20127	7,167,916	0	0	-	7,167,916
4.	Islamia University, Bahawalpur	2015-16	19859	2,086,540	956,062	949,072	-	3,991,674
5.	GC Women University, Sialkot	2015-17	22117	3,470,331	0	0	-	3,470,331
6.	Govt. College University Faisalabad	2015-16	21911	0	3,155,400	0	-	3,155,400
7.	BISE Sahiwal	2015-16	19043	2,331,200	0	0	-	2,331,200
8.	BISE Bahawalpur	2016-17	21964	0	2,177,487	0	-	2,177,487
9.	Govt. College University Faisalabad	2015-16	21914	0	2,131,717	0	-	2,131,717
10.	University of Sargodha	2016-17	21430	0	0	2,021,309	-	2,021,309
11.	BISE Bahawalpur	2016-17	21963	0	1,980,000	0	-	1,980,000
12.	Govt. Post Graduate College, Bhakkar	2011-16	22062	0	1,695,815	0	-	1,695,815
13.	University of Sargodha	2016-17	21390	0	1,284,445	0	-	1,284,445
14.	Govt. PG College, Samanabad, Faisalabad	2015-16	22178	946,117	334,224	0	-	1,280,341

Sr. No.	Name of formation	Period of audit	PDP No.	Amount of PST (Rs.)	Amount of IT (Rs)	Amount of GST	Stamp Duty	Total (Rs.)
15.	Govt. Science College Multan	2014-16	22055	330,135	435,490	439,688	-	1,205,313
16.	University of Punjab	2014-16	19204	1,114,666	0	0	0	1,114,666
17.	Govt. College of Commerce, Attock	2012-16	18795	0	0	976,752	-	976,752
18.	BISE, Sahiwal	2015-16	19042	0	874,200	0	-	874,200
19.	BISE Lahore	2015-16	19823	0	0	830,429	-	830,429
20.	Bahauddin Zakariya University, Multan	2015-16	22158	0	779,820	0	-	779,820
21.	University of Sargodha	2016-17	21421	0	667,699	0	-	667,699
22.	Lawrence College, GhoraGali, Murree	2016-17	21730	662,076	0	0	-	662,076
23.	University of Education, Lahore	2016-17	22006	0	660,249	0	-	660,249
24.	Govt. Post Graduate College (B) Pattoki	2014-16	19782	0	606,487	0	-	606,487
25.	Abdus Salam School of Mathematical Sciences, Lahore	2011-16	19285	0	549,992	0	-	549,992
26.	University of Sargodha	2016-17	21444	276,880	259,575	0	-	536,455
27.	Govt. College for Women Gawalmandi, Lahore	2014-16	21643	59,235	0	0	-	59,235
28.	Govt. College for	2014-16	19262	516,450	0	0	-	516,450

Sr. No.	Name of formation	Period of audit	PDP No.	Amount of PST (Rs.)	Amount of IT (Rs)	Amount of GST	Stamp Duty	Total (Rs.)
	Women Muzaffargarh							
29.	Govt. PG College, Samanabad, Faisalabad	2015-16	22177	134,249		0	-	134,249
30.	GC Women University, Sialkot	2015-17	22120	0	476,027	0	-	476,027
31.	University of Sargodha	2016-17	21428	474,984	0	0	-	474,984
32.	Bahauddin Zakariya University, Multan	2015-16	21320	0	434,000	0	-	434,000
33.	Govt. College of Commerce, Gujranwala	2012-16	19798	0	430,877	0	-	430,877
34.	BISE, Lahore	2015-16	19825	0	426,600	0	-	426,600
35.	BZU Multan	2015-16	21326	412,800	0	0	-	412,800
36.	Govt, College for Women, Model Town, Lahore	2016-17	22024	397,442	0	0	-	397,442
37.	Govt. College University, Lahore	2015-16	18778	57,000	0	0	-	57,000
38.	Govt PG College Satelite Town, Gujranwala	2016-17	22019	121819	154,068	91,172	-	367,059
39.	University of Punjab, Lahore	2014-16	19249	0	0	0	333,900	333,900
40.	Govt. Post Graduate Islamia College Gujranwala	2015-16	21273	0	263,209	0	-	263,209
41.	Murray	2016-17	21984	0	0	262,830	-	262,830

Sr. No.	Name of formation	Period of audit	PDP No.	Amount of PST (Rs.)	Amount of IT (Rs)	Amount of GST	Stamp Duty	Total (Rs.)
	College, Sialkot							
42.	Govt. College of Commerce, Attock	2012-16	18796	0	240,787	0	-	240,787
43.	BZU Multan	2015-16	21325	239,573	0	0	-	239,573
44.	Govt. College for Boys Kot Momin	2009-16	21263	0	223,292	0	-	223,292
45.	Murray College Sialkot	2016-17	21985	0	221,700	0	-	221,700
46.	Lawrence College Ghora Gali, Murree	2016-17	21728	0	213,898	0	-	213,898
47.	BISE, Lahore	2015-16	19824	0	89,391	0	-	89,391
48.	Govt. Post Graduate College for Women, Rahim Yar Khan	2013-17	21924	170,380	0	0	-	170,380
49.	Murray College, Sialkot	2016-17	21986	168,921	0	0	-	168,921
50.	University of the Punjab, Lahore	2014-16	19199	166,000	0	0	-	166,000
51.	Govt. College for Women, Jaranwala	2012-16	20157	0	141,838	0	-	141,838
52.	Govt. College for Women, Kharian	2012-16	19000	0	136,590	0	-	136,590
53.	GC Civil Lines, Multan	2013-17	22623	102,400	22,400	0	-	124,800
54.	Bahauddin	2015-16	22161	0	119,787	0	-	119,787

Sr. No.	Name of formation	Period of audit	PDP No.	Amount of PST (Rs.)	Amount of IT (Rs)	Amount of GST	Stamp Duty	Total (Rs.)
	Zakariya University, Multan							
55.	GC Women, Township, Lahore	2015-17	22085	116,894	0	0	-	116,894
56.	Govt. College for Women, Model Town, Lahore	2016-17	22027	0	115,158	0	-	115,158
57.	Lawrence College GhoraGalli, Murree	2016-17	21729	0	0	0	114,805	114,805
58.	Govt. College Civil Lines, Multan	2013-17	22650	0	106,080	0	-	106,080
59.	Govt. College of Science, Lahore	2015-16	20172	0	61,655	0	-	61,655
60.	Govt. College for Boys Kot Momin	2009-16	21260	0	99,056	0	-	99,056
61.	Govt. College for Boys Kot Momin	2009-16	21265	0	0	90,566	-	90,566
62.	GC (W) Township, Lahore	2015-17	22086	11441	78,860	0	-	90,301
63.	Fatima Jinnah Women University, Rawalpindi	2016-17	21299	0	0	0	38,416	38,416
Total				45,573,297	24,447,453	5,737,171	487,121	76,245,042

Annexure-25 (Audit Para No. 12.4.49)

Sr. No.	Name of formation	Period of audit	PDP No.	Particulars of dues	Amount Recoverable (Rs.)
1.	Islamia University of Bahawalpur	2015-16	19854	Outstanding temporary advances, canteen's contractor, Farm contractor	53,613,786
2.	GC University, Faisalabad	2015-16	21912	Non Recovery of canteen rent	16,833,162
3.	University of Sargodha	2016-17	21382	Sale proceeds of Khush-Aab water unit	8,431,937
4.	UET, Lahore	2014-16	20132	Non recovery of sale of POL	4,957,451
5.	Govt. PG College for Women, Samanabad, Lahore	2016-17	21675	Non Recovery of canteen rent	4,187,326
6.	University of Sargodha	2016-17	21432	Contract for water supply and co-operative stores of previous years	3,829,565
7.	Queens Marry College, Lahore	2016-17	21976	Non Recovery of canteen rent	2,527,000
8.	UET, Lahore	2014-16	20137	Rent of shops, Electricity and Sui Gas charges	2,296,425
9.	Fatima Jinnah Women University Rawalpindi	2016-17	21281	Contract for cafeteria 2012-13	1,670,489
10.	BahaudinZakariya University, Multan	2015-16	22152	Short recovery of leased money of Agriculture land	1,340,000
11.	Govt College (W), Sarai Alamgir, Gujrat	2006-16	19008	Outstanding temporary advances	46,690

Sr. No.	Name of formation	Period of audit	PDP No.	Particulars of dues	Amount Recoverable (Rs.)
12.	BahauudinZakariya University, Multan	2015-16	21327	Short recovery of leased amount of fruit orchard	490,000
13.	Govt. College for women Model Town, Lahore	2016-17	22025	Contract for lease of canteen	291,536
14.	BahauudinZakariya University, Multan	2015-16	21321	Leased amount of university canteens	250,768
15.	Murray College Sialkot	2016-17	21991	Rent of post office	180,000
16.	University of Sargodha	2016-17	21439	Contractor of laundry shop	78,771
Total					101,024,906

Annexure-26 (Audit Para No. 12.4.52)

Sr. No.	Name of Formation	Period of audit	PDP No.	Name of Work	Amount (Rs.)
1	GC University, Faisalabad	2015-16	21903	Cons: of Academic Block No.3 at new campus	10,885,022
2	University of Punjab	2014-16	19093	Extension of main library at QAC	4,502,768
3	GC University, Faisalabad	2015-16	21902	Cons: of Academic Block No.3 at new campus	3,087,063
4	University of Punjab	2014-16	19087	Extension of main library at QAC	1,885,406
5	University of Punjab	2014-16	19076	Electrical Engineering Deptt at QAC (Phase-1)	1,395,085
6	University of Punjab	2014-16	19072	Construction of cluster class rooms for Social Science Department at QAC	1,172,025
7	GC University, Faisalabad	2015-16	21950	Constn of Teacher Student Centre at New Campus	1,067,825
8	University of Sargodha	2016-17	21375	Cons: of Academic Block of Sub Campus Bhakkar	863,046
				Cons: of Academic Block of Sub Campus Mianwali	
9	GC University, Faisalabad	2015-16	21951	Constn of Social Science Block	834,679
10	University of Sargodha	2016-17	21398	Cons: of hostel at Sargodha Medical College	755,758
11	University of Punjab	2014-16	19080	Construction of Additional class rooms for Economics Department at QAC	723,923
12	University of Punjab	2014-16	19105	Construction of Zoological Museum at QAC (Phase-1)	661,536
13	University of Punjab	2014-16	19084	Electrical Engineering Deptt at QAC (Phase-1)	654,620
14	GC University, Faisalabad	2015-16	21907	Cons: of Academic Block No.3 at new campus	651,768
15	University of Punjab	2014-16	19106	Extension of main library at QAC	606,293
16	University of Punjab	2014-16	19083	Construction of cluster class rooms for Social Science Department at QAC	544,576
17	GC University, Faisalabad	2015-16	21904	Cons: of Academic Block No.3 at new campus	526,341
18	University of Punjab	2014-16	19214	Construction of Two Examination Halls at 1 st Floor of IAS at QAC (Phase-1)	524,376
19	GC University, Faisalabad	2015-16	21949	Cons: of Administration Building at new campus	510,742
20	University of Punjab	2014-16	19229	Construction of Two Examination Halls at 1 st Floor of IAS at QAC (Phase-1)	498,520
21	University of Punjab	2014-16	19107	Extension of main library at QAC	497,448
22	GC University, Faisalabad	2015-16	21901	Cons: of Academic Block No.4 at new campus	482,428
23	GC University, Faisalabad	2015-16	21906	Cons: of Academic Block No.3 &4 at new campus	445,343
24	University of Punjab	2014-16	19227	Construction of new class rooms and offices at Sports Science & Physical Education at QAC	398,898
25	University of Sargodha	2016-17	21377	Cons: of Academic Block of Sub Campus Mianwali	396,351
26	University of Sargodha	2016-17	21376	Cons: of Academic Block of Sub Campus Bhakkar	378,932
27	University of Punjab	2014-16	19079	Extension of main library at QAC	305,100

Sr. No.	Name of Formation	Period of audit	PDP No.	Name of Work	Amount (Rs.)
28	University of Punjab	2014-16	19081	Electrical Engineering Deptt at QAC (Phase-1)	295,245
29	University of Sargodha	2016-17	21399	Cons: of Academic Block of Sub Campus Mianwali	277,880
30	University of Punjab	2014-16	19078	Extension of main library at QAC	268,488
31	University of Punjab	2014-16	19082	Electrical Engineering Deptt at QAC (Phase-1)	247,280
32	University of Punjab	2014-16	19090	Construction of Additional class rooms for Economics Department at QAC	245,351
33	University of Punjab	2014-16	19074	Construction of cluster class rooms for Social Science Department at QAC	238,920
34	University of Punjab	2014-16	19091	Construction of Additional class rooms for Economics Department at QAC	238,682
35	University of Punjab	2014-16	19104	Different works	209,723
36	University of Punjab	2014-16	19094	Raising of B/Wall at backside of Gujranwala Campus	157,178
37	University of Punjab	2014-16	19085	Electrical Engineering Deptt at QAC (Phase-1)	140,600
38	University of Punjab, Lahore	2014-16	21633	Different works	135,540
39	University of Punjab	2014-16	19243	Construction of new class rooms and offices at Sports Science & Physical Education at QAC	131,699
40	University of Punjab	2014-16	19215	Construction of Zoological Museum at QAC (Phase-1)	130,200
41	University of Punjab	2014-16	19103	Construction of Zoological Museum at QAC (Phase-1)	124,985
42	University of Punjab	2014-16	19102	Construction of Employees Apartments (J-Type) Block H&J at QAC	99,736
Total					38,197,379

Annexure-27 (Audit Para No. 13.4.15)

Sr. No.	Name of formation	Period of audit	PDP No.	Nature of Record	Amount (Rs.)
1.	Superintendent of Police, Punjab Highway patrol, DG Khan	2015-16	17558	Arrear Bills	6,579,013
2.	Commandant Sihala College, Rawalpindi	2015-16	17569	Record of Printing material	0
3.	Commandant Sihala College, Rawalpindi	2015-16	17574	Contingent vouchers	31,161,079
4.	Commandant Sihala College Rawalpindi	2015-16	17575	Approved drawing & Specification cost of sign boards	248,000
5.	DIG Security Division, Lahore	2015-16	17734	Vouched Accounts	761,514
6.	Chief Traffic Officer, Rawalpindi	215-16	17834	Log Books	13,927,970
7.	District Police Officer Chiniot	2015-16	17905	Paid Vouchers	1,995,570
8.	Supdtt: Central Jail Sahiwal	2015-16	18384	Procurement related record	4,498,317
9.	SSP Motor transport wing Lahore	2014-15	18469	Auction of condemn vehicles	212,000,000
10.	SSP Motor transport wing Lahore	2014-15	18474	Contingent vouchers	24,737,097
11.	SSP Motor transport wing Lahore	2014-15	18479	Log Books	17,402,273
12.	SSP Motor transport wing Lahore	2014-15	18481	Vouchers & Allied Records	72,632,772
13.	SSP Motor transport wing Lahore	2014-15	18487	Disbursement Record	45,304,566
14.	SSP Motor transport wing Lahore	2014-15	18492	Purchases POL slips	53,488,175
15.	SSP Motor transport wing Lahore	2014-15	18494	History Sheets	26,219,088
16.	SSP Motor transport wing Lahore	2014-15	18495	Record of welfare driving school, detail of allotted vehicles etc.	0
17.	Chief Administrator, Health & Education Institutions, at Commissioner Office Lahore	2014-16	18549	Log Books	797,741
18.	Distt: Police Officer Vehari	2015-16	18629	Paid Vouchers	179,585
19.	AIG Logistic central police office, Lahore	2014-16	18704	Record of uniform	533,694,631
20.	Chief Administrator, Health & Education, Institutions, at Commissioner office, Lahore	2014-16	18913	Record of salaries, TA/DA & Contingent bills	28,616,265
21.	Additional I.G. Finance and Welfare	2015-16	19068	Log Books	2,548,807

