



**AUDIT REPORT
ON
THE ACCOUNTS OF
DISTRICT GOVERNMENT
CHINIOT
AUDIT YEAR 2016-17**

AUDITOR GENERAL OF PAKISTAN

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ABBREVIATIONS AND ACRONYMS

AASHTO	American Association of State Highway and Transportation Officials
AEO	Assistant Education Officer
BHU	Basic Health Unit
B&R	Buildings & Roads
CDC	Chronic Disease Control
Cft	Cubic Feet
CNIC	Computerized National Identity Card
C&W	Communication & Works
DAC	Departmental Accounts Committee
DAO	District Accounts Office/Officer
DCO	District Coordination Officer
DDC	District Development Committee
DDO	Drawing and Disbursing Officer
DDSC	District Development Steering Committee
DDWP	Divisional Development Working Party
DEO (EE-M)	District Education Officer (Elementary Education-Male)
DEO (EE-W)	District Education Officer (Elementary Education-Women)
DGA	Directorate General Audit
DGHS	Director General Health Services
DHQ	District Headquarters
DMO	District Monitoring Officer
DNIT	Draft Notice Inviting Tender
DO	District Officer
DRTA	District Regional Transport Authority
Dr.	Doctor
DTL	Drug Testing Laboratory
EDO	Executive District Officer
ESE	Elementary School Educator
EST	Elementary School Teacher
FBR	Federal Board of Revenue
FD	Finance Department
F&P	Finance & Planning

FTF	Farogh-e-Taleem Fund
GST	General Sales Tax
HPA	Health Professional Allowance
HSRA	Health Sector Reform Allowance
INTOSAI	International Organization of Supreme Audit Institutions
IPSAS	International Public Sector Accounting Standards
JMF	Job Mix Formula
LD	Liquidated Damages
LED	Light Emitting Diode
LG&CD	Local Government & Community Development
LG&RD	Local Government & Rural Development
MB	Measurement Book
MDGs	Millennium Development Goals
MFDAC	Memorandum for Departmental Accounts Committee
MOU	Memorandum of Understanding
M&R	Maintenance & Repair
MRS	Market Rate System
MS	Medical Superintendent
NESPAK	National Engineering Services of Pakistan
NPA	Non Practicing Allowance
NSB	Non Salary Budget
OFWM	On-Farm Water Management
PAC	Public Accounts Committee
PARCO	Pak Arab Refinery Company
PCA	Practice Compensatory Allowance
P&D	Planning & Development
PDG	Punjab District Government
PDWP	Provincial Development Working Party
PFR	Punjab Financial Rules
PHE	Public Health Engineering
PLGO	Punjab Local Government Ordinance
POL	Petroleum Oil and Lubricants
PPRA	Punjab Procurement Regulatory Authority
PSI	Pounds per Square Inch
RCC	Reinforced Cement Concrete

RDA	Regional Directorate of Audit
Rft	Running Feet
RHC	Rural Health Center
RR&MTI	Road Research & Material Testing Institute
SAP	Systems, Applications and Products
SBP	State Bank of Pakistan
SESE	Senior Elementary School Educator
Sft	Square Feet
S&GAD	Services and General Administration Department
SMC	School Management Council
SMO	Senior Medical Officer
Sqm	Square Meter
SSE	Secondary School Educator
SWM	Solid Waste Management
TA	Travelling Allowance
THQ	Tehsil Headquarters
TMA	Town/Tehsil Municipal Administration
TSE	Technically Sanctioned Estimate
WASA	Water and Sanitation Agency
W&S	Works & Services
WMO	Women Medical Officer
WUA	Water Users Association

Preface

Articles 169 and 170 of the Constitution of the Islamic Republic of Pakistan, 1973 and Section 115 of the Punjab Local Government Ordinance (PLGO), 2001 require the Auditor General of Pakistan to conduct audit of Receipts and Expenditure of the Local Fund and Public Account of District Governments.

The report is based on audit of the accounts of various offices of the District Government, Chiniot for the financial year 2015-16. The Directorate General of Audit, District Governments, Punjab (South), Multan conducted audit during 2016-17 on test check basis with a view to reporting significant findings to the relevant stakeholders. The main body of the Audit Report includes only the systemic issues and audit findings carrying value of Rs 1 million or more. Relatively less significant issues are listed in the Annex-A of the Audit Report. The Audit observations listed in the Annex-A shall be pursued with the Principal Accounting Officer at the DAC level and in all cases where the PAO does not initiate appropriate action, the audit 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.

The observations included in this report have been finalized in the light of written responses of the management concerned and DAC directives.

The Audit Report is submitted to the Governor of the Punjab in pursuance of Article 171 of the Constitution of the Islamic Republic of Pakistan, 1973 read with Section 115 of the Punjab Local Government Ordinance, 2001 for causing it to be laid before the Provincial Assembly.

Islamabad
Dated: 07.03.2017

-Sd-
(Rana Assad Amin)
Auditor General of Pakistan

EXECUTIVE SUMMARY

The Directorate General Audit (DGA), District Governments, Punjab (South), Multan is mandated to carry out audit of the City District Governments and District Governments in Punjab (South). The Regional Directorate of Audit (RDA), District Governments, Faisalabad, a Field Audit Office of the DGA, District Governments, Punjab (South), Multan, carries out audit of District Governments Faisalabad, Jhang, Toba Tek Singh and Chiniot.

The Regional Directorate has a human resource of 16 officers and staff, constituting 4,529 mandays and the budget amounting to Rs 19.960 million was allocated in Audit Year 2016-17. The office is mandated to conduct financial attest audit, audit of sanctions, audit of compliance with authority and audit of receipts as well as the performance audit of entities, projects and programs. Accordingly, Regional Directorate of Audit, Faisalabad carried out audit of the accounts of various formations of District Government, Chiniot for the financial year 2015-16 and the findings are included in the Audit Report.

The District Government, Chiniot conducts its operations under Punjab Local Government Ordinance, 2001. The District Coordination Officer (DCO) is the Principal Accounting Officer (PAO) of the District Government and carries out functions of the District Government through group of offices as notified in Punjab Local Government Ordinance. According to the Ordinance, the District Government Fund comprises District Local Fund and Public Account. Due to delay of electoral process, Zila Nazim/Zila Council was not elected; therefore, the Annual Budget Statement was authorized by the DCO who has been notified as Administrator by Government of the Punjab in February, 2010.

District Chiniot is administratively divided into three tehsils namely Chiniot, Bhowana and Lalian.

Audit Objectives

Audit was conducted with the objective to ensure that:

1. Money shown as expenditure in the accounts was authorized for the purpose for which it was spent.
2. Expenditure was incurred in conformity with the laws, rules and regulations framed to regulate the procedure for expending public money.
3. Every item of expenditure was incurred with the approval of the Competent Authority in the Government.
4. Public money was not wasted.
5. The assessment, collection and accountal of revenue was made in accordance with prescribed laws, rules & regulations and accounted for in the books of accounts of the District Government.

a) Scope of Audit

Out of total expenditure of the District Government, Chiniot for the financial year 2015-16, auditable expenditure under the jurisdiction of Regional Director Audit, District Governments, Faisalabad was Rs 3,541.400 million covering one PAO and 131 formations. Out of this, RDA, Faisalabad audited an expenditure of Rs 2,644.646 million which, in terms of percentage, was 75 per cent of total auditable expenditure and irregularities amounting to Rs 1,336.222 million were pointed out. Regional Director Audit planned and executed audit of 30 formations i.e. 100 per cent achievement against planned audit activities.

Total receipts of the District Government, Chiniot for the financial year 2015-16 were Rs 19.330 million. RDA, Faisalabad audited receipts of Rs 11.404 million which, in terms of percentage, were 59 per cent of total receipts and irregularities amounting to Rs 3.044 million were pointed out.

b) Recoveries at the Instance of Audit

Recoveries of Rs 52.859 million were pointed out by Audit which were not in the notice of the management before audit. An amount of Rs 0.473 million was recovered and verified during year 2016-17, till the time of compilation of the Report.

However, recovery of Rs 53.784 million pertaining to Paras (over one million) has been included in this Report. No further recovery has been made by the management till the time of compilation of this Report.

c) Audit Methodology

Audit was carried out against the standards of financial governance provided under various provisions of the Punjab Local Government Ordinance, 2001 (as amended), Punjab Financial Rules (PFR) Volume-I and II, Delegation of Financial Powers and other relevant laws, which govern the propriety of utilization of the financial resources of the District Government in accordance with the regularity framework provided by the relevant laws. On the spot examination and verification of record was also carried out in accordance with the applicable laws/rules and according to the INTOSAI auditing standards.

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

d) Audit Impact

A number of improvements in record maintenance and procedures have been initiated by the departments concerned. However, audit impact in shape of change in rules could not be materialized as the Provincial Accounts Committee has not discussed audit reports pertaining to District Governments for the year 2016-17.

e) Comments on Internal Control and Internal Audit Department

Internal control mechanism of District Government, Chiniot was not found satisfactory during audit. Many instances of irregularities and weak Internal Controls have been highlighted during the course of audit which includes some serious lapses like withdrawal of inadmissible pay and allowances, overpayment to contractors and suppliers, unauthorized withdrawal of funds, violation of procurement rules and non-utilization of funds. Negligence on the part of District Government authorities may be captioned as one of important reasons for weak Internal Controls.

According to Section 115-A(1) of PLGO, 2001, Nazim of each District Government and Tehsil/Town Municipal Administration shall appoint an Internal Auditor but the same was not appointed in District Government, Chiniot.

f) The Key Audit Findings of the Report

- i. Irregularities and non-compliance of Rs 284.348 million were noted in 45 cases including eight cases of violation of the Punjab Procurement Rules amounting to Rs 58.153 million.¹
- ii. Performance issues involving an amount of Rs 134.037 million were noted in three cases.²
- iii. Internal Control Weaknesses involving an amount of Rs 747.029 million were noted in six cases.³

¹Para: 1.2.1.1 to 1.2.1.45

²Para: 1.2.2.1 to 1.2.2.3

³Para: 1.2.3.1 to 1.2.3.6

Audit Paras involving procedural violations including internal control weaknesses and other irregularities not considered worth reporting to the Public Accounts Committee were included in Memorandum for Departmental Accounts Committee (Annex-A).

g) Recommendations

PAO/District Government is required to:

- i. Effect recoveries pointed out during audit regarding pay and allowances.
- ii. Comply with the Punjab Procurement Rules for economical and rational procurement of goods and services.
- iii. Strengthen the existing internal controls to avoid recurrence of similar nature irregularities time and again.
- iv. Implement internal as well as financial controls in letter and spirit to avoid unauthorized withdrawal/utilization of funds.
- v. Rationalize its budget with respect to utilization.

SUMMARY TABLES & CHARTS

Table 1: Audit Work Statistics

(Rupees in Million)

Sr. No.	Description	No.	Expenditure	Receipts	Total
1	Total Entities (PAOs) in Audit Jurisdiction	1	3,541.400	19.330	3,560.730
2	Total Formations in Audit Jurisdiction	131	3,541.400	19.330	3,560.730
3	Total Entities (PAOs) Audited	1	2,644.646	11.404	2,656.050
4	Total Formations Audited	30	2,644.646	11.404	2,656.050
5	Audit & Inspection Reports	30	2,644.646	11.404	2,656.050
6	Special Audit Reports	-	-	-	-
7	Performance Audit Reports	-	-	-	-
8	Other Reports (relating to District Government)	-	-	-	-

Table 2: Audit Observations Classified by Category

(Rupees in Million)

Sr. No.	Description	Amount Placed Under Audit Observation
1	Asset Management	-
2	Financial Management	418.385
3	Internal Controls	747.029
4	Others	-
Total		1,165.414

Table 3: Outcome Statistics

(Rupees in Million)

Sr. No.	Description	Expenditure on Acquiring Physical Assets (Procurement)	Salary	Non-Salary	Civil Works	Receipts	Total Current Year	Total Last Year
1	Total Financial Outlay	26.779	2,505.134	589.744	419.743	19.330	3,560.730	3,052.096
2	Outlays Audited	10.789	1,798.586	421.871	413.400	11.404	2,656.050*	2310.647
3	Amount Placed under Audit Observations/ Irregularities Pointed Out	4.916	20.855	338.363	801.280	-	1,165.414	131.426
4	Recoveries Pointed Out at the Instance of Audit	-	16.800	13.761	23.223	-	53.784	20.181
5	Recoveries Accepted / Established at the Instance of Audit	-	16.800	1.011	-	-	17.811	17.081
6	Recoveries Realized at the Instance of Audit	-	0.292	0.115	-	0.030	0.437	0.116

*The amount mentioned against Sr. No.2 in column of "Total" is the sum of Expenditure and Receipts whereas the total expenditure was Rs 2,644.646 million.

Table 4: Irregularities Pointed Out

(Rupees in Million)

Sr. No.	Description	Amount Placed under Audit Observation
1	Violation of rules & regulations and violation of principles of propriety and probity in public operations.	400.574
2	Reported cases of fraud, embezzlement, theft and misuse of public resources.	-
3	Accounting Errors (accounting policy departure from IPSAS ⁴ , misclassification, over or understatement of account balances) that are significant but are not material enough to result in the qualification of audit opinion on the financial statements.	-
4	Quantification of weaknesses of internal control systems	747.029
5	Recoveries and overpayments, representing cases of established overpayments or misappropriations of public monies.	17.811
6	Nonproduction of record.	-
7	Others, including cases of accidents, negligence etc.	-
	Total	1,165.414

Table 5: Cost Benefit

(Rupees in Million)

Sr. No.	Description	Amount
1	Outlays Audited (Items 2 of Table 3)	2,656.050
2	Expenditure on Audit	0.535
3	Recoveries realized at the instance of Audit	0.473
	Cost-Benefit Ratio	0.9:1

⁴The Accounting Policies and Procedures prescribed by the Auditor General of Pakistan which are IPSAS (Cash) compliant.