Sr. No.	Name of formation	Period of audit	PDP No.	Nature of Record	Amount (Rs.)
22.	Sr.Suptdt: of Police Spl. Branch, (LR) Lahore	2016-17	19679	Pay & Allowances	12,883,710
23.	Suptdt: Borstal Institute and Juvenile Jail B/Pur	2015-17	19711	Record of double adjustment	0
24.	Addl IGP/DIG of police Elite Police Force Lahore	2015-17	19909	Vouched Account	908,875,295
25.	Addl IGP/DIG of police Elite Police Force Lahore	2015-17	19912	Pay & Allowances	314,795,082
26.	DPO, Okara	2016-17	20038	Bills of electricity etc.	683,798
27.	District Jail, Lahore	2015-17	20087	Pay & Allowances	3,777,245
28.	DPO, Layyah	2016-17	20857	Pay & Allowances	528,900
29.	DPO Sargodha	2016-17	20945	Pay & allowances	10,623,493
30.	Add IGP CTD Lahore	2015-17	21003	Procurement record, vouched accounts etc.	397,088,050
31.	DIG Operation	2016-17	21481	Log Books	13,030,000
32.	Central jail, Gujranwala	2015-17	19716	Consumption account	477,000
33.	DPO Khushab	2016-17	21741	Vouched Account	11,800,000
34.	DIG Police, Investigation, Lahore	2016-17	19898	Arrear of Pay & Allowances	27,661,197
35.	CTO, Lahore	2016-17	20881	Record of Collection of fee for driving issuance	25,933,500
36.	Punjab, Highway, Patrol, Sargodha	2015-16	19965	Vouchers	11,169,028
37.	CTO Lahore	2016-17	20894	Hostel residence, driving school at Manawa Centre, contract agreement Punjab Information Technology, TCS, OCS, pending court cases	0
Total					2,816,118,761

Annexure-28 (Audit Para No. 13.4.16)

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	Forensic Science Agency, Lahore	2016-17	20844	217,096,714
2	AIG Logistic, Lahore	2014-16	20635	175,530,137
3	Central Jail Gujranwala	2015-17	19718	133,338,554
4	IGP/AIG Logistic Punjab, Lahore	2014-16	18703	129,323,000
5	Addl.IG CTD, Lahore	2015-17	21005	123,374,837
6	Central Jail F/Abad	2015-16	18393	95,583,103
7	DG Child Protection & Welfare Bureau Punjab, Lahore	2015-16	17711	91,272,589
8	Central Jail Gujranwala	2015-17	19719	89,003,090
9	Police Training School, farooqabad	2015-17	20806	87,042,411
10	District Jail, Lahore	2015-16	20080	67,874,752
11	AIG Logistics, Lahore	2014-16	20630	64,409,493
12	police training collee Chung Lahore	2015-16	18936	46,309,586
13	CTO Lahore	2016-17	20874	39,425,000
14	DIG Operations, Lahore	2016-17	21478	36,039,335
15	Commandant Sihala College, Rawalpindi	2015-16	17576	25,818,601
16	Forensic Science Agency, Lahore	2016-17	20837	22,332,157
17	CPO Gujranwala	2016-17	21050	18,015,526
18	Central Jail R/Pindi	2016-17	19927	17,999,992
19	Commandant Sihala College, Rawalpindi	2015-16	17563	15,265,565
20	DPO Bahawalnagar	2016-17	20896	15,077,966
21	DPO Bahawalpur	2016-17	20013	15,077,319
22	Distt: Police Officer Rajanpur	2015-16	17929	13,869,982
23	DIG Operations, Lahore	2016-17	21477	12,598,799
24	DPO Muzafargarh	2016-17	21225	11,378,745
25	CTO Faisalabad	2016-17	20922	11,342,716
26	CTO Lahore	2016-17	20887	10,712,788
27	Central Jail F/Abad	2015-16	18394	10,509,637
28	DIG Operations, Lahore	2016-17	21471	10,144,339
29	CPO Rawalpindi	2016-17	20790	10,140,905
30	Police Training School, farooqabad	2015-17	20807	9,788,843
31	Police School of Information and Analysis Chung	2015-16	18684	9,700,000
32	Forensic Science Agency, Lahore	2016-17	20838	8,930,000
33	SP PHP Sargodha	2015-16	19964	8,698,123

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
34	DPO Bahawalpur	2016-17	19996	8,655,722
35	SSP Tele, Lahore	2015-16	17592	8,472,835
36	Borstal Institute & Juvenile Jail F/Abad	2015-16	18361	7,182,344
37	DPO Minawali	2016-17	20744	6,702,000
38	CPO Rawalpindi	2016-17	20797	6,653,716
39	CPO Rawalpindi	2016-17	20771	6,600,380
40	DPO M.B.Din	2016-17	20872	6,387,768
41	Bluch Levy D.G.Khan	2014-16	17928	6,334,755
42	SSP Telecommunication, Punjab Lahore	2015-16	17595	6,305,304
43	DPO Khushab	2016-17	21751	5,998,957
44	CPO Rawalpindi	2016-17	20796	5,865,295
45	Addl.IG CTD, Lahore	2015-17	21008	5,793,960
46	Battalion-06 Farooqabad	2015-16	18339	5,767,348
47	CTO Multan	2016-17	20909	5,654,781
48	SP PHP Sargodha	2015-16	18920	5,640,363
49	DIG Investigation, Lahore	2016-17	19876	5,578,149
50	DPO Sargodha	2016-17	20943	5,389,182
51	DIG of Police Investigation Lahore	2016-17	19877	5,332,291
52	DPO Sargodha	2016-17	20936	5,256,507
53	DPO Sargodha	2016-17	20935	5,095,120
54	CPO Gujranwala	2016-17	21039	5,077,189
55	DIG Investigation, Lahore	2016-17	21451	5,065,800
56	IG Prisons, Lahore	2015-16	18608	5,026,644
57	DPO Bahawalnagar	2016-17	20897	4,930,397
58	CTO Faisalabad	2016-17	20926	4,864,561
59	DPO Bahawalpur	2016-17	20012	4,761,760
60	DPO Khanewal	2016-17	19955	4,730,993
61	Central Jail R/Pindi	2016-17	19928	4,654,429
62	Directorate of Monitoring Home Department	2011-16	18435	4,415,580
63	CPO Rawalpindi	2016-17	20772	4,405,183
64	PC Battalion-3, Multan	2016-17	21542	4,400,792
65	District Jail, Sargodha	2014-16	17968	4,346,352
66	DPO Khanewal	2016-17	19956	4,158,000
67	CTO Lahore	2016-17	20880	4,101,300
68	CTO Lahore	2016-17	20885	4,020,000
69	D.P.O. Sialkot	2016-17	19689	4,018,069

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
70	Superintendent of Police, Punjab Highway patrol, DG Khan	2015-16	17551	3,953,880
71	DPO Minawali	2016-17	20742	3,884,903
72	CTO Lahore	2016-17	20876	3,870,876
73	SSP Tele, Lahore	2015-16	17593	3,791,630
74	DPO Khushab	2016-17	21740	3,574,309
75	CPO Gujranwala	2016-17	21048	3,549,333
76	DPO Toba taik singh	2015-16	18420	3,524,092
77	District Jail Jhelum	2014-16	17921	3,359,448
78	CPO Rawalpindi	2016-17	20792	3,345,000
79	DPO Layyah	2016-17	20848	3,323,250
80	DIG Traffic, Punjab, Lahore	2016-17	19734	3,295,938
81	DPO Sargodha	2016-17	20944	3,289,859
82	DIG Elite Lahore	2015-17	19910	3,229,116
83	CPO Rawalpindi	2016-17	20793	3,180,520
84	DPO Bahawalnagar	2016-17	20901	3,133,387
85	DPO Hafizabad	2016-17	21066	3,053,815
86	SSP MT, Lahore	2015-16	18484	2,912,720
87	CPO Gujranwala	2016-17	21042	2,821,397
88	DPO Okara	2016-17	20022	2,791,924
89	SSP Telecommunication, Punjab Lahore	2015-16	17590	2,786,350
90	CPO Gujranwala	2016-17	21037	2,779,236
91	Addl.IG CTD, Lahore	2015-17	21009	2,779,160
92	DPO Jhang	2016-17	20208	2,769,595
93	Central jail, Sahiwal	2015-16	18387	2,740,890
94	Addl.IG CTD, Lahore	2016-17	21012	2,734,737
95	DPO Hafizabad	2016-17	21067	2,719,665
96	SSP MT, Lahore	2015-16	18480	2,702,000
97	Central jail, Sahiwal	2015-16	18381	2,658,075
98	Central Jail Multan	2015-16	17893	2,629,981
99	CPO Rawalpindi	2016-17	20773	2,571,110
100	CTO Gujranwala	2016-17	20963	2,501,759
101	DIG Traffic, Punjab, Lahore	2016-17	19737	2,481,071
102	DPO Minawali	2016-17	20743	2,460,842
103	CPO Gujranwala	2016-17	21049	2,405,520
104	Superintendent of Police, Punjab Highway patrol, DG Khan	2015-16	17549	2,371,860

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
105	DPO Nankana	2016-17	20816	2,340,857
106	Police Training School, farooqabad	2015-17	20808	2,301,937
107	Superintendent of Police, Punjab Highway patrol, DG Khan	2015-16	17550	2,219,800
108	DPO Nankana	2016-17	20825	2,219,703
109	Police School of Information and Analysis Chung Lahore	2015-16	18906	2,200,000
110	Chief Traffic Officer, Rawalpindi	2015-16	17842	2,134,700
111	CTO Rawalpindi	2016-17	19943	2,092,905
112	DPO Jhang	2016-17	20199	2,004,761
113	Central Jail F/Abad	2015-16	18400	1,960,772
114	CTO Lahore	2016-17	20879	1,896,556
115	DPO Nankana	2015-16	19066	1,888,132
116	Directorate of Monitoring Home Department	2011-16	18557	1,843,926
117	SP PHP Lahore Region Lahore	2016-17	19723	1,836,686
118	DPO Pakpattan	2016-17	21533	1,820,578
119	Commandant Sihala College, Rawalpindi	2015-16	17562	1,812,667
120	Distt: Police Officer, Khanwal	2016-17	19958	1,802,480
121	DPO Chakwal	2015-16	18765	1,777,420
122	Distt: Police Officer Vehari	2015-16	18636	1,776,432
123	CPO Gujranwala	2016-17	21044	1,753,180
124	DPO Layyah	2016-17	20856	1,731,569
125	DPO Nankana Sahab	2015-16	18412	1,718,084
126	CPO Rawalpindi	2016-17	20795	1,700,000
127	DIG of Police Investigation Lahore	2016-17	19896	1,699,636
128	CTO Multan	2016-17	20914	1,698,000
129	DPO Pakpattan	2016-17	21539	1,663,188
130	DPO Muzafargarh	2016-17	21224	1,635,562
131	DPO Hafizabad	2016-17	21068	1,606,370
132	AIG Logistics, Lahore	2014-16	20632	1,550,207
133	Distt: Police Officer Rajanpur	2015-16	17939	1,532,160
134	SP/Battalion Commander, Battalion-2, R/Pindi	2015-16	18749	1,504,000
135	DIG Traffic, Punjab, Lahore	2016-17	19747	1,484,025
136	District Police Officer Chiniot	2015-16	17904	1,483,956
137	DIG Security Division, Lahore	2015-16	17735	1,445,472

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
138	SSP Telecommunication, Punjab Lahore	2015-16	17594	1,432,582
139	SP PHP Sargodha	2015-16	18923	1,420,000
140	Distt: Police Officer, Khanwal	2016-17	19959	1,397,417
141	DPO Sargodha	2016-17	20938	1,395,891
142	Police Training School, farooqabad	2015-17	20809	1,379,694
143	District Jail Jhelum	2016-17	19873	1,355,932
144	District Jail, Lahore	2015-16	20085	1,349,995
145	SP Special Branch Multan	2015-16	17913	1,314,999
146	DPO Bahawalpur	2016-17	19999	1,307,800
147	Borstal jail, Bahawalpur	2016-17	20949	1,258,537
148	District Jail, Pakpattan	2016-17	20954	1,255,740
149	District Jail Jhang	2015-16	18449	1,250,000
150	Supdtt: of Police Traffic Multan Region	2014-16	18314	1,196,702
151	DPO muzafargarh	2016-17	21219	1,160,659
152	Baloch Levy DG Khan	2014-16	17924	1,130,859
153	Superintendent of Police, Punjab Highway patrol, DG Khan	2015-16	17546	1,128,054
154	DPO Bahawalpur	2016-17	20000	1,118,302
155	Chief Traffic Officer, Rawalpindi	2015-16	17839	1,100,000
156	DPO Toba taik singh	2015-16	18422	1,095,618
157	DIG Elite Lahore	2015-17	19911	1,081,330
158	SSP MT, Lahore	2015-16	18496	1,066,638
159	CPO Rawalpindi	2016-17	20782	1,066,572
160	SSP PHP Faisalabad	2016-17	21463	1,058,647
161	DPO Minawali	2016-17	20749	1,052,172
162	CPO Gujranwala	2016-17	21043	1,033,855
163	DIG Traffic, Punjab, Lahore	2016-17	19746	1,020,479
164	Supdtt: Central Jail, Lahore	2015-16	18369	1,012,388
165	SSP PHP Faisalabad	2016-17	21457	1,000,609
166	Battalion-06 Farooqabad	2015-16	18338	999,680
167	DPO Hafizabad	2016-17	21069	992,383
168	Battalion No. 4 PC F/Abad	2015-16	18753	974,883
169	DIG Security Division, Lahore	2015-16	17738	970,262
170	SSP Telecommunication, Punjab Lahore	2015-16	17588	963,000
171	District Jail, Lahore	2015-16	20086	962,290
172	DIG Security Division, Lahore	2015-16	17736	952,658
173	SSP PHP Faisalabad	2016-17	21458	951,290