CHAPTER 1

1.1 District Government Chiniot

1.1.1 Introduction

As per the Punjab Local Government Ordinance, 2001, the District Governments/Local Governments established under the Ordinance shall function within the Provincial framework and adhere to the Federal and Provincial Laws. In performance of the functions, Local Governments carry out the functions devolved by the Provincial Government to the District Government level.

The District Government consists of Zila Nazim/Administrator and District Administration. The District Government shall be competent to acquire, hold or transfer any property, movable and immovable, to enter into contract and to sue or be sued in its name through the District Coordination Officer. The authority of the District Government comprises the management and control of offices of the devolved departments which are decentralized or set up under the Ordinance. The District Government exercises such authority within the District in accordance with general policy of the Government. The District Government is responsible to the people and is mandated for improvement of governance and delivery of services within the ambit of authority decentralized under this Ordinance.

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

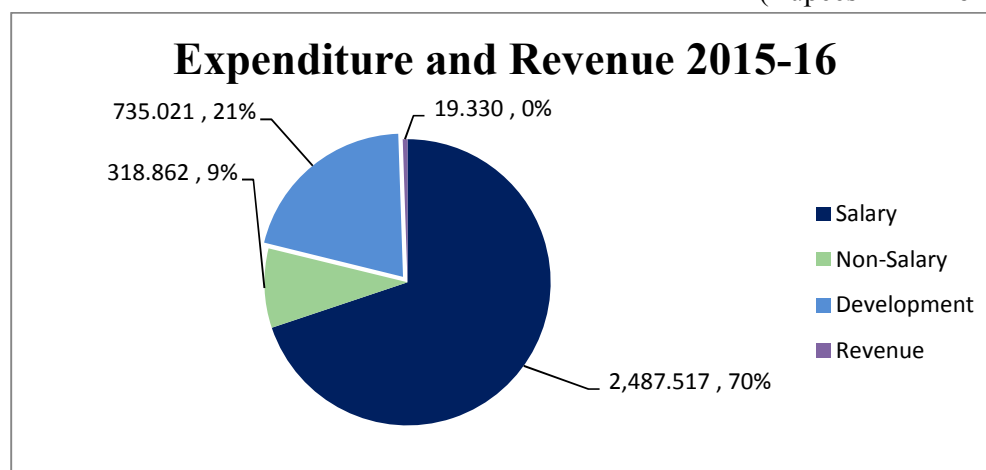
1.1.2 Comments on Budget and Accounts

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

(Rupees in Million)

2015-16	Budget	Actual	Excess (+)/ Lapse (-)		% (Lapse)
Salary	2,767.007	2,487.517	(-)	279.490	10.10%
Non-Salary	400.602	318.862	(-)	81.740	20.40%
Development	897.580	735.021	(-)	162.559	18.11%
Total	4,065.189	3,541.400	(-)	523.789	12.88%
Receipts	23.115	19.330	(-)	3.785	16.37%

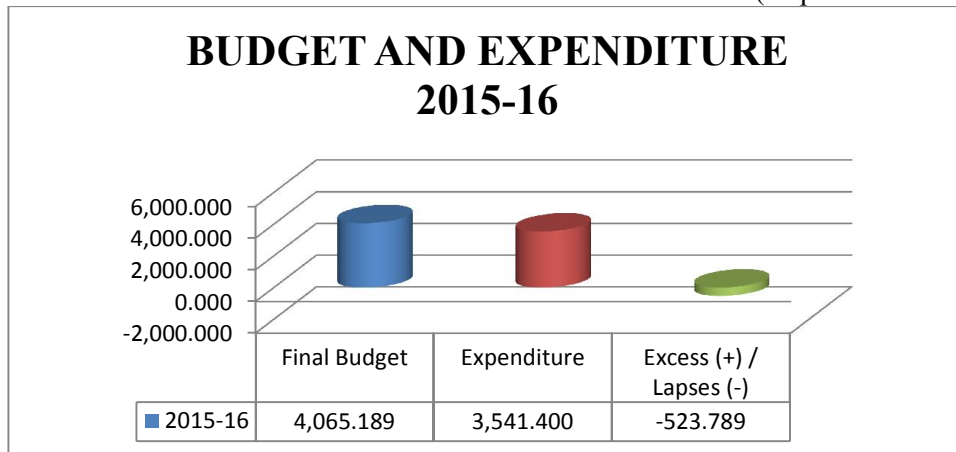
(Rupees in Million)



As per Appropriation Accounts 2015-16 of the District Government, Chiniot, total original budget (Development and Non-Development) was Rs 3,517.129 million, Supplementary Grant of Rs 548.060 million was provided and the final budget was Rs 4,065.189 million. Against the final budget, total expenditure of Rs 3,541.400 million was incurred by the District Government during 2015-16. A lapse of Rs 523.789 million came to the notice of Audit due to inefficient financial management in release of budget by EDO (Finance and Planning). No plausible explanation was provided by the PAO and management

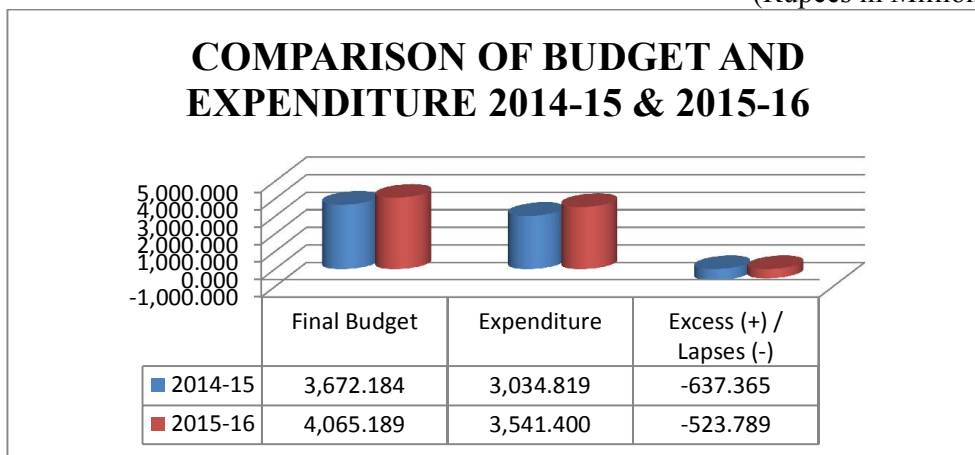
of District Government (Annex-B). The comparison of budget and expenditure for FY 2015-16 showing huge lapse is as under:

(Rupees in Million)



The comparative analysis of the budget and expenditure of current and previous financial years is depicted as under:

(Rupees in Million)



There was 11 per cent and 17 per cent increase in budget allocated and expenditure incurred respectively, while there was overall lapse of 12.88 per cent during 2015-16.

1.1.3 Brief Comments on the Status of Compliance of MFDAC Audit Paras of Audit Report 2015-16

Audit Paras reported in MFDAC of last year Audit Report, which have not been attended in accordance with the directives of DAC, have now been reported in Part-II of Annex-A.

1.1.4 Brief Comments on the Status of Compliance with PAC Directives

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

Status of Previous Audit Reports

Sr. No.	Audit Year	No. of Paras	Status of PAC Meetings
1	2010-11	28	PAC not constituted
2	2011-12	31	PAC not constituted
3	2012-13	8	PAC not constituted
4	2013-14	12	PAC not constituted
5	2014-15	17	PAC not constituted
6	2015-16	26	PAC not constituted

1.2 AUDIT PARAS

1.2.1 Irregularities and Non-Compliance

1.2.1.1 Irregular payment of bituminous items – Rs 43.346 million

According to Government of the Punjab, Communication and Works (C&W) Department, letter No.PA/SECY(C&W)26.05/2009 dated 25.05.2009, the bitumen to be used should be tested from the Road Research & Material Testing Institute (RR&MTI) to ensure that it meets the AASHTO Standards. Further, according to Government of the Punjab, C&W Department Notification No.SOH-I(C&W)1-49/2012(G) dated 13.06.2014, approval was accorded for use of “Parco Biturox” produced by Pak Arab Refinery Limited (PARCO), Mehmood Kot District Muzaffargarh, in projects to be executed by C&W Department, having grade 60/70 and grade 80/100 in addition to bitumen of National Refinery Karachi.

District Officer (Roads), Chiniot made payment of Rs 43.346 million to different contractors for execution of bituminous items in twenty nine works for construction, repair and improvement of roads in Chiniot during 2015-16. The works were executed and payments were made without getting the quality of bitumen tested from the RR&MTI. Documentary evidence for procurement and consumption of bitumen from approved refinery was also not forthcoming from the record.

Audit is of the view that due to weak monitoring mechanism, the quality of bituminous items was not got tested from RR&MTI and utilization of approved quality bitumen was also not ensured. Non-testing of bituminous items and non-ensuring the use of approved bitumen resulted in irregular expenditure amounting to Rs 43.346 million.

The matter was reported to the DCO and Drawing and Disbursing Officer (DDO) concerned in November, 2016 to which no reply was furnished by the Department. DAC meetings were held in December, 2016. The department neither submitted reply nor attended the meetings.

DAC expressed serious concern and directed EDO (W&S) to submit reply for violation of the Government instructions. No progress was intimated to Audit till the finalization of this Report.

Audit recommends fixing of responsibility against the concerned, under intimation to Audit.

[PDP No.206]

1.2.1.2 Irregular invitation of tenders without Technically Sanctioned Estimates – Rs 25 million

According to Government of the Punjab, Finance Department letter No. FD(TMA)1-158/2005 dated 21.10.2010, the instructions of Finance Department contained in Circular No. FD(FR)-II-2/89 dated 24.06.1996 are not being observed despite the fact that the said circular letter clearly envisages procedure for issuance of Technical Sanction (TS) before inviting Tenders and mentioning particulars of Technical Sanction in Notice Inviting Tenders (NIT) like amount, number, date of order etc. Further, according to Para 2.61 of the West Pakistan Building and Road Department Code, tenders should invariably be invited in the most open and public manner possible, after the estimate has been Technically Sanctioned and the contract documents have been approved by the Competent Authority an authority not lower than that empowered to accept the tender.

District Officer (Roads), Chiniot invited tenders for four civil works costing Rs 25 million in July, 2015. However, particulars of technically sanctioned estimate (TSE) i.e. amount, number and date were not mentioned in the Notice Inviting Tenders and advertisement included the words “Technical Sanction was under process”.

Audit is of the view that due to violation of Finance Department's instructions and negligence, tenders were invited before accord of technical sanction of estimates. Invitation of tenders valuing Rs 25 million without technical sanction of estimates resulted in violation of the Government instructions.

The matter was reported to the DCO and DDO concerned in November, 2016 to which no reply was furnished by the department. DAC meetings were held in December, 2016. The department neither submitted reply nor attended the meetings.

DAC expressed serious concern and directed EDO (W&S) to submit reply for violation of the Government instructions and prescribed procedure. No progress was intimated to Audit till the finalization of this Report.

Audit recommends fixing of responsibility against the concerned besides regularization of the matter from the Competent Authority, under intimation to Audit.

[PDP No.216]

1.2.1.3 Irregular expenditure on works against defective agreements – Rs 20.817 million

According to Rule 63(b) of the Punjab Procurement Rules, 2014, a procurement contract shall come into force from the date on which the signatures of both, the procuring agency and the successful bidder, are affixed to the written contract and such affixing of signatures shall take place within a reasonable time. Further, according to Clause 6 of the Contract Agreement, the contractor shall enter into and execute a contract agreement in a form as per specimen provided in the contract Form for execution of work.

District Officer (Roads), Chiniot executed fifteen civil works during 2015-16 and made payments amounting to Rs 20.817 million to contractors.

Contrary to the above, defective agreements were executed with the contractors due to following reasons:

1. Stamp papers, on which agreements were executed, purchased/issued even after the stipulated completion date of agreement or works.
2. Agreements were executed without mentioning the date of agreement on the face of stamp papers.
3. Contract agreements were signed by the District Officer (Roads) after his transfer and relinquishing charge.

Audit is of the view that due to non-compliance of PPRA Rules and contractual provisions, defective agreements were executed and payments were made to contractors before signing of agreement. Execution of defective agreements resulted in irregular payment of Rs 20.817 million to the contractors.

The matter was reported to the DCO and DDO concerned in November, 2016 to which no reply was furnished by the Department. DAC meetings were held in December, 2016. The department neither submitted reply nor attended the meetings.

DAC expressed serious concern and directed EDO (W&S) to submit reply for violation of the Government rules. No progress was intimated to Audit till the finalization of this Report.

Audit recommends fixing of responsibility against the concerned besides regularization of expenditure, under intimation to Audit.