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
174	Addl.IG CTD, Lahore	2015-17	21016	947,000
175	Chief Traffic Officer, Rawalpindi	2015-16	17841	943,308
176	DPO Bahawalpur	2016-17	20001	919,980
177	Supdtt: Jail Vehari	2015-16	18530	905,761
178	CTO Lahore	2016-17	20884	865,800
179	CPO Gujranwala	2016-17	21052	862,791
180	CTO Gujranwala	2016-17	20968	852,248
181	DPO Mandibahaudin	2016-17	20867	850,000
182	DPO Nankana	2015-16	18407	839,066
183	SSP PHP Faisalabad	2016-17	21466	827,449
184	DPO Nankana Sahab	2015-16	18413	823,980
185	Chief Administrator, Health & Education Institutions at Commissioner office, Lahore	2014-16	18349	823,400
186	D.P.O. Sialkot	2016-17	19693	803,439
187	CTO Gujranwala	2016-17	20969	800,415
188	DPO Hafizabad	2016-17	21070	790,169
189	Distt: Police Officer Vehari	2015-16	18633	787,272
190	DIG Traffic, Punjab, Lahore	2016-17	19739	784,075
191	DIG Traffic, Punjab, Lahore	2016-17	19743	771,832
192	Borstal Institute & Juvenile Jail F/Abad	2015-16	18363	769,640
193	DIG Security Division, Lahore	2015-16	17720	748,450
194	Distt: Police Officer Vehari	2015-16	18635	720,818
195	DIG Security Division, Lahore	2015-16	17732	701,286
196	CPO Rawalpindi	2016-17	20788	700,339
197	SP/Battalion Commandant, Battalion No. 5, Lahore	2015-16	17828	700,043
198	DIG Security Division, Lahore	2015-16	17723	669,199
199	DPO Muzafargarh	2016-17	21226	666,900
200	DPO Chakwal	2015-16	18503	661,107
201	RPO Bahawalpur	2014-16	18589	657,844
202	DPO Khushab	2016-17	21746	652,810
203	DPO Kasur	2015-16	18604	650,000
204	Regional Police Officer, B/Pur	2014-16	18591	646,814
205	DPO Jhang	2016-17	20198	646,008
206	SSP PHP Faisalabad	2016-17	21464	635,557
207	DPO muzafargarh	2016-17	21223	635,282

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
208	SP PHP Sargodha	2015-16	18922	628,992
209	SSP PHP Faisalabad	2016-17	21465	600,180
210	DPO Layyah	2016-17	20850	593,892
211	CTO Multan	2016-17	20915	591,692
212	Police Training College Chung	2015-16	18681	590,096
213	CTO Lahore	2016-17	20878	575,148
214	SSP Spl.Branch F/Abad	2015-16	18305	570,699
215	DIG Security Division, Lahore	2015-16	17728	566,094
216	DPO Hafizabad	2016-17	21071	558,798
217	DIG Security Division, Lahore	2015-16	17731	556,044
218	DIG Security Division, Lahore	2015-16	17721	553,769
219	Superintendent of Police, Punjab Highway patrol, DG Khan	2015-16	17564	549,972
220	DPO Nankana	2016-17	20823	547,916
221	AIG Logistics, Lahore	2014-16	20633	521,223
222	Distt: Police Officer Vehari	2015-16	18630	518,706
223	DPO Nankana	2016-17	20821	509,376
224	CPO Gujranwala	2016-17	21055	507,000
225	DIG Traffic, Punjab, Lahore	2016-17	19740	503,076
226	PC Battalion-3, Multan	2016-17	21548	500,000
227	DPO Kasur	2015-16	18603	500,000
228	DPO Bahawalpur	2016-17	20009	498,560
229	SSP Telecommunication, Punjab Lahore	2015-16	17586	472,300
230	DPO Pakpattan	2016-17	21538	469,720
231	Central jail, Gujranwala	2015-17	21453	468,933
232	Borstal Institute & Juvenile Jail F/Abad	2015-16	18444	449,811
233	DPO Okara	2015-16	19978	423,540
234	Battalion No. 4 PC F/Abad	2015-16	18308	409,990
235	Supdt: Jail Vehari	2015-16	18529	408,500
236	DIG Traffic, Punjab, Lahore	2016-17	19733	408,268
237	Borstal Institute & Juvenile Jail F/Abad	2015-16	18358	400,000
238	DPO Mandibahaudin	2016-17	20871	399,996
239	Distt: Police Officer Vehari	2015-16	18624	399,672
240	DPO Khushab	2016-17	21747	396,904
241	Police Training College Chung	2015-16	18680	393,830
242	PC Farooqabad	2014-16	18525	379,706
243	PC Battalion-3, Multan	2016-17	21549	369,805

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
244	CPO Rawalpindi	2016-17	20794	368,538
245	DPO Kasur	2015-16	18303	332,992
246	IG Prisons, Lahore	2015-16	18356	326,160
247	DPO Toba taik singh	2015-16	18427	320,431
248	CPO Rawalpindi	2016-17	20770	316,355
249	Central jail, Gujranwala	2015-17	21452	314,190
250	DPO Bahawalnagar	2016-17	20902	314,145
251	DPO Khushab	2016-17	21748	300,000
252	DPO muzafargarh	2016-17	21221	299,970
253	DIG Investigation, Lahore	2016-17	19885	296,725
254	DIG Security Division, Lahore	2015-16	17726	275,024
255	CTO Rawalpindi	2015-16	17838	265,356
256	CTO Gujranwala	2016-17	20975	253,636
257	Battalion-06 Farooqabad	2015-16	18344	251,407
258	Police training collee Chung Lahore	2015-16	18940	249,688
259	DIG Security Division, Lahore	2015-16	17733	246,000
260	Sr.Supdt: of Police Commandant PC Battalion-3, Multan	2015-16	18616	245,887
261	Superintendent of Police, Punjab Highway patrol, DG Khan	2015-16	17554	242,000
262	SSP Telecommunication, Punjab Lahore	2015-16	17584	235,000
263	DPO Bahawalpur	2016-17	20015	224,190
264	DPO Jhang	2016-17	20200	200,000
265	SP RIB Bahawalpur	2013-16	17814	197,542
266	DIG of Police Investigation Lahore	2016-17	19890	197,000
267	Superintendent of Police, Punjab Highway patrol, DG Khan	2015-16	17555	161,379
268	DIG of Police Investigation Lahore	2016-17	19894	158,930
269	DPO Toba Tek singh	2015-16	19985	153,456
270	CTO Gujranwala	2016-17	20978	152,700
271	Supdt: of Police Traffic Multan Region	2014-16	18316	150,000
272	Battalion-06 Farooqabad	2015-16	18345	149,880
273	DIG of Police Investigation Lahore	2016-17	19892	149,490
274	DPO Toba Tek singh	2015-16	18423	137,339
275	Sr.Supdt: of Police Commandant PC Battalion-3, Multan	2015-16	18617	134,686
276	DPO Toba Tek singh	2015-16	19986	109,043

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
277	DPO T.T. Singh	2015-16	18419	4,433,853
278	Punjab Forensic Science Agency Lahore	2016-17	20843	4,549,000
Total				2,118,553,598

Annexure-29 (Audit Para No. 13.4.18)

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	DPO Sargodha	2016-17	20946	245,864,729
2	DPO Khanewal	2016-17	19952	187,551,125
3	CTO Rawalpindi	2016-17	19948	42,016,029
4	CPO Gujranwala	2016-17	21046	37,894,533
5	Baloch levy DG Khan	2014-16	17925	32,540,270
6	Additional IG CTD Lahore	2015-17	21028	26,082,914
7	DPO Sialkot	2016-17	19685	23,503,126
8	DPO Okara	2016-17	20036	14,735,998
9	SSP Special Branch Lahore	2016-17	19672	14,713,192
10	SP PHP Lahore	2016-17	19732	14,623,262
11	Battalion-3 multan	2016-17	21541	14,568,565
12	CTO Faisalabad	2016-17	20920	13,152,100
13	DPO Mianwali	2016-17	20756	11,896,593
14	Battalion-7 Lahore	2015-16	18327	11,128,668
15	Battalion-3 Multan	2015-16	18915	8,477,072
16	SP Traffic Multan	2014-16	18318	8,152,505
17	DPO Jhang	2016-17	20221	7,021,584
18	DPO Jehlum	2016-17	19752	6,835,767
19	CTO Multan	2016-17	20910	5,980,457
20	Additional IG PHP Lahore	2016-17	20994	2,500,479
21	CTO Gujranwala	2016-17	20967	2,128,898
22	Central jail Mianwali	2014-16	18688	941,768
23	RPO DGKhan	2014-16	18536	850,060
24	DPO Layyah	2016-17	20862	304,995
25	Borstal Jail Bahawalpur	2015-17	19704	237,579
Total				733,702,268

Annexure-30 (Audit Para No. 13.4.19)

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	Battalion No. 4 PC F/Abad	2015-16	18309	52,201,367
2	District Jail Chakwal	2012-16	18445	8,465,000
3	DIG Operations Lahore	2016-17	21479	6,946,617
4	Supdt: of Police Traffic Multan Region	2014-16	18319	6,544,236
5	Superintendent Central Jail Lahore	2015-16	18366	5,428,000
6	Sr.Supdt: of Police Commandant PC Battalion-3, Multan	2015-16	18615	4,957,273
7	Central Jail Gujranwala	2015-17	19712	4,895,762
8	Addl. IGP CTD Lahore	2015-17	21019	2,669,359
9	District Jail Lahore	2015-16	20084	2,593,722
10	Central Jail F/Abad	2015-16	18398	2,504,830
11	District Police Officer Rajanpur	2016-17	21450	2,025,000
12	District Police Officer Rajanpur	2015-16	19972	2,020,100
13	Sr.Supdt: of Police Commandant PC Battalion-3, Multan	2015-16	18614	1,940,291
14	C.P.O Gujranwala	2016-17	21051	911,396
15	Senior Supdt: of Police Motor Transport Pb. Lahore	2015-16	19140	522,552
16	D.P.O M.B.Din	2016-17	20869	505,050
17	Supdt: Borstal Institute and Juvenile Jail B/Pur	2015-17	19703	441,100
Total				105,571,655

Annexure-31 (Audit Para No. 13.4.20)

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1		2015-16	19975	53,931,719
2	Sr. Supdt: of Police Motor Transport Punjab, Lahore	2015-16	18465	26,543,613
3	SP PHP Sargodha	2015-16	18921	17,736,319
4	D.P.O. Jhelum	2016-17	19749	17,421,000
5	D.P.O Okara	2016-17	20023	14,715,042
6	D.P.O Rajanpur	2015-16	17931	9,602,849
7	Central Jail Faisalabad	2015-16	18396	8,145,940
8	District Jail Lahore	2015-16	20083	7,801,161
9	Addl. IGP CTD Lahore	2015-17	21020	7,690,586
10	SP Special Branch Multan	2015-16	17918	7,538,578
11	Sr. Supdt: of Police Motor Transport Punjab, Lahore	2015-16	18478	5,432,428
12	Commandant Sihala College, Rawalpindi	2015-16	17568	4,666,965
13	City Police Officer	2016-17	20799	3,988,948
14	SSP/Battalion Commander Guard Battalion No. 7 PC Lahore	2015-16	18326	3,823,000
15	District Police Officer Toba Tek Singh	2015-16	19984	3,000,893
16	Borstal Institute & Juvenile Jail F/Abad	2015-16	18440	2,177,043
17	Addl. IGP CTD Lahore	2015-17	21017	1,993,904
18	District Jail Lahore	2015-16	20093	1,802,400
19	Supdt: Jail Vehari	2015-16	18528	1,550,371
20	Addl. IGP PHP Lahore	2016-17	20990	771,152
Total				200,333,911

Annexure-32 (Audit Para No. 13.4.21)

Sr. No.	Name of formation	Period of audit	PDP No.	Items Purchased / Sanctioned	Amount (Rs.)
1	Superintendent Central Jail Lahore	2015-16	18928	Dietary Items	82,582,000
2	District Jail Lahore	2015-16	20081	Dietary Items	58,880,367
3	Central Jail Multan	2015-16	17889	Dietary Items	56,856,157
4	District Police Officer Chiniot	2015-16	17910	POL	30,946,381
5	District Jail Sargodha	2014-16	17813	Dietary Items	24,244,998
6	D.P.O Jhang	2016-17	20207	Repair of Building	13,493,000
7	Directorate of Monitoring Home Department	2011-16	18556	Stationery	5,273,007
8	Police Training College Chung	2015-16	18678	Repair of Vehicles	3,911,543
9	Regional Office Counter Terrorism Department (CTD) LHR	2008-16	18541	Stationery	3,765,370
10	Directorate of Monitoring	2011-16	18911	Repair and Maintenance of IT Equipment	2,676,960
11	District Police Officer Rajanpur	2015-16	17936	Stationery	2,521,931
12	S.S.P Special Branch Lahore Region Lahore	2016-17	19668	Secret Service Fund	2,500,000
13	SP/Battalion Commander, Battalion-2, R/Pindi	2015-16	18747	Dietary Items	2,339,000
14	Police Training College Chung	2015-16	18676	Training Material	2,182,369
15	SP/Battalion Commandant, Battalion No. 5, Lahore	2015-16	17822	Maintenance and Repair of Transport	2,100,000
16	District Police Officer Chiniot	2015-16	17907	Repair of Transport	2,060,923

Sr. No.	Name of formation	Period of audit	PDP No.	Items Purchased / Sanctioned	Amount (Rs.)
17	Regional Office Counter Terrorism Department CTD Lahore	2008-16	18540	Cost of Investigation	1,522,835
18	D.P.O Toba Tek Singh	2015-16	18421	Stationery	1,224,951
19	D.P.O. Kasur	2015-16	18599	Repair of Building	999,804
20	Punjab Highway Patrol Sargodha	2015-16	19968	Stationery	901,779
21	Regional Police Officer, B/Pur	2014-16	18592	Printing	542,979
22	D.P.O. Kasur	2015-16	18605	Cash Reward	500,000
23	Battalion No. 4 PC F/Abad	2015-16	18307	Stationery	466,000
24	Distt: Police Officer Vehari	2015-16	18631	Hired Buildings	462,000
25	DIG/Dy.Commandant, Battalion No. 6 PC Farooqabad SKP	2015-16	18347	Stationery	429,961
26	D.P.O. Kasur	2015-16	18602	Printing	423,540
27	SP/Battalion Commander, Battalon-2 R/Pindi	2015-16	18543	Stationery	365,734
28	District Police Officer, Toba Tek Sindh	2015-16	18917	Cost of Investigation	350,000
29	D.P.O. Kasur	2015-16	18600	Repair of Furniture	286,496
30	DIG/Dy.Commandant, Battalion No. 6 PC Farooqabad SKP	2015-16	18348	Medical Re-imburement	252,956
31	DPO Okara	2016-17	20019	Furniture	2,460,118
Total					307,523,159

Annexure-33 (Audit Para No. 13.4.22)

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	Additional IGP CTD Lahore	2015-17	21004	584,760,000
2	DIG Security Lahore	2015-16	17719	10,325,000
3	Secretary Home Department	2016-17	21092	4,000,000
4	DPO Nankana	2015-16	18708	800,000
5	RPO Bahawalpur	2014-16	18594	767,000
6	SP Investigation Bahawalpur	2013-16	17819	700,000
7	DPO M.B.Din	2016-17	20866	690,000
8	DIG Elite Lahore	2015-17	19914	477,000
9	DPO Layyah	2016-17	20852	462,500
10	SSP Special branch Faisalabad	2015-16	18306	440,000
11	DPO Sargodha	2016-17	20941	362,500
12	DIG Investigation Lahore	2016-17	19895	300,000
13	DPO Bhawalpur	2016-17	20006	300,000
14	DPO Khushab	2016-17	21754	262,500
15	DPO Mianwali	2016-17	20746	257,500
16	DPO Jhang	2016-17	20220	250,000
17	DPO Sialkot	2016-17	19702	220,000
18	DPO Bahawalnagar	2016-17	20905	200,000
Total				605,574,000

Annexure-34 (Audit Para No. 13.4.25)

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	DPO Khushab	2016-17	21743	40,184,779
2	DPO Sargodha	2016-17	20932	38,881,280
3	DIG Operations Lahore	2016-17	21484	35,536,960
4	DPO Bahawalpur	2016-17	20014	28,900,340
5	DPO Mianwali	2016-17	20741	24,348,525
6	DPO Nankana	2015-16	18707	23,665,280
7	DPO Khanewal	2016-17	19954	23,012,825
8	SP PHP Faisalabad	2016-17	21456	16,144,180
9	DPO Toba taik singh	2015-16	19141	15,805,417
10	DPO Muzafargarh	2016-17	21220	15,693,048
11	SSP PHP Lahore	2016-17	19721	15,469,758
12	DPO Rajanpur	2015-16	17934	13,561,200
13	DPO Layyah	2016-17	20847	11,405,484
14	DPO Jehlum	2016-17	19750	9,766,957
15	DPO Pakpattan	2016-17	21580	8,922,705
16	DIG Investigation Lahore	2016-17	19883	8,849,470
17	DPO Hafizabad	2016-17	21061	8,181,390
18	SP PHP Sargodha	2015-16	18925	8,039,175
19	DPO Bahawalnagar	2016-17	20907	7,068,810
20	SP Special branch Multan	2015-16	17911	6,712,000
21	SP RIB Bahawalpur	2013-16	17821	5,589,530
22	DPO Jhang	2016-17	20222	4,636,000
23	DPO Nankana	2016-17	20822	3,615,864
24	DPO Vehari	2015-16	18625	3,174,875
25	DIG Security Lahore	2015-16	17718	3,083,938
26	Additional IG CTD Lahore	2015-17	21026	2,861,440
27	DPO Chakwal	2015-16	18764	2,688,707
28	SSP MT Lahore	2015-16	18476	2,211,771
29	DIG Elite Lahore	2015-17	19915	2,179,870
30	DPO Kasur	2015-16	18595	1,873,964

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
31	SSP Special Branch Lahore	2016-17	19671	1,536,360
32	Police Training School, farooqabad	2015-17	20810	1,426,587
33	Battalion-4 Faisalabad	2015-16	18751	1,374,533
34	Additional IG PHP Lahore	2016-17	20984	1,244,212
35	PC Battalion -3 Multan	2015-16	18619	1,087,027
36	Battalion-3 Multan	2016-17	21544	1,074,399
37	DPO M.B.Din	2016-17	20864	1,072,459
38	CTO Faisalabad	2016-17	20929	787,579
39	Battalion-5 Lahore	2015-16	17817	683,577
40	Police Training Collee Chung, Lahore	2015-16	18674	651,717
41	RPO Bahawalpur	2014-16	18590	486,697
42	SSP Special Branch Faisalabad	2015-16	18304	357,082
43	Battalion-6 Farooqabad	2015-16	18346	354,600
44	CPO Rawalpindi	2016-17	20777	237,370
45	DPO Sialkot	2016-17	19701	233,267
46	DIG Traffic Lahore	2016-17	19748	151,200
47	DPO Nankana	2015-16	18414	264,160
Total				405,088,368

Annexure-35 (Audit Para No. 13.4.27)

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	AIG Logistics	2014-16	18689	46,240,000
2	Addl.IGP CTD Lahore	2015-17	21013	8,831,500
3	AIG logistics	2014-16	18702	7,706,357
4	DIG Investigation Lahore	2016-17	19891	6,068,825
5	AIG Logistics	2014-16	19980	5,320,511
6	Police Training College Chung Lahore	2015-16	18939	1,869,856
7	Chief Administrator Health & Education Institute at Commissioner Office Lahore	201416	18552	1,866,594
8	Police Training college Chung Lahore	2015-16	18677	1,586,739
9	SSP Tele Lahore	2015-16	17591	1,473,551
10	DPO Kasur	2015-16	18597	1,467,694
11	Borstal Jail Faisalabad	2015-16	18362	1,423,946
12	DPO Nankana	2015-16	18409	1,325,914
13	CTO Lahore	2016-17	20877	1,192,400
14	Directorate of Monitoring Lahore	2011-16	18912	1,072,632
15	PC Battalion-3 Multan	2016-17	21545	1,020,000
16	DPO Bahawalpur	2016-17	19998	869,211
17	DPO Hafizabad	2016-17	21072	698,500
18	SSP Special Branch Rawalpindi	2014-16	18336	485,168
19	CPO Gujranwala	2016-17	21056	428,679
20	DIG Security Lahore	2015-16	17727	400,898
21	DPO Okara	2016-17	20026	376,679
22	DPO M.B.Din	2016-17	20873	298,844
23	Battalion-3 Multan	2015-16	18914	297,999
24	Central Jail Multan	2016-17	19905	245,760
25	SP PHP Sargodha	2015-16	19969	234,000
26	DIG Elite Lahore	2015-17	19917	219,013
27	AIG Logistic Punjab Lahore	2014-16	20631	2,248,368
Total				95,269,638

Annexure-36 (Audit Para No. 13.4.31)

Sr. No.	Name of formation	Period of audit	PDP No.	Amount (Rs.)
1	DIG Investigation Lahore	2016-17	19881	38,462,100
2	CPO Rawalpindi	2016-17	20798	5,612,850
3	DPO Sialkot	2016-17	19690	3,744,000
4	DPO Muazafargarh	2016-17	21218	3,737,640
5	DPO Bahawalpur	2016-17	20016	2,562,611
6	DPO Mianwali	2016-17	20747	2,403,318
7	DPO Rajanpur	2015-16	19971	1,844,080
8	DPO Khushab	2016-17	21750	1,829,066
9	DPO Layyah	2016-17	20849	1,630,960
10	DPO Sargodha	2016-17	20939	1,474,200
11	DPO Vehari	2015-16	18623	1,375,588
12	DPO Hafizabad	2016-17	21074	1,235,500
13	DPO Chakwal	2015-16	18767	647,000
14	SP Regional Investigation Branch, B/Pur	2013-16	17816	547,879
Total				67,106,792

Annexure-37 (Audit Para No. 13.4.34)

Sr. No.	Name of formation	Period of audit	PDP No.	Type of Tax	Amount (Rs.)
1	Commandant Sihala College, Rawalpindi	2015-16	17565	Income Tax	439,802
2	SSP Telecommunication, Punjab Lahore	2015-16	17589	PST	195,337
3	DG Child Protection & Welfare Bureau Punjab, Lahore	2015-16	17666	Recovery Stamp Duty	228,017
4	DIG Security Division, Lahore	2015-16	17722	PST	203,784
5	District Jail Attock	2015-16	17846	stamp duty	62,060
6	Central jail Multan	2015-16	17894	GST	11,975,601
7	Central jail, Multan	2015-16	17897	Advance tax	187,750
8	District Police Officer Chiniot	2015-16	17903	PST	804,958
9	Balouch Levy D.G.Khan	2014-16	17927	PST	297,662
10	Distt: Police Officer Rajanpur	2015-16	17930	PST	553,698
11	District jail, Sargodha	2016-17	17967	GST	348,578
12	SP Traffic Multan	2014-16	18321	GST	182,459
13	SSP/Battalion Commander Guard Battalion No. 7 PC Lahore	2015-16	18330	PST	255,227
14	Supdtt: Central Jail, Lahore	2015-16	18365	stamp duty	1,092,546
15	Sup. Central Jail Rawalpindi	2015-16	18374	Income Tax	1,855,535
16	Supdtt: Central Jail Sahiwal	2015-16	18382	Income Tax	524,010
17	Supdtt: Central Jail Sahiwal	2015-16	18383	Income Tax	636,177
18	Suptt. Central Jail, Sahiwal	2015-16	18385	PST/GST/Stamp Duty/I.Tax	572,093
19	Central Jail F/Abad	2015-16	18402	Income Tax	1,695,604
20	Central jail Faisalabad	2015-16	18404	GST	272282
21	DPO Nankana Sahab	2015-16	18405	Income Tax	835,867

Sr. No.	Name of formation	Period of audit	PDP No.	Type of Tax	Amount (Rs.)
22	DPO Nankana Sahab	2015-16	18406	PST	1,201,273
23	Police School of Information and Analysis Chung Lahore	2015-16	18415	PST	1,557,520
24	D.P.O Toba Tek Singh	2015-16	18426	PST	177,063
25	Directorate of Monitoring Home Department	2011-16	18429	PST/ I.TAX	10,736,807
26	Borstal Institute & Juvenile Jail F/Abad	2015-16	18441	Income Tax	165,277
27	SSP Motor transport wing, Lahore	2015-16	18483	GST	462,355
28	SSP, Motor Transport Wing, Lahore	2015-16	18486	Income Tax	929,265
29	SSP Motor Transport Wing Lahore	2015-16	18488	PST	922,864
30	Chief Administrator, Health & Education Institutions, at Commissioner Office Lahore	2014-16	18547	Income Tax	338,864
31	Chief Administrator Health & Education Institute at Commissioner Office, Lahore	2014-16	18553	GST	450,753
32	D.P.O. Kasur	2015-16	18598	Income Tax	173,088
33	I.G. Prisons Lahore	2015-16	18609	stamp duty	2,126,150
34	Distt: Police Officer Vehari	2015-16	18622	PST	383,383
35	Police Training College Chung	2015-16	18675	Income Tax	732,466
36	Central Jail Mianwali	2014-16	18687	Income Tax	79,688
37	IGP/AIG Logistic Punjab, Lahore	2014-16	18705	PST	1,499,337
38	IGP/AIG Logistic Punjab, Lahore	2014-16	18714	Income Tax	3,342,964
39	IGP/AIG Logistic Punjab, Lahore	2014-16	18715	stamp duty	12,512,882

Sr. No.	Name of formation	Period of audit	PDP No.	Type of Tax	Amount (Rs.)
40	DPO Chakwal	2015-16	18773	PST	145,615
41	Superintendent Central Jail Lahore	2015-16	18929	Income Tax	4,117,591
42	Police Training College Chung	2015-16	18941	stamp duty	183,734
43	R.P.O., D.G.Khan	2014-16	19139	PST	119,040
44	D.P.O. Sialkot	2016-17	19695	PST	599,040
45	Central Jail G/Wala	2015-17	19713	stamp duty	333,434
46	SP-PHP Lahore region Lahore	2016-17	19728	PST	95,556
47	DPO, Jhelum	2016-17	19759	Income Tax	65,313
48	Sup.District jail Jhelum	2016-17	19866	Income Tax	92,577
49	DIG Investigation, Lahore	2016-17	19893	PST	505,440
50	New Central Jail, Multan	2016-17	19906	PST	95,000
51	Central Jail Multan	2016-17	19907	GST	159,278
52	Central Jail, Rawalpindi	2016-17	19920	Advance tax	253,333
53	Central Jail Rawalpindi	2016-17	19925	Income Tax	1,699,616
54	CTO, Rawalpindi	2016-17	19941	Income Tax	217,117
55	CTO, Rawalpindi	2016-17	19942	PST	364,865
56	High security prision, Sahiwal	2013-17	19988	PST	3,955,692
57	High Security Prison Jail, sahiwal	2013-17	19989	Stamp Duty	648,838
58	DPO Bahawalpur	2016-17	20011	PST	97,750
59	District Jail, Lahore	2015-16	20089	Income Tax	775,848
60	District Jail, Lahore	2015-16	20092	Advance tax	631,000
61	Distt. Jail, Lahore	2015-16	20095	Stamp Duty	131,136
62	DPO Jhang	2016-17	20196	PST	230,640
63	DPO, Jhang	2016-17	20205	Income Tax	682,909
64	DPO, Jhang	2016-17	20209	PST	946,016
65	Police Training College,	2015-16	20636	Income Tax	80,935

Sr. No.	Name of formation	Period of audit	PDP No.	Type of Tax	Amount (Rs.)
	Chung				
66	SSP Special Branch, Faisalabd	2015-16	20639	Income Tax	99,022
67	CPO Rawalpindi	2016-17	20769	Income Tax	150,270
68	CPO Rawalpindi	2016-17	20774	Income Tax	232,000
69	C.P.O Rawalpinid	2016-17	20781	Stamp Duty	216,852
70	CPO Rawalpindi	2016-17	20784	Income Tax	220,259
71	P.T.S Farooqabad, Sheikhpora	2015-17	20814	Stamp Duty	244,248
72	DPO, Bahawalpur	2016-17	20895	PST	2,261,694
73	DPO, Bahawalnagar	2016-17	20898	PST/I/Tax	917,477
74	CTO Faisalabad	2016-17	20931	Income Tax	297,932
75	Dist. Jail, Pakpatan	2016-17	20951	PST/GST	400,408
76	Dist. Jail, Pakpatan	2016-17	20952	Advance tax	145,000
77	Distt. Jail Pakpattan	2016-17	20958	GST	200,007
78	District jail Pakpattan	2016-17	20959	PST	112,000
79	Distt. Jail, Pakpattan	2016-17	20960	Stamp Duty	82,727
80	Addl. IGP CTD, Lahore	2015-17	21014	PST	1,704,952
81	Addl. IGP CTD, Lahore	2015-17	21015	Income Tax	586,078
82	Addl. IGP CTD, Pb., Lahore	2015-17	21021	Stamp Duty	203,097
83	Addl. IGP CTD, Lahore	2015-17	21027	Income Tax	480,222
84	CPO Gujranwala	2016-17	21034	Income Tax	1,139,700
85	CPO Gujranwala	2016-17	21035	PST	1,576,579
86	Secretary Home, Lahore	2016-17	21084	Income Tax	154,848
87	SSP PHP Faisalabad	2016-17	21462	PST	85,452
88	DIG Operations, Lahore	2016-17	21473	Income Tax	345,278
89	DIG Operations, Lahore	2016-17	21475	Income Tax/Stamp duty	4,994,272
90	DPO Pakpattan	2016-17	21535	PST	1,193,589

Sr. No.	Name of formation	Period of audit	PDP No.	Type of Tax	Amount (Rs.)
91	DPO Pakpattan	2015-16	21536	GST	246,534
92	DPO Pakpattan	2016-17	21537	Income Tax	185,168
93	PC Batalian 3, Multan	2016-17	21550	GST	226,126
94	DPO Khushab	2016-17	21749	I.Tax/PST	204,982
95	DPO Khushab	2016-17	21758	Income Tax	149,617
96	DIG Operations Lahore	2016-17	21469	I.T/ PST/ GST	1,182,349
97	DIG Operations Lahore	2016-17	21470	I.T/ PST/ GST	398,582
98	District Jail, Jhelum	2016-17	19874	I.Tax/P.T	234,726
Total					99,110,406