[PDP No.210]

1.2.1.4 Expenditure on maintenance and repair works without proper record – Rs 14.241 million

According to Para 2.50 of the West Pakistan Buildings and Roads Department Code read with Para 4.5(1) of *ibid*, a Standard Measurement Book should be kept showing the detailed measurements of each kind of work which is

usually subject to renewal. Further, according to Paras 3.21 and 3.22 of *ibid*, each Divisional Officer will keep a register of all buildings being in-charge of the department within his Division. The register will also show whether the building is to be maintained at the cost of Central, Provincial or Local Funds. In case of buildings and works borne on the returns of the Buildings and Roads Department, the Executive Engineer will be held responsible that plans of such buildings are corrected on completion of any alterations. Furthermore, according 2.41 of B&R code, repairs are ordinarily of three kinds:

- i. Those which as a matter of routine are carried out every year.
- ii. Those which are not done every year but are due after 4 years.
- iii. Such occasional, special and periodical repairs like renewal of roof, renewal of door etc.

District Officer (Buildings), Chiniot incurred expenditure of Rs 14.241 million on maintenance and repair (M&R) of various Government office buildings, residential buildings, Civil Rest House etc. during 2015-16. However, expenditure was incurred without maintenance of record and on such items which did not cover under M&R work. Following discrepancies were noted:

1. Standard Measurement Book for each Government building was not maintained.
2. Register of buildings to identify previous history of repair, ownership and structural changes in specific building etc. was not maintained.
3. Estimates of the works were prepared without keeping in view the standard measurements of the buildings.
4. Expenditure of Rs 1.201 million was incurred on payment of utility bills, POL for generator, provision of Uninterrupted Power Supply (UPS), batteries, foot mats, general store items, washing of bed sheets etc.

Audit is of the view that due to non-compliance of codal provisions, Standard Measurement Books and registers of buildings were not maintained.

Further, expenditure was incurred on provision/payment of such items which did not cover under M&R work. Non-maintenance of requisite record and provision/payment of items beyond M&R work resulted in violation of rules and irregular expenditure amounting to Rs 14.241 million.

The matter was reported to the DCO and DDO concerned in October, 2016. It was replied that the District was established in 2009 and all record of buildings was available with the Provincial Department. The reply was not tenable because Standard Measurement Book and register of buildings were not maintained. DAC meetings were held in December, 2016. The department neither submitted reply nor attended the meetings.

DAC expressed serious concern and directed EDO (W&S) to submit reply for violation of the Government instructions. No progress was intimated to Audit till the finalization of this Report.

Audit recommends fixing of responsibility against the concerned besides regularization of expenditure, under intimation to Audit.

[PDP Nos.235, 236, 233]

1.2.1.5 Irregular procurement – Rs 13.212 million

According to Rule 12 of the 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 but if deemed in public interest, the procuring agency may also advertise the procurement in at least one national daily newspaper. Further, according to Government of the Punjab, Services and General Administration Department (Procurement Wing) letter No SO(Proc)S&GAD/1-3/97 (Vol-II) dated 01.11.2001, Executive District Officer will be the Chief Purchase Officer in respect of his department and shall exercise the powers for purchases up to Rs 600,000. Over and above of this limit, the case will be approved by the

District Coordination Officer on the recommendation of Special Purchase Committee.

Executive District Officer, Health and Medical Superintendent, District Headquarters Hospital, Chiniot made procurements of Rs 13.212 million during 2015-16 without advertisement and approval from Special Purchase Committee. Further, the procurements were not got approved by the DCO, Chiniot on the recommendation of said Special Purchase Committee in violation of above instructions, as detailed below:

(Rupees in Million)

Sr. No.	DDOs	Detailed Object Code	Description	Budget	Expenditure
1	Medical Superintendent, District Headquarters (DHQ), Hospital	A03942	Cost of Other Stores	3.500	3.449
		A03970	Others	2.500	2.460
		A09601	Purchase of Machinery and Equipment	4.343	4.099
		A13101	Repair of Machinery and Equipment	2.200	2.110
2	EDO (Health)	A05210	Special Grant	2.505	1.094
Total				15.048	13.212

Audit is of the view that due to non-compliance of PPRA Rules and financial indiscipline, procurement was made without recommendation of the Special Purchase Committee. Procurement without recommendation of Special Purchase Committee resulted in un-economical / irregular expenditure to the extent of Rs 13.212 million.

The matter was reported to the DCO and DDOs concerned in October, 2016. It was replied that procurements were made on economical rates. Audit did not agree because purchase was made in violation of procurement rules and beyond authority. DAC meetings were held in December, 2016. The department neither submitted reply nor attended the meetings.

DAC expressed serious concern and directed EDO (Health) to submit reply for violation of Government rules/instructions. No progress was intimated to Audit till the finalization of this Report.

Audit recommends regularization of expenditure amounting to Rs 13.212 million from the Competent Authority besides fixing of responsibility, under intimation to Audit.

[PDP Nos.107, 118]

1.2.1.6 Less deduction of Income Tax – Rs 11.213 million

According to Serial No.1(b)(ii), 2(ii)(b) and 3(iii) of Division III of Part III of First Schedule of the Income Tax Ordinance, 2001, the rate of tax to be deducted from a payment for goods or services shall be 4.5 percent of gross amount payable, if the person is a filer and 6.5 percent if the person is a non-filer. In the case of rendering of or providing of services, Income Tax shall be deducted @ 10 percent of the gross amount payable, if the person is a filer and 15 percent if the person is non-filer. Further, prescribed person making payment on the execution of a contract shall deduct tax form the gross amount payable @ 7.5 percent of the gross amount payable, if the person is a filer and @ 10 percent if the person is non-filer.

Six DDOs of different departments of District Government, Chiniot made payments amounting to Rs 448.319 million to different contractors / suppliers for execution of civil works, procurement of goods and rendering of services during 2015-16. However, Income Tax @ 7.5 percent, 10 percent and 4.5 percent was deducted being filer status of contractors. However, no documentary evidence regarding filer status of contractors / suppliers was forthcoming from record. Resultantly, being non-filer an amount of Rs 11.213 million was less deducted on account of Income Tax. The detail is given in the following table:

(Rupees in Million)

Sr. No.	DDOs	Payment to Contractors	Income Tax Withheld	Income Tax to be Withheld	Amount Less Deducted
1	District Officer (Buildings), Chiniot	268.465	20.135	26.846	6.712
2	District Officer (Roads), Chiniot	172.490	12.937	17.249	4.312
3	Medical Superintendent Tehsil Headquarters (THQ) Hospital, Bhowana	4.053	0.215	0.316	0.101
4	Senior Medical Officer Rural Health Centre 14/JB	0.800	0.036	0.052	0.016
5	District Officer (Health), Chiniot	2.385	0.111	0.180	0.069
6	District Officer (Community Organization), Chiniot	0.126	0.006	0.009	0.003
Total		448.319	33.44	44.652	11.213

Audit is of the view that due to negligence of authorities, Income Tax was less deducted from bills of the contractors/suppliers. Less deduction of Income Tax amounting to Rs 11.213 million resulted in excess payment to the contractors.

The matter was reported to the DCO and DDOs concerned in October, 2016. It was replied that record would be scrutinized and appropriate action/recovery would be made. Audit stressed for recovery at the earliest. DAC meetings were held in December, 2016. The departments neither submitted reply nor attended the meetings.