Annexure-38 (Audit Para No. 13.4.37)

Sr. No.	Name of Formation	Period of audit	PDP No.	Nature of Allowance	Amount (Rs.)
1	SP Battalion, 5 Lahore	2015-16	17824	FDA/Ration Allow	2,447,100
2	SP PHP DG Khan	2015-16	17660	FDA/Ration Allow	111,066
3	DPO Rajinpur	2015-16	17935	FDA/Ration Allow	242,892
4	SP Traffic Multan	2014-16	18320	FDA/Ration Allow	155,104
5	DIG/Deputy Commandant Batalian 6 PC Farooq Abad	2015-16	18337	FDA/Ration allow	1,930,490
6	DPO Kasur	2015-16	18596	FDA/Ration Allow	1,320,336
7	Commandant PC Batalion 3, Multan	2015-16	18606	FDA/Ration Allow	11,528,560
8	Punjab High Patrol, Sargodha	2015-16	18919	FDA/Ration Allow	876,796
9	SP, PHP, Lahore	2016-17	19729	FDA/Ration Allow.	74,484
10	DPO Khushab	2016-17	21757	FDA/Ration Allow/	773,028
11	DPO, Jhang	2016-17	20197	FDA/Ration Allow	922,782
12	DPO, M.B. Din	2016-17	20863	FDA/Ration Allow	321,261
13	Addl. IGP, PHP, Lahore	2016-17	20983	FDA/Ration Allow	527,304
14	DPO, Bahwalnagar	2016-17	20903	FDA/Ration Allow	227,119
15	CTO, Faisalabad	2016-17	20930	FDA/Ration Allow	774,615
16	DPO, Muzaffargarh	2016-17	21214	FDA/Ration Allow	2,636,938
17	DPO, Bahwalpur	2016-17	20010	FDA/Ration Allow	848,704
Total					25,718,579

Annexure-39 (Audit Para No. 13.4.38)

Sr. No.	Name of formation	Period of audit	PDP No.	Nature of Allowances	Amount (Rs.)
1.	SP PHP DG Khan	2015-16	17560	Allowance paid during Suspension	119,706
2.	DIG Security Division Lahore	2015-16	17725	Fixed DA during suspension	356,040
3.	SP Battalian, 5 Lahore	2015-16	17825	Fixed DA/CA/Risk Allow during leave/suspension	887,521
4.	Superintendent Special Branch Multan	2015-16	17915	Fixed DA/CA/Risk Allow during leave/suspension	194,327
5.	DPO Rajinpur	2015-16	17933	RA/DA	343,528
6.	Battalion PC 4, Faisalabad	2015-16	18310	FDA/Risk Allowance	89,905
7.	SP Traffic Multan	2014-16	18315	FDA/Risk allow	320,337
8.	DPO TT Singh	2015-16	18424	DA/CA	220,227
9.	SSP Motor Transport Wing Lahore	2015-16	18497	Risk allow/CA	921,188
10.	SP Traffic Region Sahiwal	2015-16	18538	FDA/Risk/CA	244,073
11.	SP Battalion 2 PC Rawalpindi	2015-16	18542	Fixed DA/Risk Allow	379,260
12.	DPO Vehari	2015-16	18626	FDA/Risk allow	913,578
13.	SP PHP , Lahore Region	2016-17	19725	FDA/Conveyance	990,245
14.	DPO Chakwal	2015-16	18771	FDA/Risk Allow	183,124
15.	DIG, Police Investigation, Lahore	2016-17	19879	Risk/Conveyance Allowance	401,540
16.	DPO, Bahawalpur	2016-17	20004	FDA/Risk Allow.	324,916
17.	DPO, Okara	2016-17	20028	FDA/Risk Allow.	1,537,392
18.	DPO, Jhang	2016-17	20217	Pay & Allowances	1,590,712
19.	DPo, Jhang	2016-17	20218	Ration/FDA	1,249,816

Sr. No.	Name of formation	Period of audit	PDP No.	Nature of Allowances	Amount (Rs.)
20.	City Police Officer, Rawalpindi	2016-17	20757	FDA/Risk Allowances	973,742
21.	DPO, Nankana Sahab	2016-17	20819	FDA/Risk Allowance	98,311
22.	DPO, Layyah	2016-17	20854	FDA/Risk Allowance	809,660
23.	CTO, Lahore	2016-17	20918	FDA	149,100
24.	DPO, Muzaffargarh	2016-17	21216	FDA/Ration Allowance	876,613
25.	DPO, Pakpattan	2016-17	21531	FDA/Risk Allow.	535,349
26.	DPO Khushab	2016-17	21755	FDA/Conveyance/ Risk Allow.	109,890
27.	DPO, Bahawalpur	2016-17	20005	FDA/Conveyance Allow.	180,925
28.	DPo, Okara	2016-17	20029	FDA/Risk allowance	864,268
29.	City Police Officer, Rawalpindi	2016-17	20758	FDA/Conveyance Allowance	615,021
30.	DPO Nankana Sahib	2016-17	20820	FDA/Conveyance Allowance	110,704
31.	DPO, MB Din	2016-17	20865	FDA/Conveyance Allowance	1,029,396
32.	CTO, Lahore	2016-17	20889	FDA/C.A	1,877,034
33.	CTO, Multan	2016-17	20917	FDA/Risk	1,016,904
34.	CTO, Gujranwala	2016-17	20980	FDA/Conveyance Allowance	130,693
35.	DPO Chiniot	2015-16	17902	FDA/Conveyance Allowance	362,262
36.	CTO Rawalpindi	2015-16	17836	FDA/Conveyance Allowance	51,776
37.	DIG Security Division Lahore	2015-16	17737	FDA/Conveyance Allowance	107,780
38.	SSP Telecommunication Punjab Lahore	2015-16	17585	FDA/Conveyance Allowance	765,648

Sr. No.	Name of formation	Period of audit	PDP No.	Nature of Allowances	Amount (Rs.)
39.	SP PHP DG Khan	2015-16	17559	FDA/Conveyance Allowance	962,540
40.	DPO, Chakwal	2015-16	18301	FDA/C.A	374,502
41.	Batalian 4 PC Faisalabad	215-16	18311	Fixed DA/CA	183,628
42.	DIG/Deputy Commodant Batalian 6 PC Farooq Abad	2015-16	18343	FDA/CA	136,514
43.	DPO TT Singh	2015-16	18425	FDA	151,496
44.	DPO Vehari	2015-16	18628	CA/FDA	294,875
45.	SP Batalian PC 2 Rawalpindi	2015-16	18750	FDA/CA	866,292
46.	DPO, Sialkot	2016-17	19698	FDA/Conveyance Allow.	476,271
47.	Central Jail, Gujranwal	2015-17	19720	Conveyance Allow.	132,756
48.	DIG, Police Investigation, Lahore	2016-17	19880	FDA/C.A	128,800
49.	Addl. IGP, CTD, Lahore	2016-17	21022	FDA/Conveyance Allowance	141,456
50.	CPO, Gujranwala	2016-17	21060	Conveyance Allowance	95,190
51.	DPO, Hafizabad	2016-17	21064	FDA/C.A	334,376
52.	DPO, Muzaffargarh	2016-17	21217	FDA/Ration Allowance	568,980
53.	DIG Operations, Lahore	2016-17	21485	FDA/C.A	4,450,089
54.	DPO, Pakpattan	2016-17	21532	FDA/C.A	484,116
55.	Punjab Constabulary Battalion 3, Multan	2016-17	21547	FDA/ Conveyance	592,352
56.	DPO ,Khushab	2016-17	21756	FDA/Conveyance Allow.	121,029
57.	DPO Jhelum	2016-17	19758	FDA/Conveyance	72,667

Sr. No.	Name of formation	Period of audit	PDP No.	Nature of Allowances	Amount (Rs.)
				Allow.	
58.	DPO Nakana Sahab	2015-16	19976	FDA/Risk Allowance	96,529
59.	DPO Nakana Sahab	2015-16	18410	FDA/Risk Allowance	86,580
Total					32,683,549

Annexure-40` (Audit Para No. 13.4.44)

Sr. No.	Name of Formation	Period of Audit	PDP No.	Nature of Receipt	Amount (Rs.)
1.	District Jail, Attock	2015-16	17811	Canteen Rent	660,000
2.	Central Jail Multan	2015-16	17891	Canteen Rent	3,755,033
3.	Supdtt: Central Jail R/Pindi	2015-16	18377	Canteen Rent	11,652,950
4.	Central Jail F/Abad	2015-16	18401	Canteen Rent	5,403,000
5.	District Jail Jhang	2015-16	18448	Canteen Rent	2,370,000
6.	Supdtt:Central Jail B/Pur	2015-16	18454	Canteen Rent	2,275,000
7.	Chief Traffic Officer Rawalpindi	2015-16	19065	Medical Fund, Lifter Fund and driving school fee	36,145,320
8.	Central Jail Gujranwala	2016-17	19717	Canteen Rent/ Cycle Stand Rent	14,740,000
9.	District Jail Jhelum	2016-17	19868	Canteen Rent/ Cycle Stand Rent	743,000
10.	New Central Jail, Multan	2016-17	19902	Canteen Rent	5,120,839
11.	Central Jail R/Pindi	2016-17	19930	Canteen Rent	12,666,668
12.	Chief Traffic Office, R/Pindi	2016-17	19944	Medical Fund, Lifter Fund and driving school fee	51,810,959
13.	District Jail Lahore	2015-16	20088	Canteen Rent	6,310,000
14.	Distt. Jail Pakpattan	2016-17	20950	Canteen Rent	442,669
15.	District Jail Pakpattan	2016-17	20957	Canteen Rent	17,899,173
16.	Central Jail DG Khan	2016-17	20996	Canteen Rent	4,121,000
17.	CPO Gujranwala	2016-17	21041	Rent of Shops	10,062,182
18.	Secretary Home	2016-17	21075	License Processing Fees	1,659,977,650
19.	Central Jail ,	2016-17	19931	Canteen Rent Fine	130,000

Sr. No.	Name of Formation	Period of Audit	PDP No.	Nature of Receipt	Amount (Rs.)
	Rawalpindi				
20.	Central Jail, Lahore	2015-16	18927	Recovery of Fine from Contractor of Canteen	5,840,000
21.	Central Jail, Rawalpindi	2016-17	19918	Sale Proceeds of Scrap Bread (Tukra)	388,787
22.	Suptt. Central Jail, Sahiwal	2015-16	18388	Auction money of Fodder	643,600
23.	DPO Jhelum	2016-17	19754	Monthly rent of Photo Shop	775,176
Total					1,853,933,006

Annexure-41 (Audit Para No. 13.4.45)

Sr. No.	Name of formation	Period of audit	PDP No.	Nature of Allowance	Amount (Rs.)
1.	DG Child Protection and welfare Bureau	2015-16	17664	Non Practicing Allowance	380,000
2.	DG Child Protection and welfare Bureau	2015-16	17669	Integrated Allowance	159,600
3.	Superintendent Special Branch Multan	2015-16	17914	Computer/Integrated /judicial/Utility & Washing Allowance	118,212
4.	SSP Special Branch Rawalpindi	2014-16	18332	45% HRA	366,392
5.	SSP Special Branch Rawalpindi	2014-16	18333	Medical Allow. To Ex-Army Officials	307,104
6.	Suptt. Central Jail Rawalpindi	2015-16	18375	Health Professional Allow.	748,138
7.	SSP Motor Transport Wing, Lahore	2015-16	18501	Constabulary Allow.	782,661
8.	RPO Bahawalpur	2014-16	18588	Excess claimed of Transfer Grant, Travelling Allow.	182,280
9.	DPO, Sialkot	2016-17	19696	ARA,2010,2013 & 2014	490,874
10.	DPO, Sialkot	2016-17	19700	Constabulary Allow.	235,425
11.	DPO, Jhelum	2016-17	19755	30% Social Security Benefit	595,968
12.	Suptt. District Jail, Jhelum	2016-17	19863	Health Sector Reform Allowance	286,800
13.	DIG, Police Investigation, Lahore	2016-17	19878	Double Drawal of Allowances	133,956
14.	DIG, Police Investigation, Lahore	2016-17	19886	Outstanding dues	461200

Sr. No.	Name of formation	Period of audit	PDP No.	Nature of Allowance	Amount (Rs.)
15.	Addl. IGP/DIG of Police Elite Police Force, Lahore	2015-17	19916	Recovery of Pay	166,156
16.	Central Jail, Rawalpindi	2016-17	19923	Adhoc Relief Allow 7.5%, Dress/Uniform Allowance	120,207
17.	DPO, Bahawalpur	2016-17	20002	Double Drawal of Allowances (Ration Allow.)	92,145
18.	DPO, Okara	2016-17	20030	Allowances drawn during Absent period	222,557
19.	District Jail, Lahore	2015-16	20090	Health Professional Allowance	445,588
20.	DPO, Jhang	2016-17	20204	Recovery of Pay & Allow.	212,276
21.	DPO, JHANG	2016-17	20214	Pay Fixation	643,416
22.	DPO, Jhang	2016-17	20213	Wrong Fixation of Pay	94,820
23.	DPO, Jhang	2016-17	20216	Increment	492,360
24.	DPO, Mianwali	2016-17	20745	Double Ration Allow./ Constabulary Allow.	237,195
25.	CPO R/Pindi	2016-17	20759	Constabulary Allowance	322,706
26.	CPO R/Pindi	2016-17	20760	Integrated Allowance	133,800
27.	CPO R/Pindi	2016-17	20761	Kit Tailoring Allowance	1,176,274
28.	CPO R/Pindi	2016-17	20763	Health Allow. & 50% ARA2010	360,572
29.	CPO R/Pindi	2016-17	20785	Double Adhoc Relief Allowance	1,024,725
30.	Police Training School, Farooqabad, Sheikhpura	2015-17	20815	Constabulary, Adhoc Allowance	104,653
31.	CTO, Lahore	2016-17	20888	Risk Allowance	915,087

Sr. No.	Name of formation	Period of audit	PDP No.	Nature of Allowance	Amount (Rs.)
32.	CTO, Multan	2016-17	20916	45% HRA	396,100
33.	Addl. IGP, PHP, Lahore	2016-17	20989	Pay & Allowances	268,656
34.	C.T.O Faisalabad	2016-17	21029	ARA,2011,2012,2013,2014 &2015	2,323,222
35.	CPO, Gujranwala	2016-17	21058	Constabulary Allowance, ARA 2011,2013 & 2014	108,755
36.	DIG Operations, Lahore	2016-17	21487	Double Drawal of Allowances	1,350,876
37.	Central Jail, Mianwali	2014-16	18709	Jail Warden Allow./HRA & CA	1,156,578
38.	Chief administrator Health & Education Institution Commissioner Office, Lahore	2014-16	18550	Project Allowance	130,010
39.	Borstal Institute & Juvenile Jail, Faisalabad	2015-16	18438	Excess drawl of Pay & Allow.	174,504
40.	DPO Nankana Sahab	2015-16	18411	Recovery of Pension & Gratuity	1,034,776
41.	Central Jail, Faisalabad	2015-16	18391	Excess drawl of Pay & Allow.	434,471
42.	Iddl. IGP, PHP, Lahore	2016-17	20987	Risk/Ration allow., Road Journey Allow.	281,189
43.	Central Jail Multan	2015-16	17899	Allowances drawn during absent period	247,667
44.	DIG Security, Lahore	2015-16	17724	FDA drawn during absent period	275,773
45.	DPO Chakwal	2016-17	18300	Allowances drawn during absent period	396,728
46.	Battalion 4 PC, Faisalabad	2015-16	18313	Allowances drawn during absent period	151,335
47.	SSP/ Battalion 7 PC, Lahore	2015-16	18328	Allowances drawn during absent period	498,636
48.	Chief Traffic	2016-17	19950	Constabulary/Conve	652,544

Sr. No.	Name of formation	Period of audit	PDP No.	Nature of Allowance	Amount (Rs.)
	Officer, Rawalpindi			yance/Hill Allow.	
49.	DPO, Rajanpur	2015-16	17932	Allowances drawn during absent period	403,602
50.	SP/Battalion 2 PC, Rawalpindi	2015-16	18748	Allowances drawn during absent period	1,561,195
51.	Commandant Punjab Constabulary, HQ, Farooqabad	2014-16	18909	Allowances drawn during absent period	251,689
52.	CPO, Rawalpindi	2016-17	20764	Recovery of one month pay	410,097
53.	Addl: IGP, CTD, Lahore	2015-17	21024	Inadmissible Pay & Allowances to Corporals	106,276,760
54.	Regional CTD, Lahore	2008-16	20640	CTD Allowance	460,800
55.	Borstal Institute & Juvenile Jail, Faisalabad	2015-16	18437	Excess Drawal of Pay & Allow.	787,058
Total					132,046,168

Annexure-42 (Audit Para No.13.4.53)

Sr. No.	Name of formation	Period of audit	PDP No.	Remarks	Estimated Price (Rs.)
1.	SSP PHP DG Khan	2015-16	17547	Non auction of used mobil oil	612,200
2.	District Jail, Attock	2015-16	17809	Non Auction of Vehicles	200,000
3.	DIG Police Investigation, Lahore	2016-17	19884	Non Auction of Vehicles	1,950,000
4.	DPO Nankana Sahib	2015-16	19977	Non Auction of Vehicles	1,500,000
5.	Central Jail, Rawalpindi	2016-17	19926	Non Auction of Vehicles	200,000
6.	High Security Prison, Sahiwal	2013-17	19992	Non Auction of Stores	0
7.	DPO Bahawalpur	2016-17	20018	Non Auction of Vehicles	865,000
8.	CPO Rawalpindi	2016-17	20775	Non Auction of Vehicles	12,870,000
9.	CPO Rawalpindi	2016-17	20778	Non auction of stores empty bullets	902,090
10.	DPO Bahawalnagar	2016-17	20908	Non auction of used mobil oil	263,935
11.	CTO Gujranwala	2016-17	20977	Non auction of condemn parts	200,000
12.	Addl. IGP, PHP Lahore	2016-17	20986	Non auction of used mobil oil	115,300
13.	CPO, Gujranwala	2016-17	21040	Non Auction of Vehicles	3,400,000
14.	CPO, Gujranwala	2016-17	21057	Non auction of condemn spare parts	200,000
15.	DPO, Hafazaabad	2016-17	21065	Non Auction of Vehicles	2,000,000
16.	DIG Operation, Lahore	2016-17	21483	Non Auction of Vehicles	4,700,000
17.	DPO Khushab	2016-17	21753	Non auction of used mobil oil	205,000

Sr. No.	Name of formation	Period of audit	PDP No.	Remarks	Estimated Price (Rs.)
18.	SSP Special Branch, Rawalpindi	2014-16	18335	Non Auction of Vehicles	1,000,000
19.	Directorate of Monitoring, Home Department, Lahore	2011-16	18352	Non auction of stores and other articles	4,950,000
20.	DPO, TT Singh	2015-16	18428	Non auction of used mobil oil	450,000
21.	SSP Motor Transport Wing, Lahore	2014-15	18489	Non Auction of Vehicles	14,020,000
22.	DPO Nankana Sahab	2016-17	20818	Non Auction of Vehicles	410,000
23.	SSP Motor Transport Wing, Lahore	2014-15	18490	Non auction of stores and other articles	8,325,300
24.	SSP Motor Transport Wing, Lahore	2014-15	18498	Non auction of used mobil oil	273,000
25.	Commandant PC HQ, Farooqabad	2014-16	18526	Non auction of stores and other articles	886,700
26.	Superintendent Jail, Vehari	2015-16	18534	Non auction of wheat bhossa	169,549
27.	DPO, Vehari	2015-16	18638	Non Auction of Vehicles	700,000
28.	DPO, Vehari	2015-16	18639	Non auction of used mobil oil	454,680
29.	Police Training College, Chung	2015-16	18679	Non auction of used mobil oil	145,715
30.	AIG Logistics Central Police, Lahore	2014-16	18692	Non Auction of Used Bullets Sheds	403,906,888
31.	Battalion PC 4, Faisalabad	2015-16	18752	Non Auction of Vehicles	300,000
32.	DPO, Chakwal	2015-16	18770	Non auction of used mobil oil	193,500

Sr. No.	Name of formation	Period of audit	PDP No.	Remarks	Estimated Price (Rs.)
33.	DPO Chakwal	2015-16	18774	Non Auction of Vehicles	330,000
34.	Senior Suptt. Police Special Branch, Lahore	2016-17	19668	Non Auction of Vehicles	2,500,000
35.	DPO Sialkot	2016-17	19687	Non Auction of Vehicles	8,000,000
36.	DPO Sialkot	2016-17	19694	Non auction of stores and other articles	739,500
37.	BI & J Jail, Bahawalpur	2015-17	19707	Non Auction of Vehicles	400,000
38.	CTO, Rawalpindi	2016-17	19946	Non Auction of Used Mobil Oil	363,050
39.	DIG Police Investigation, Lahore	2016-17	19899	Non auction of canteen	0
40.	Battalion PC4, Faisalabad	2015-16	18312	Non Auction of Canteen	132,000
Total					478,833,407

Annexure-43 (Audit Para No. 13.4.85)

Sr. No.	Name of formation	Period of audit	PDP No.	Audit Remarks	Amount (Rs.)
1	SSP Special Branch (LR) Lahore	2016-17	19675	Certificate of the supervisory payroll officer based on the fact that he had examined the monthly schedule of employees salaries and is satisfied to its correctness was not available in the entity's records	321,020,804
2	AIG Logistic Lahore	2014-16	18700	Payments were made to Shaheed but disbursement record, acknowledgments of the payment, death certificates, and succession certificates not found attached with bills to authenticate the payments.	168,400,000
3	Addl. IGP CTD Punjab, Lahore	2015-17	21025	CNIC and Designation of the employees were not accurate in SAP. Further, some allowances drawn also seems to be doubtful.	144,228,591
4	DIG Investigation Lahore	2016-17	19900	In SAP, NIC Numbers of employees not mentioned accurately	119,002,205
5	CPO Rawalpindi	2016-17	20768	Leave account, LPC, certificate of non availing leave in last year and pay slips of relevant employees were not found attached with the bills.	39,999,438
6	Addl. IGP CTD Punjab, Lahore	2015-17	21011	Arrear of pay and allowances were drawn but neither the	29,313,373

Sr. No.	Name of formation	Period of audit	PDP No.	Audit Remarks	Amount (Rs.)
				claims of concerned officials i.e. pay bills nor disbursement of said amounts was shown to Audit for verification.	
7	District Jail Lahore	2015-16	20082	In SAP, NIC Numbers of employees not mentioned accurately	18,965,263
8	CPO Rawalpindi	2016-17	20801	Amount was paid to the staff on account of various adjustments of pay and allowances due to various reasons i.e. transfer, suspension, dismissal and others. But during audit it was noticed that office orders and other allied record i.e. Pay slip, LPC, Joining and Relieving reports duly attested from responsible officer of concerned officers / officials were not found attached with adjustment bills	16,998,915
9	DPO Okara	2016-17	20032	Irregular drawl of financial assistance through cash	8,100,000
10	DPO Sialkot	2016-17	19686	Leave Encashment was paid but leave account was neither observed nor found attached with the claims.	8,037,900
11	DPO Okara	2016-17	20033	Irregular drawl of transfer grant in favor of D DO rather than officer / officials	5,743,065

Sr. No.	Name of formation	Period of audit	PDP No.	Audit Remarks	Amount (Rs.)
				through cross cheque	
12	Deputy Inspector General of Police Traffic Punjab ,Lahore	2016-17	19738	Entity had no sanctioned post of Assistant Sub Inspector (ASIs) as per sanctioned strength issued by the IG of Police, Punjab office for the FY 2016-17. But the entity had drawn 05 posts irregularly	2,366,760
13	DPO Sialkot	2016-17	19691	Neither any reports (in prescribed form) for the recommendation of cash reward was initiated by the cases forwarding authority of the police station concerned nor any details of special duties performed by the police officers / officials rewarded were available on record of the department through the DIG of the Range, thus the amounts of cash reward drawn irregularly without observing police rules.	2,007,000
14	DPO Vehari	2015-16	19974	In SAP NIC Numbers of employees not mentioned accurately	1,078,680
15	CTO Lahore	20-16-17	20893	In SAP NIC Numbers of employees not mentioned accurately	991,674
16	SP PHP D.G.Khan	2015-16	17553	Unlawful drawl of transfer grants	112,698
Total					886,366,366

Annexure-44 (Audit Para No. 17.4.3)

Sr. No	Name of formation	Period of audit	PDP No	Nature of Record	Amount (Rs.)
1	Senior Civil Judge, Gujrat	2007-17	20278	Record of receipt	55,152,237
2	District & Session Judge, Multan	2014-16	19489	Court's receipts	4,242,569
3	District & Session Judge, Multan	2014-16	19490	Others	2,309,415
4	District & Session Judge, Multan	2014-16	19491	Log Books	2,483,833
5	Senior Civil Judge, Bahawalnagar	2010-16	18888	Revenue Deposits	0
6	District & Session Judge, Bahawalpur	2013-16	19340	Vouched Accounts	15,473,635
7	Senior Civil Judge, Faisalabad	2014-16	19134	Uniform	699,761
8	District & Session Judge, Bahawalnagar	2010-16	17864	Nakal Branch/ Copy fee	0
9	Senior Civil Judge, Pakpattan	2014-16	19477	Appointments	0
10	Senior Civil Judge, Pakpattan	2014-16	19478	Receipts of court	0
11	District & Session Judge, Sialkot	2015-16	18199	Appointments	0
12	Senior Civil Judge, Gujrat	2007-17	20268	Appointments	0
13	Senior Civil Judge, Gujrat	2007-17	20280	Vouched accounts	0
14	Senior Civil Judge, Gujrat	2007-17	20281	Pay & allowances	206,946
15	Registrar, Lahore High Court, Lahore	2015-16	19560	Vouched accounts	22,947,485
16	District & Session Judge, Khushab	2006-16	19461	Vouched accounts	4,092,938

Sr. No	Name of formation	Period of audit	PDP No	Nature of Record	Amount (Rs.)
17	Lahore High Court , Multan Bench	2014-16	18846	Personal files, vouched accounts, receipt	150,400
18	Senior Civil Judge Multan	2014-16	18466	TA Bills, Sheriff's petti account, revenue receipt	5,484,2255
19	District & Session Judge, Faisalabad	2014-16	19563	Pay & allowances	6,303,779
20	District & Session Judge, Multan	2014-16	19486	Vouched accounts	445,263
21	District & Session Judge, Multan	2014-16	19488	Appointments	957,324
22	Senior Civil Judge Bahawal Nagar	2010-16	17957	Registers-Form 3	331,620
23	Senior Civil Judge Sheikhpura	2012-14	17956	Paid Vouchers	566,497
24	District & Session Judge, Gujranwala	2012-16	19463	Procurement process of central purchase	74,151,400
Total					245,357,357

Annexure-45 (Audit Para No. 17.4.5)

Sr. No	Name of formation	Period of audit	PDP No	Nature of Items	Amount (Rs.)
01	Senior Civil Judge, Jhang	2013-17	20262	Motorcycles	1,607,700
02	Senior Civil Judge, Sheikhpura	2012-14	17874	IT Equipments, Machinery and Furniture	12,275,587
03	Senior Civil Judge, Sheikhpura	2012-14	17875	IT Equipments, Machinery and Furniture	8,079,923
04	Senior Civil Judge, Rawalpindi	2015-16	19446	IT Equipments	4,274,329
05	Senior Civil Judge, Rawalpindi	2015-16	19448	Air Conditioners, Water Dispensers and UPS	3,609,445
06	District & Session Judge, Multan	2014-16	19483	Computers	268,000
07	District & Session Judge, Multan	2014-16	19484	Furniture	1,516,456
08	Senior Civil Judge, Rawalpindi	2015-16	19445	Furniture & Fixture	10,385,622
09	Senior Civil Judge, Multan	2014-16	19480	Machinery & Equipment	1,358,552
10	Senior Civil Judge, Multan	2014-16	17960	IT Equipment	1,747,340
11	Senior Civil Judge, Multan	2014-16	17962	Furniture	4,554,846
12	District & Session Judge, Khushab	2006-16	19459	Generators	4,249,800
13	District & Session Judge, Khushab	2006-16	19455	Computer/Printers/Furniture	13,652,053
14	Registrar Lahore High Court, Lahore	2015-16	19555	Transport, Machinery and Equipments	41,885,275
15	Senior Civil Judge, Gujrat	2007-17	20274	Furniture	6,222,938
16	Senior Civil Judge, Jhang	2013-17	20253	Furniture	5,345,000
17	Senior Civil Judge, Jhang	2013-17	20260	Computers	1,597,109
18	District & Session Judge, Lahore	2015-17	22318	Vehicles	82,731,899
19	District & Session Judge, Lahore	2015-17	22319	Furniture –Machinery & Equipment	49,636,104
20	Senior Civil Judge, Gujrat	2007-17	20275	Furniture –Machinery & Equipment	4,425,902
Total					259,423,880

Annexure-46 (Audit Para No. 17.4.6)