DAC expressed serious concern and directed EDOs concerned to submit reply for violation of the tax laws. No progress was intimated to Audit till the finalization of this Report.

Audit recommends recovery of Rs 11.213 million from the concerned, under intimation to Audit.

[PDP Nos.231, 218, 147, 160, 139, 200]

1.2.1.7 Non-deduction of Social Security Contribution – Rs 10.464 million

According to Section 20(1) and (9) of the Provincial Employees Social Security Ordinance, 1965, in case of works executed or undertakings carried on behalf of the state by a contractor or licensee, the competent public authority shall before final settlement of the claims of contractors or licensee, require the production of a certificate from the institution showing that the necessary contributions have been paid, and in default of such certificates, it shall deduct from the amount otherwise payable in settlement of such claim @ 6 percent, an appropriate amount of the contributions payable, and pay such amount direct to the institution.

District Officer (Buildings) and District Officer (Roads), Chiniot executed different works through 57 contractors during 2015-16 but payment was made without obtaining certification regarding payment of Social Security Contribution of workers employed by the contractors. DDO did not make efforts to deduct the Social Security Contribution @ 6 percent amounting to Rs 10.464 million from claims of the contractors before making payments.

(Rupees in Million)

Sr. No.	DDOs	No. of Contractors	Amount
1	District Officer (Buildings), Chiniot	40	5.232
2	District Officer (Roads), Chiniot	17	5.232
Total		57	10.464

(Amount was calculated according to the list of employees provided by the contractors along with application for enlistment / renewal of enlistment).

Audit is of the view that due to violation of law and lack of vigilance, deduction of Social Security Contribution was not made. Non-deduction of Social Security Contribution resulted in excess payment to the contractors amounting to Rs 10.464 million.

The matter was reported to the DCO and DDOs concerned in October, 2016. DDOs replied that it was the responsibility of contractor to pay

contribution. The reply was not tenable as it was the responsibility of payer to ensure payment of contribution or to make necessary deduction. DAC meetings were held in December, 2016. The departments neither submitted reply nor attended the meetings.

DAC expressed serious concern and directed EDO (W&S) to submit reply for violation of the Government instructions. No progress was intimated to Audit till the finalization of this Report.

Audit recommends recovery of Rs 10.464 million from the concerned, under intimation to Audit.

[PDP Nos.229, 217]

1.2.1.8 Irregular expenditure from Sugarcane Development Cess Fund – Rs 9.687 million

According to Para 2.82 of the West Pakistan Buildings and Roads Department Code, no work shall be commenced unless administrative approval by the Competent Authority is given and properly detailed design and estimate have been sanctioned, allotment of funds made and orders of its commencement issued by the Competent Authority. Further, according to Para 2.61(1) of *ibid*, tenders should invariably be invited in the most open and public manner, after the estimate has been technically sanctioned and the contract documents have been approved by an authority. Furthermore, according to Para 2.5 of *ibid*, before technical sanction is accorded, an Administrative Approval should be obtained in the manner stated in Para 2.6 of *ibid*.

District Officer (Roads), Chiniot invited tenders for execution of two civil works costing Rs 12.094 million for construction and widening/improvement of roads out of Sugarcane Development Cess Fund through publication in newspapers dated 06.09.2015. The works were awarded on 08.10.2015 and 10.10.2015 and payment of Rs 9.687 million was made to contractors accordingly. However, accord of Administrative Approval, technical

sanctions of estimates, award and execution of works stood irregular due to following reasons:

1. Administrative Approval for the schemes was accorded by Divisional Sugarcane Development Cess Committee in its meeting held on 07.09.2015 and the same was conveyed by the Chairman District Sugarcane Development Cess Committee to authorities concerned on 26.10.2015.
2. While according technical sanction of estimates of the works on 31.08.2015, District Officer (Roads), Chiniot gave reference of above letter of Administrative Approval issued on 26.10.2015 which depicted that technical sanctions were accorded after 26.10.2015 by assigning number in back date.
3. Tenders were invited and works were awarded before accord of Administrative Approval and technical sanctions of the estimates.
4. In one case, construction of service road adjacent to the main Chiniot-Jhang Road was shown executed without providing details of right-of-way of the main road and ownership of the land.
5. Further, at the time of execution, payment of Rs 1.246 million was made by showing excavation and removal of malba without justifying existence/ dumping of huge quantity of debris.

Audit is of the view that due to negligence and financial indiscipline, works were executed in violation of rules and through managed record. Incurrence of expenditure through managed record and in violation of prescribed procedure resulted in suspicious utilization of funds amounting to Rs 9.687 million.

The matter was reported to the DCO and DDO concerned in November, 2016 to which no reply was furnished by the Department. DAC meetings were held in December, 2016. The department neither submitted reply nor attended the meetings.

DAC expressed serious concern and directed EDO (W&S) to submit reply for violation of the prescribed procedure. No progress was intimated to Audit till the finalization of this Report.

Audit recommends fixing of responsibility against the concerned besides regularization of expenditure, under intimation to Audit.

[PDP No.211]

1.2.1.9 Irregular payment through open cheques – Rs 9.602 million

According to Rule 4.49(a) of the Subsidiary Treasury Rules, payments of Rs 100,000 and above to contractors and suppliers shall not be made in cash by the Drawing and Disbursing Officer (DDO). At places where pre-audit cheques are issued, the sanctioning authority shall accord sanction to incur expenditure, under his own signature, in favor of contractor / supplier incorporating CNIC No. of the contractor / supplier. The DDO, while submitting the bill at the pre-audit counter of Accountant General / District Accounts Officer, shall record an endorsement on the bill requiring separate cross cheque to be issued in favor of contractor / supplier. The cheque so issued will be collected by the DDO or his authorized agent in prescribed manner and entered in cash book. Thereafter, the DDO will deliver the cheque to the contractor / supplier by securing proper acknowledgement.

Medical Superintendent, Tehsil Headquarters Hospital, Bhowana and Senior Medical Officer, Rural Health Center, Chak No.14/JB made payments of Rs 9.602 million to different suppliers / contractors during 2015-16. Contrary to the above, bank statement of DDO bank account depicted that payments were made through open cheques instead of making payments through crossed cheques. The detail is given in following table:

(Rupees in Million)

Sr. No.	DDOs	Amount
1	Senior Medical Officer Rural Health Center Chak 14/JB	1.740
2	Medical Superintendent, Tehsil Headquarters Hospital, Bhowana	3.856
3	Medical Superintendent, Tehsil Headquarters Hospital, Lalian	4.006
Total		9.602

Audit is of the view that due to non-compliance of financial rules, payments were made through open cheques. Violation of the Government instructions resulted in irregular payment amounting to Rs 9.602 million.

The matter was reported to the DCO and DDO concerned in October, 2016. It was replied that compliance would be made in future. The reply was not tenable because payments were made in violation of the Government rules. DAC meetings were held in December, 2016. The department neither submitted reply nor attended the meetings.

DAC expressed serious concern and directed EDO (Health) to submit reply for violation of the Government instructions. No progress was intimated to Audit till the finalization of this Report.

Audit recommends regularization of expenditure from the Competent Authority besides fixing of responsibility against the concerned, under intimation to Audit.

[PDP Nos.152, 148, 177]

1.2.1.10 Utilization of bricks without ensuring standard specifications and testing – Rs 9.367 million

According to the Composite Schedule Rates (CSR)-1964, standard specification for 1st class bricks is 2000 pounds per square inch (PSI). Further, according to Superintending Engineer Provincial Buildings Circle, Faisalabad letter No.44-M/109-G/1021-25/G-II dated 13.03.2001, the utilization of bricks

having crushing strength 1700 PSI was allowed with recovery @ Rs 0.300 per brick from all running/final bills of the contractors.

District Officer (Roads) and District Officer (OFWM), Chiniot executed thirty two works for construction/improvement of roads and watercourses during 2015-16. During execution of works 1.398 million bricks costing Rs 9.367 million were utilized. However, the bricks were used without ensuring standard specifications and crushing strength because no test reports were available in the record. In the absence of test reports, the authenticity of utilization of standard bricks could not be verified.

Audit is of the view that due to negligence and ineffective monitoring, works were executed without observing specifications and testing of bricks which resulted in execution/acceptance of substandard works involving bricks costing Rs 9.367 million.

The matter was reported to the DCO and DDOs concerned in November, 2016. In DAC meetings held in December, 2016, District Officer (OFWM) replied that bricks quality had been verified by the consultant. Audit did not agree because no evidence regarding testing of bricks was available in the record. However, District Officer (Roads) neither submitted reply nor attended the meetings.

DAC directed EDO (Agriculture) to produce test report and expressed serious concern for non-submission of replies on the part of DO (Roads). No progress was intimated to Audit till the finalization of this Report.

Audit recommends fixing of responsibility against the concerned besides regularization of the matter, under intimation to Audit.

[PDP Nos.209, 243]

1.2.1.11 Irregular expenditure on development works – Rs 9.203 million

According to Government of Pakistan, Cabinet Division (Development Wing) letter No.7(1)/DD(Dev)/14-15 dated 15.01.2015, following criteria was provided for selection/ execution of schemes under Pak MDGs Community Development Programme:

- At least fifteen residents of an area or civil society organization shall make a request on the prescribed proforma for intervention;
- There shall be no substitution/addition/deletion of schemes once funds are released; and
- Physical work shall be completed within same financial year in which funds were provided and within the approved cost.

Further, according to Clause 10 read with Clause 31 of the Contract Agreement, the contractor shall execute the whole and every part of work in accordance with the specifications.

District Officer (Roads), Chiniot executed seven works for repair/rehabilitation of roads in Chiniot city at a cost of Rs 14.300 million from September, 2015 to January, 2016 under Pak MDGs Community Development Programme. Subsequently, revised Administrative Approval for five schemes was accorded on 27.04.2016 with the cost of Rs 17.280 million. However, revision of schemes and incurrence of expenditure amounting to Rs 9.203 million stood irregular due to following discrepancies:

- Schemes were revised by changing scope of work as schemes comprising of bituminous surface treatment were substituted with new schemes of providing and laying of tuff tiles;
- Cost of works was enhanced from 14.300 million to 17.280 million by deleting the remaining two schemes;

- Record regarding identification of schemes by residents of area or civil society organization on the prescribed proforma was not available;
- Schemes were not completed within same financial year; and
- Design for execution of tuff tile work was not prepared/ got approved from the Competent Authority and physical inspection of schemes revealed that executed work of tuff tiles was in deteriorated condition.

Audit is of the view that due to non-compliance of prescribed criteria, works were awarded/executed without approval of design from the Competent Authority which resulted in irregular expenditure and execution of substandard work amounting to Rs 9.203 million.

The matter was reported to the DCO and DDO concerned in November, 2016 to which no reply was furnished by the Department. DAC meetings were held in December, 2016. The department neither submitted reply nor attended the meetings.

DAC expressed serious concern and directed EDO (W&S) to submit reply for violation of the prescribed criteria. No progress was intimated to Audit till the finalization of this Report.

Audit recommends fixing of responsibility besides regularization of expenditure from the Competent Authority, under intimation to Audit.

[PDP Nos.208, 212]

1.2.1.12 Irregular expenditure on civil works without approval of design and specifications – Rs 7.675 million

According to Section 4.4.7 of the School Council's Policy, 2007 read with Para 3.4.7 of Guidelines for the Utilization of Non-Salary Budget (NSB) in Primary and Elementary Schools, development works shall be got executed according to the Government approved design and specifications.

Head Teachers of 32 elementary and primary schools under the administrative control of Deputy District Education Officers and four DDOs of high/higher secondary schools incurred expenditure amounting to Rs 7.675 million on construction of class rooms, soling, boundary walls, toilet blocks, repair of school building etc. during 2014-16. Contrary to the above referred instructions, works were executed without preparation of detailed design/estimates and approval of the same from the Competent Authority, as detailed below:

(Rupees in Million)

Sr. No.	DDOs	No. of Schools	Funds Utilized
1	Deputy District Education Officer (EE-W), Lalian	05	1.086
2	Deputy District Education Officer (EE-W), Bhowana	13	2.395
3	Headmistress, Government Girls High School, Chiniot	01	0.277
4	Headmistress, Government Nusrat Girls High School, Chenab Nagar	01	0.500
5	Principal, Government Higher Secondary School, Lalian	01	0.893
6	Deputy District Education Officer (EE-W), Chiniot	05	0.780
7	Deputy District Education Officer (EE-M), Lalian	09	1.514
8	Headmistress, Government Girls High School, Ahmed Nagar	01	0.230
	Total	36	7.675

Audit is of the view that due to violation of School Council's Policy and lack of vigilance, civil works were executed without preparation/approval of detailed designs and specifications. Execution of works without Government approved design and specifications resulted in irregular expenditure of Rs 7.675 million.

The matter was reported to the DCO and DDOs concerned in November, 2016. In DAC meeting held in December, 2016, DDOs replied that head teachers of some schools had provided detailed design and specifications and would be provided for verification. The reply was not tenable because requisite record was not forthcoming at the time of audit. However, Deputy

District Education Officer (EE-W), Lalian replied that detailed reply would be submitted after verification of record.

DAC directed EDO (Education) to submit detailed reply after scrutiny of record along with production of record for verification within two weeks. No progress was intimated to Audit till the finalization of this Report.

Audit recommends fixing of responsibility against the concerned along with regularization of expenditure, under intimation to Audit.