Sr. No.	Name of formation	Period of audit	PDP No	Nature of irregularity	Amount (Rs.)
1	Senior Civil Judge, Gujrat	2007-17	20266	Non uploading of Bid Evaluation report on PPRA Web site	1,4617,520
2	Senior Civil Judge, Pakpattan	2014-16	19471	Tender Evaluation Criteria	3,224,169
3	Senior Civil Judge, Pakpattan	2014-16	19470	Non formulation of Evaluation criteria	9,587,315
4	Senior Civil Judge, Rawalpindi	2015-16	19449	Annual requirement and bid evaluation was not uploaded	1,049,968
5	Senior Civil Judge, Rawalpindi	2015-16	19452	Annual requirement and bid evaluation was not uploaded	298,997
6	District & Session Judge, Faisalabad	2014-16	19570	Annual requirement was not uploaded	15,107,451
7	Senior Civil Judge, Jhang	2013-17	20258	Split up the expenditure to avoid open tender-PPRA Web Site	450,995
8	Additional Registrar Lahore High Court, Rawalpindi.	2015-17	21248	Split up the expenditure to avoid open tender-PPRA Web Site	673,291
9	Senior Civil Judge , Gujrat	2007-17	21254	Split up the expenditure to avoid open tender-PPRA Web Site	3,892,405
10	District & Session Judge, Bahawalnagar	2010-16	17361	Not advertised on PPRA	1,176,804
11	Senior Civil Judge , Sheikhpura	2012-14	17873	Not advertised on PPRA	3,965,880
12	Senior Civil Judge , Sheikhpura	2012-14	17876	Not advertised on PPRA	2,020,192
13	Senior Civil Judge , Sargodha	2014-16	18187	Split up the expenditure to avoid open tender-PPRA Web Site	1,321,947
14	Senior Civil Judge , Sheikhpura	2012-14	17868	Not advertised on PPRA	662,041
15	Senior Civil Judge , Sheikhpura	2012-14	17869	Not advertised on PPRA	1,431,810
16	Lahore High Court Bahawalpur Bench	2010-16	19543	Not advertised on PPRA	442,839
17	Senior Civil Judge,	2014-16	19135	Not advertised on PPRA	441,412

Sr. No.	Name of formation	Period of audit	PDP No	Nature of irregularity	Amount (Rs.)
	Faisalabad				
18	Senior Civil Judge, Bahawalnagar	2010-16	18895	Not advertised on PPRA	3,329,476
19	Senior Civil Judge, Bahawalnagar	2010-16	18893	Not advertised on PPRA	3,520,569
20	Senior Civil Judge Narowal	2007-17	20249	Not advertised on PPRA	2,578,002
21	District & Session Judge, Faisalabad	2014-16	19566	Misc Irregularities	1,227,726
22	Senior Civil Judge, Jhang	2013-17	20264	No technical evaluation held	12,954,641
23	Senior Civil Judge, Gujrat	2007-17	20267	No technical evaluation held	1,635,000
24	District & Session Judge, Faisalabad	2014-16	19568	Stock entry not found	5,176,000
25	Senior Civil Judge, Gujranwala	2010-16	18180	Specification was not available	2,925,176
26	Senior Civil Judge, Multan	2014-16	17963	Stock entry not found	1,202,110
27	District & Session Judge Sialkot	2015-16	18192	Non uploading of Bid Evaluation report on PPRA Web site	29,460,489
28	Senior Civil Judge, Sahiwal	2014-16	18189	Non uploading of Bid Evaluation report on PPRA Web site	22,096,854
Total					146,471,079

Annexure-47 (Audit Para No. 17.4.7)

Sr. No	Name of formation	Period of audit	PDP No	Nature of Purchase	Amount (Rs.)
1	Senior Civil Judge, Jhang	2013-17	20259	Purchase of Stationary	728,547
2	Senior Civil Judge, Faisalabad	2015-16	19130	Purchase of Furniture	11,400,000
3	Senior Civil Judge, Faisalabad	2015-16	19132	Purchase of Stationary	3,119,291
4	Senior Civil Judge, Gujranawala	2010-16	18179	Purchase of Stationary	2,206,114
5	District & Session Judge, Sialkot	2015-16	18193	Purchase of Stationary	1,310,997
6	Senior Civil Judge, Sialkot	2015-16	18646	Purchase of Furniture, Machinery & IT Equipment	9,465,500
7	District & Session Judge, Rawalpindi	2015-16	19442	Purchase of Stationary	800,313
8	Senior Civil Judge, Sheikhpura	2012-14	17866	Purchase of Stationary	3,910,491
9	District & Session Judge, DG Khan	2013-16	17854	Misc items	14,196,968
10	Senior Civil Judge, Sialkot	2015-16	18651	Purchase of Stationary	1,271,930
11	Senior Civil Judge, DG Khan	2013-16	19438	Misc items	10,588,405
12	Senior Civil Judge, Rawalpindi.	2015-16	19444	Purchase of Stationary	770,876
13	District & Session Judge, Gujranwala	2012-16	19465	Purchase of Furniture	49,702,264
14	Senior Civil Judge, RWP	2014-15	19133	Purchase of Uniform	1,899,990
15	Senior Civil Judge, FSD	2014-16	19131	IT Equipment	4,500,000
Total					115,871,686

Annexure-48 (Audit Para No. 17.4.27)

Sr. No.	Name of formation	Period of audit	PDP No.	Nature of Recovery	Amount (Rs.)
1	District & Session Judge, Faisalabad	2014-16	19562	Utility Charges	2,410,026
2	Additional Registrar LHC, Rawalpindi bench, Rawalpindi	2015-17	21247	Utility Charges	611,424
3	Lahore High Court Multan Bench	2014-16	18666	Rent and Utility Charges from lessee	1,080,000
4	Registrar Lahore High Court	2015-16	19544	House Rent Allowance and 5% maintenance charges	185,577
5	Addl. Registrar LHC, Rawalpindi Bench, Rawalpindi	2015-17	21251	House Rent Allowance and 5% maintenance charges	314,640
6	Addl. Registrar LHC, Rawalpindi Bench, Rawalpindi	2015-17	21249	House Rent Allowance and 5% maintenance charges	152,616
7	District & Session Judge, Rawalpindi	2015-16	19441	House Rent Allowance and 5% maintenance charges	113,349
8	Lahore High Court Multan Bench	2014-16	18667	House Rent Allowance and 5% maintenance charges	49,893
9	District & Session Judge, Khushab	2006-15	19458	Orderly Allowance	438,372
10	Senior Civil Judge, DG Khan	2013-16	19437	Integrated Allowance	489,600
11	Senior Civil Judge, Narowal	2007-17	20252	Fixed Travelling Allowance	382,810
12	Registrar Lahore High Court, Lahore	2015-16	19546	Disturbance Allowance	1,616,232
13	District & Session Judge, Sialkot	2015-16	18196	Late delivery charges	327,281
14	Senior Civil Judge, Sargodha	2014-16	18186	Late delivery charges	996,159
15	Senior Civil Judge, Sargodha	2014-16	18188	Integrated Allowance	134,400

Sr. No.	Name of formation	Period of audit	PDP No.	Nature of Recovery	Amount (Rs.)
16	Senior Civil Judge, Gujranwala	2010-16	18182	Integrated allowance	489,600
17	Senior Civil Judge, Rawalpindi	2015-16	19451	Fixed TA/DA during winter vacation	147,067
Total					9,939,046

Annexure-49 (Audit Para No. 17.4.28)

Sr. No	Name of formation	Period of audit	PDP No	Nature of Recovery	Amount (Rs.)
1	District & Session Judge, Faisalabad	2014-16	19565	Income Tax	1,417,277
2	District & Session Judge, Bahawalnagar	2010-16	17862	Sales Tax	334,538
3	Additional Registrar LHC, Rawalpindi bench, Rawalpindi	2015-17	21250	Sales Tax	76,218
4	Senior Civil Judge, Gujranwala	2010-16	18181	Sales Tax	535,019
5	Lahore High Court Bahawalpur Bench	2010-16	19539	Sales Tax	90,561
6	District & Session Judge, Gujranwala	2012-16	19467	Sales Tax	250,920
7	Lahore High Court Multan Bench	2014-16	18657	Punjab Sales Tax	1,054,528
8	District & Session Judge, Sheikhpura	2012-16	17848	Punjab Sales Tax	266,082
9	District & Session Judge, Faisalabad	2014-16	19572	Punjab Sales Tax	322,978
10	Registrar Lahore High Court	2015-16	19550	Punjab Sales Tax	2,810,638
11	Senior Civil Judge, Gujrat	2007-16	20279	Income Tax	730,518
12	District & Session Judge, Multan	2014-16	19492	Punjab Sales Tax	113,251
13	Lahore High Court Multan Bench	2014-16	18663	Punjab Sales Tax	172,978
14	Senior Civil Judge, Gujrat	2014-16	17958	Sales Tax, Income Tax	876,490
15	Registrar Lahore High Court	2015-16	19549	Income Tax	2,162,443
16	District & Session Judge, Sialkot	2015-16	18194	Income Tax	737,893
17	District & Session Judge, Rawalpindi	2015-16	19440	Income Tax	848,434
18	District & Session Judge, Sheikhpura	2012-16	17849	Income Tax	117,176
19	Senior Civil Judge, Sheikhpura	2014-16	17853	Income Tax	117,973
20	Lahore High Court Bahawalpur Bench	2010-16	19538	Income Tax	143,785
21	District & Session Judge, Faisalabad	2014-16	19573	Income Tax	179,866

Sr. No	Name of formation	Period of audit	PDP No	Nature of Recovery	Amount (Rs.)
22	District & Session Judge, Gujranwala	2012-16	19464	Income Tax	865,436
23	District & Session Judge, Bahawalnagar	2010-16	17860	Sales Tax	1,086,881
24	Senior Civil Judge, Rawalpindi	2015-16	19454	Stamp duty	47,333
25	District & Session Judge, Sheikhpura	2012-16	17847	Stamp duty	118,506
26	District & Session Judge, Lahore	2015-17	22322	Stamp duty	130,661
27	District & Session Judge, Lahore	2015-17	22321	Punjab Sales Tax	28,78,312
Total					15,686,723

Annexure-50 (Audit Para No. 20.4.3)

Sr. No.	Name of management	Stores purchased	Period of audit	PDP No.	Nature of irregularity	Amount (Rs.)
1.	D.G. (Extension) L&DD Department, Lahore	Medicines	2016-17	20597	Advance annual requirement not floated on PPRA, irregular evaluation of bids in contradiction of bidding documents etc,	778,578,485
2.	D.G. (Extension) L&DD Department, Lahore	FMD Vaccine	2016-17	20598	Advance annual requirement not floated on PPRA, irregular technical evaluation of bids in contradiction of bidding documents etc,	774,998,000
3.	D.G. (Extension) L&DD Department, Lahore	Customization of fiber canopy, seats, medicine cabinets, branding of vehicles	2016-17	20599	Advance annual requirement not floated on PPRA, procurement process initiated without prequalification process etc,	182,850,000
4.	D.G. (Extension) L&DD Department, Lahore	Purchase of Lactating Mineral Premix and Urea Molasses Block	2016-17	20600	Advance annual requirement not floated on PPRA, procurement process initiated without prequalification process etc,	130,205,300
5.	D.G. (Extension) L&DD Department, Lahore	Customization of fiber canopy, seats, medicine cabinets, branding of vehicles	2016-17	21096	Advance annual requirement not floated on PPRA, expenditure was incurred over and above PC-I provision etc,	30,311,800

Sr. No.	Name of management	Stores purchased	Period of audit	PDP No.	Nature of irregularity	Amount (Rs.)
6.	D.G. (Extension) L&DD Department, Lahore	Installation of reefer containers	2016-17	21097	Bid accepted 5.3% above than estimated cost , irregular bid validity period in violation of PP rules 32(1) etc,	11,390,650
7.	D.G. (Extension) L&DD Department, Lahore	Customization of trucks	2016-17	20601	Advance annual requirement not floated on PPRA, No estimated prices in tender form, work order was for customization of 03 trucks but expenditure was charged for 04 trucks , no inspection reports etc,	9,840,000
8.	D.G. (Extension) L&DD Department, Lahore	Purchase of condensing unit	2016-17	20602	Bid accepted 52.09% above than estimated cost , irregular bid validity period in violation of PP rules 32(1) etc	2,713,200
9.	D.G. (Extension) L&DD Department, Lahore	Hiring of transport facility	2016-17	20647	Amount was drawn at the name of DDO instead of vendor , APRs were not on record, private vehicles were hired despite availability of own vehicles etc	1,997,100
10	D.G. (Extension) L&DD	Cold room items	2016-17	20603	Bid accepted 38.89% above than estimated	1,963,500

Sr. No.	Name of management	Stores purchased	Period of audit	PDP No.	Nature of irregularity	Amount (Rs.)
	Department, Lahore				cost , irregular bid validity period in violation of PP rules 32(1) etc	
Total						1,924,848,035

Annexure-51 (Audit Para No. 20.4.6)

Sr. No.	Name of management	Stores purchased	Period of audit	PDP No.	Nature of irregularity	Amount (Rs.)
1.	Live stock Experiment Station Fazilpur, Rajapur	Anmol Wanda	2014-17	22678	Without advertisement on PPRA	8,727,360
2.	Livestock Experiment Station, Chak Katora, Bahawalpur	Fertilizer	2014-16	18222	Without advertisement on PPRA	8,242,009
3.	University of Veterinary and Animal sciences, Lahore	Store items	2016-17	20590	Splitting to avoid wide tendering	4,201,750
4.	Live stock Experiment Station, Chak Katora, Bahawalpur	Wheat Bran & Bhosa	2014-16	18015	Without advertisement on PPRA	4,157,983
5.	Livestock Farm, Jugaitpeer, Bahawalpur	Fertilizers and pesticides	2015-16	18285	Without advertisement on PPRA	3,063,851
6.	Live stock Experiment Station, Chak Katora, Bahawalpur	Medicines, chemicals and instruments	2014-16	18018	Without advertisement on PPRA	2,098,999
7.	Live stock Experiment Station, Chak Katora, Bahawalpur	Seed stores	2014-16	18019	Without advertisement on PPRA	2,064,069
8.	Livestock Experiment Station,	Procurement of different	2016-17	19435	Splitting to avoid tendering	1,179,208

Sr. No.	Name of management	Stores purchased	Period of audit	PDP No.	Nature of irregularity	Amount (Rs.)
	Bahadurnagar , Okara	items				
9.	Live stock Experiment Station, Fazilpur Rajanpur	Seeds	2016-17	22677	Without advertisement on PPRA	751,100
10.	Livestock Farm, Jugaitpeer, Bahawalpur	Transportation services	2015-16	18284	Without advertisement on PPRA	600,000
11.	Director General (Extension) Livestock & Dairy Development Department, Lahore	Stationery items	2016-17	20652	Splitting to avoid tendering	517,075
12.	Livestock Experiment Station, Qadirabad, Sahiwal	Seed	2016-17	19519	Without advertisement on PPRA	418,560
13.	Livestock Farm Jugaitpeer, Bahawalpur	Pesticide & medicine	2015-16	18286	Splitting to avoid tendering	297,913
14.	University of Veterinary and Animal Sciences, Lahore	Supply of transformer	2016-17	20593	Without inviting quotation/tender	292,775
15.	Livestock Farm Jugaitpeer, Bahawalpur	Store items	2015-16	18282	Splitting to avoid tendering	278,349

Sr. No.	Name of management	Stores purchased	Period of audit	PDP No.	Nature of irregularity	Amount (Rs.)
16.	Livestock Farm Jugaitpeer, Bahawalpur	Advertising services	2015-16	18292	Without advertisement on PPRA	150,000
Total						37,041,001

Annexure-52 (Audit Para No. 20.4.21)

Sr. No.	Name of Management	Period of audit	PDP No.	Nature of recovery	Amount (Rs.)
1	Director Veterinary Research Institute, Lahore	2016-17	19630	Recovery on account of sale proceed of vaccines	272,697,898
2	Director Veterinary Research Institute, Lahore	2016-17	19629	Recovery on account of sale proceed of vaccines	92,200,743
3	University of Veterinary and Animal Sciences, Lahore	2016-17	20580	Compensation from scholars due to non joining of University after doing Ph.D	18,891,749
4	Director Barani Livestock Production Research Institute Kherimurat, Attock	2015-16	18020	Recovery against officers/officials on the charges of corruption, inefficiency and misconduct	9,322,373
5	Supdt. Livestock Experiment Station, Bahadurnagar, Okara	2016-17	19429	Recovery on account of sale proceed of Anmol Wanda	8,292,465
6	Director Veterinary Research Institute, Lahore	2016-17	19638	Recovery of house rent allowance	4,666,122
7	University of Veterinary and Animal Sciences, Lahore	2016-17	20591	Recovery of pension contribution	5,249,459
8	University of Veterinary and Animal Sciences, Lahore	2016-17	20583	Recovery of rent	5,122,223
9	University of Veterinary and Animal Sciences, Lahore	2016-17	20584	Recovery of pay & allowances	3,858,611

Sr. No.	Name of Management	Period of audit	PDP No.	Nature of recovery	Amount (Rs.)
10	University of Veterinary and Animal Sciences, Lahore	2016-17	20586	Recovery of pay & allowances	1,788,163
11	Director Veterinary Research Institute, Lahore	2016-17	19631	Dishonored cheques	62,865
12	University of Veterinary and Animal Sciences, Lahore	2016-17	20587	Recovery of house rent allowance & conveyance allowance	1,055,936
13	University of Veterinary and Animal Sciences, Lahore	2016-17	20592	Recovery of house rent allowance & conveyance allowance	600,000
14	Director Veterinary Research Institute, Lahore	2016-17	19636	Recovery of electricity dues	87,568
Total					423,896,175

Annexure-53 (Audit Para No. 24.4.1)

Sr. No.	Name of management	Period of audit	PDP No.	Nature of Record	Amount (Rs.)
1.	Punjab Public Service Commission, Lahore	2016-17	20069	Allied record of receipts	175,583,435
2.	Deputy Commissioner, Sheikhpura	01/17 to 06/17	20097	Vouched account	24,836,000
3.	Chief Pilot VIP Flight, Lahore	2016-17	18737	Vouched account	3,858,526
4.	Deputy Commissioner, Rawalpindi	2016-17	20230	Vouched Account	16,000,000
5.	Punjab Public Service Commission, Lahore	2016-17	20063	Record of payment to LDA	12,0454,000
6.	Deputy Commissioner, Rawalpindi	2016-17	20241	Vouched Account	10,600,000
7.	Overseas Pakistanis Commission, Punjab, Lahore	2014-16	19577	Vouched account	5,651,779
8	Overseas Pakistanis Commission, Punjab, Lahore	2014-16	19576	Vouched account	5,149,701
9.	Secretary MPDD, Lahore	2014-16	18245	Record of Performance Guarantees	5,003,005
10.	Overseas Pakistanis Commission, Punjab, Lahore	2014-16	19585	Consumption account of POL	2,294,417
11.	DG Anticorruption, Punjab, Lahore	2016-17	18740	Vouched account	2,234,242
12.	Deputy Commissioner, Rawalpindi	2016-17	20245	Vouched Account	1,650,000
13.	Additional Chief Secretary (S&GAD), Lahore (I & C Wing)	2016-17	22951	Disbursement record of Secret Service Expenditure	1,000,000
14.	Overseas Pakistanis Commission, Punjab, Lahore	2014-16	19578	Detail of hardware against payment	308,850

Sr. No.	Name of management	Period of audit	PDP No.	Nature of Record	Amount (Rs.)
15.	Additional Chief Secretary (S&GAD), Lahore (Estate Office & Rent Branch)	2016-17	22966	Record regarding allotment and vacant residences	-
16.	Additional Chief Secretary (S&GAD), Lahore (Admin-I)	2016-17	22967	Detail of penalties imposed under PEEDA Act	-
17.	Additional Chief Secretary (S&GAD), Lahore (Admin-II)	2016-17	22968	Personal Files etc. (B-17 and above)	-
18.	Additional Chief Secretary (S&GAD), Lahore (Services Wing)	2016-17	22969	Personal Files etc. (B-18 and above)	-
19.	Additional Chief Secretary (S&GAD), Lahore (DS Personnel)	2016-17	22970	Record regarding shifting of Headquarter	-
20.	Punjab Public Service Commission, Lahore	2016-17	20079	Pay roll of Pay & Allowances	-
21.	Punjab Public Service Commission, Lahore	2016-17	20074	Record of adjusted/arrears	-
22.	Punjab Public Service Commission, Lahore	2016-17	20068	Record of selection process	-
Total					374,623,955

Annexure-54 (Audit Para No. 24.4.2)

Sr. No.	Name of management	Period of Audit	PDP No.	Rules Violated	Amount (Rs.)
1	Secretary, MPDD, Lahore	2014-16		Rule 4 and 9 of PPR 2014	79,398,596
2	Punjab Public Service Commission, Lahore	2016-17	20054	Rule 8, 9, 37 and 66 of PPR 2014	15,695,612
3	Punjab Public Service Commission, Lahore	2016-17	20056	Rule 8, 9, 37 and 66 of PPR 2014	9,555,772
4	Punjab Public Service Commission, Lahore	2016-17	20062	Rule 8, 9, 37 and 66 of PPR 2014	8,689,727
5	Deputy Commissioner Rawalpindi	2016-17	20237	Rule 12 (2) of PPR 2014	8,665,000
6	Punjab Public Service Commission, Lahore	2016-17	20059	Rule 8, 9, 37 and 66 of PPR 2014	8,277,243
7	Additional Chief Secretary, S & GAD, Lahore (Comptroller Banquet Hall)	2016-17	22980	Rule 10 (2), 12 (2), 15 (1) & 2 and 22 of PPR 2014	6,320,568
8	Additional Chief Secretary, S & GAD, Lahore (I & C Wing)	2016-17	22983	Rule 25 (1), (2) & 4, 31 (1) & (2), 37, 38 (a) (iv) (ii) and 64 (1) of PPR 2014	5,869,189
9	Secretary, MPDD, Lahore	2014-16	17986	Rule 12 of PPR 2014	5,474,482
10	Deputy Commissioner Rawalpindi	2016-17	20236	Rule 12 (2) of PPR 2014	4,670,494
11	Punjab Public Service Commission, Lahore	2016-17	20057	Rule 8, 9, 37 and 66 of PPR 2014	4,358,808
12	Additional Chief Secretary, S & GAD, Lahore (Services Wing)	2016-17	22985	Rule 12 (2) and 67 (1) of PPR 2014	4,214,132
13	Deputy Commissioner Rawalpindi	2016-17	20238	Rule 9 of PPR 2014	4,200,000
14	Deputy Commissioner Rawalpindi	2016-17	20229	Rule 12 (2) of PPR 2014	4,200,000
15	Additional Chief Secretary, S & GAD, Lahore (Welfare Wing)	2016-17	22990	Rule 31 (1) & (2), 37 and 38 (a) (iv) (ii) of PPR 2014	3,051,386

Sr. No.	Name of management	Period of Audit	PDP No.	Rules Violated	Amount (Rs.)
16	Punjab Services Tribunal, Lahore	2014-16	18743	Rule 10 of PPR 2014	2,014,240
17	Additional Chief Secretary, S & GAD, Lahore (Welfare Wing)	2016-17	22993	Rule 12 (2), 30 (1), 37 and 38 (a) (iv) (ii) of PPR 2014	2,476,000
18	Additional Chief Secretary, S & GAD, Lahore (Motor Transport Wing)	2016-17	22994	Rule 38 (2) (a) of PPR 2014 and Clause (x) of contract agreement	2,463,180
19	Secretary, MPDD, Lahore	2014-16	17985	Rule 9 of PPR 2014	1,859,429
20	Punjab Public Service Commission, Lahore	2016-17	20065	Rule 8 and 9 PPR 2014	1,806,000
21	DG Anticorruption Punjab, Lahore	2014-16	18297	Rule 12 of PPR 2014, Rule 15.2 (d) of PFR-I	1,776,005
22	Additional Chief Secretary, S & GAD, Lahore (Liaison Officer)	2016-17	22996	Rule 12 (1), 37, 38 and 64 of PPR 2014 and clause 10 of tender notice	1,425,621
23	Additional Chief Secretary, S & GAD, Lahore (S.O. Accounts)	2016-17	22946	Rule 4, 12 and 59 (b) of PPR 2014	1,325,171
24	Punjab Services Tribunal, Lahore	2014-16	18744	Rule 12 (1) of PPR 2014, Rule 2 (b) (i) of PDFPR 2006, Rule 15.4 of PFR-I	1,257,928
25	Additional Chief Secretary, S & GAD, Lahore (Motor Transport Wing)	2016-17	22949	Rule 31 (1), 32 (1) and 38 (2) (a) of PPR 2014	1,247,000
26	Deputy Commissioner Rawalpindi	2016-17	20235	Rule 12 of PPR 2014	1,051,181
27	Punjab Public Service Commission, Lahore	2016-17	20066	Rule 8 and 9 of PPR 2014	1,088,643

Sr. No.	Name of management	Period of Audit	PDP No.	Rules Violated	Amount (Rs.)
28	Deputy Commissioner Rawalpindi	2016-17	20232	Rule 12 of PPR 2014	998,303
29	Punjab Public Service Commission, Lahore	2016-17	20058	Rule 8 and 9 of PPR 2014	954,403
30	Additional Chief Secretary, S & GAD, Lahore (Comptroller Banquet Hall)	2016-17	22952	Rule 31, 37, 38 (a) and 64 of PPR 2014	935,824
31	Punjab Public Service Commission, Lahore	2016-17	20064	Rule 8, 9, 37 and 66 of PPR 2014	896,569
32	Deputy Commissioner Rawalpindi	2016-17	20233	Rule 12 of PPR 2014	713,306
33	Additional Chief Secretary, S & GAD, Lahore (Cabinet Wing)	2016-17	22953	Rule 4, 12 and 59 (b) of PPR 2014	696,264
34	Deputy Commissioner Rawalpindi	2016-17	20231	Rule 12 of PPR 2014	526,500
35	Additional Chief Secretary, S & GAD, Lahore (O & M Wing)	2016-17	22955	Rule 12 (1), 31, 37, 38 (a) and 64 of PPR 2014	503,502
36	Deputy Commissioner Rawalpindi	2016-17	20234	Rule 12 of PPR 2014	499,278
37	Deputy Commissioner Sheikhpura	01/16 to 06/17	20100	Rule 9 of PPR 2014	432,293
38	Anti Terrorism Court, Lahore	2010-16	18742	Rule 12 of PPR Rule 2.33 of PFR-I	299,754
39	Punjab Public Service Commission, Lahore	2016-17	20065	Rule 8, 9, 37 and 66 of PPR 2014	287,186
Total					200,174,589

Annexure-55 (Audit Para No. 25.4.6)

Sr. No	Name of formation	Period of Audit	PDP No.	Brief description of irregularity	Amount (Rs.)
1.	Directorate of Staff Development Lahore	2016-17	21329	Purchase of Stationery without observing PPRA Rules	26,857,136
2.	Cadet College Choa Saiden Shah, Chakwal	2015-16	17493	Purchase of Mess Items without inviting competitive rates	16,082,563
3.	Cadet College Choa Saiden Shah, Chakwal	2015-16	17494	Purchase of Uniforms without inviting competitive rates	10,902,989
4.	Directorate of Staff Development Lahore	2016-17	21330	Expenditure incurred on account of Entertainment without observing PPRA Rules	42,940,949
5.	Directorate of Staff Development Lahore	2016-17	21332	Expenditure incurred on account of Others without observing PPRA Rules	4,083,334
6.	Directorate of Staff Development, Lahore	2015-16	19117	supply of food for trainee without competitive rates	3,807,464
7.	Directorate of Staff Development, Lahore	2016-17	21346	purchase of various items after extend the previous contract	3,689,091
8.	Cadet College Choa Saiden Shah, Chakwal	2015-16	17496	Purchase of I.T Equipments without annual requirement was not advertised in advance on PPRA web site and approval of Austerity committee	2,102,901
9.	Cadet College Choa Saiden Shah, Chakwal	2015-16	17500	Purchase of various items without annual requirement was not advertised in advance on PPRA web site and approval of Austerity committee	1,833,645
10.	Cadet College Choa Saiden Shah, Chakwal	2015-16	17498	Purchase of Wood without inviting competitive rates	1,032,531
11.	Cadet College Choa Saiden Shah, Chakwal	2015-16	17495	Purchase of Gas Cylinders without inviting competitive rates	1,007,350

Sr. No	Name of formation	Period of Audit	PDP No.	Brief description of irregularity	Amount (Rs.)
12.	Cadet College Choa Saiden Shah, Chakwal	2015-16	17501	Hiring of washer man without inviting competitive rates	946,120
13.	Cadet College Choa Saiden Shah, Chakwal	2015-16	17502	Hiring of Security Agency without inviting competitive rates	798,566
14.	Directorate of Staff Development Lahore	2016-17	21356	Expenditure incurred on account of Repair of Transport without observing PPRA Rules	786,785
15.	Directorate of Staff Development Lahore	2016-17	21352	Expenditure incurred on account of Repairs of M & E and Furniture without observing PPRA Rules	745,190
16.	Cadet College Choa Saiden Shah, Chakwal	2015-16	17497	Purchase of CCTV Cameras without annual requirement was not advertised in advance on PPRA web site and approval of Austerity committee	732,537
17.	Govt. College For Elementary Teachers (Male) Lalamosa, Gujrat	2002-2016	22561	Execution of construction work without tender	591,027
18.	Directorate of Staff Development, Lahore	2015-16	19118	purchase of various items after extend the previous contract	557,862
19.	Cadet College Choa Saiden Shah, Chakwal	2015-16	17499	Purchase of Walk Through Gate without inviting competitive rates	468,000
20.	Govt. College For Elementary Teachers (Female) Lalamosa, Gujrat	1997-2013	20184	Execution of construction work without tender	428,549
21.	Directorate of Staff Development, Lahore	2015-16	21347	contract awarded without advertised on PPRA website	290,016
22.	Directorate of Staff Development, Lahore	2015-16	21344	Contract awarded to higher bidder and rejected the lowest bidder for the condition to improper business record and doesn't fulfill the labor law and not advertised on PPRA website.	268,791

Sr. No	Name of formation	Period of Audit	PDP No.	Brief description of irregularity	Amount (Rs.)
23.	Cadet College Choa Saidu Shah, Chakwal	2015-16	17503	Purchase of Motorcycles without inviting competitive rates	209,000
24.	Directorate of Staff Development Lahore	2016-17	21342	Expenditure incurred on account of Repair of Transport without observing PPRA Rules	159,279
25.	Directorate of Staff Development Lahore	2016-17	21343	Execution of construction work without tender	131,205
Total					121,452,880