[PDP Nos.58, 31, 39, 63, 90, 3, 19, 71]

1.2.1.13 Irregular procurement without approval – Rs 7.224 million

According to Government of the Punjab, Services and General Administration Department (Procurement Wing) letter No SO(Proc)S&GAD/1-3/97(Vol-II) dated 01.11.2001, all purchases exceeding Rs 600,000 were required to be made through Special Purchase Committee. Executive District Officer of the concerned department will be the Chief Purchase Officer in respect of his department and shall exercise the powers for purchases up to Rs 600,000 and over and above of this limit, the case will be approved by the District Coordination Officer on the recommendation of Special Purchase Committee.

Medical Superintendent, District Headquarters Hospital, Chiniot made procurement of Rs 7.224 million without approval of District Coordination Officer on the recommendation of Special Purchase Committee in violation of above instructions. Detail is given below:

(Rupees in Million)

Sr. No.	Description	Budget	Expenditure
1	10 % emergency /bulk purchase of medicines	2.900	2.877
2	15% day by day local purchase of medicines	4.350	4.347
	Total	7.250	7.224

Audit is of the view that due to financial indiscipline, procurement was made without approval of the Competent Authority which resulted in irregular expenditure of Rs 7.224 million.

The matter was reported to the DCO and DDO concerned in October, 2016. It was replied that procurement was made through Special Purchase Committee at most economical rates by free and fair competition. The reply was not tenable because procurement was made beyond authority. DAC meetings were held in December, 2016. The department neither submitted reply nor attended the meetings.

DAC expressed serious concern and directed EDO (Health) to submit reply for violation of Government instructions. No progress was intimated to Audit till the finalization of this Report.

Audit recommends regularization of expenditure along with fixing responsibility against the concerned, under intimation to Audit.

[PDP No.112]

1.2.1.14 Irregular expenditure in violation of the PPRA Rules – Rs 7.144 million

According to Rules 9 and 14 of the Punjab Procurement Rules 2014, a procuring agency shall announce in an appropriate manner all proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements. The 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. Further, according to Rule 59(b) *ibid*, a procuring agency may provide for petty purchases through at least three quotations where the cost of the procurement is more than fifty thousand rupees and less than one hundred thousand rupees.

Head Teachers of 13 elementary and primary schools under the administrative control of Deputy District Educations Officer (EE-M), Bhowana and six DDOs of high/higher secondary schools incurred expenditure amounting to Rs 7.144 million during 2011-16 on procurement of goods and civil works. Contrary to the above referred rule, expenditure was incurred without advertisement on PPRA's website and by splitting the cost of procurements while keeping amount of each purchase below the financial limit of Rs 100,000 to avoid tendering and Rs 50,000 to avoid quotations. The detail is given below:

(Rupees in Million)

Sr. No.	DDOs	No. of Schools	Amount	Remarks
1	Headmistress, Government Girls High School, Rajoya	01	0.400	Excess rate and violation of PPRA Rules
			0.303	
2	Principal, Government Higher Secondary School, Lalian	01	0.442	Violation of PPRA Rules
			0.245	
			0.546	
3	Headmistress, Government Girls High School, Chiniot	01	0.919	
4	Headmistress, Government Nusrat Girls High School, Chenab Nagar	01	0.537	
5	Deputy District Education Officer (EE-M), Bhowana	03	0.196	
		01	0.160	
		09	0.664	
6	Headmaster, Government Islamia High School, Chiniot	01	0.700	
7	Headmistress, Government Girls High School, Ahmed Nagar	01	1.429	Excess rate and violation of PPRA Rules
			0.603	
Total		19	7.144	

Audit is of the view that due to non-compliance of PPRA Rules and due diligence, expenditure was incurred without advertisement which resulted in mis-procurement and irregular expenditure amounting to Rs 7.144 million.

The matter was reported to DCO and DDOs concerned in November, 2016. It was replied that funds were provided on quarterly basis and expenditure was incurred as per requirements. The reply was not tenable because expenditure was incurred in violation of procurement rules. DAC meetings were held in December, 2016. The department neither submitted reply nor attended the meetings.

DAC expressed serious concern and directed EDO (Education) to submit reply for violation of the Government instructions. No progress was intimated to Audit till the finalization of this Report.

Audit recommends fixing of responsibility against the concerned besides regularization of expenditure by the Competent Authority, under intimation to Audit.

[PDP Nos.82&79, 92, 93&97, 37, 60, 13, 15, 9, 103, 68, 72]

1.2.1.15 Non-recovery of compensation from the contractors – Rs 6.201 million

According to Clause 8(4) of the Contract Agreement, in the event of non-submission of the program or revised amended program of work by the contractor, for approval of the Engineer-in-Charge within the period specified, the contractor shall be liable to pay as compensation an amount, equal to 0.25 percent per day or such smaller amount as the Engineer-in-Charge may decide on the total tendered amount of the work, subject to maximum of 2 percent of the contract amount. Further, according to Para 11 of the Acceptance Letter, issued by District Officer (Roads), Chiniot, the contractor was required to submit work schedule for carrying out the works within fifteen days for approval of the Competent Authority.

District Officer (Roads) and District Officer (Buildings), Chiniot awarded one hundred and twelve works for construction, re-construction, up-gradation of buildings, boundary walls and dualization of roads costing

Rs 310.068 million to various contractors during 2014-16. The works were awarded with the condition to submit work schedules within stipulated period. However, the contractors did not submit work schedules/programs for execution of works. District Officer (Roads) and District Officer (Buildings) did not recover compensation @ 2 percent of cost of works amounting to Rs 6.201 million, for non-submission of the work schedules, as detailed below:

(Rupees in Million)

Sr. No.	DDOs	No. of Works	Cost of Works	Amount of Compensation
1	District Officer (Buildings), Chiniot	111	303.447	6.069
2	District Officer (Roads), Chiniot	1	6.621	0.132
Total		112	310.068	6.201

Audit is of the view that due to violation of contractual provisions and lack of due vigilance, work schedules/programs were not submitted by the contractors. Non-submission of work schedules and non-recovery of compensation amounting to Rs 6.201 million resulted in violation of contractual provisions.

The matter was reported to the DCO and DDOs concerned in November, 2016. It was replied that work schedules were misplaced. Audit did not agree because no evidence/correspondence regarding submission of work schedule was available in the record. DAC meetings were held in December, 2016. The department neither submitted reply nor attended the meetings.

DAC expressed serious concern and directed EDO (W&S) to submit reply for violation of the contractual provisions. No progress was intimated to Audit till the finalization of this Report.

Audit recommends recovery of compensation amounting to Rs 6.201 million from the concerned, under intimation to Audit.

[PDP Nos.232, 219]

1.2.1.16 Irregular execution of works without Administrative Approval – Rs 5.477 million

According to Rule 35(1) and (2) of the Punjab District Government and Tehsil Municipal Administration (Budget) Rules, 2003, the District Coordination Officer (DCO) shall convey the Administrative Approval on behalf of the respective Budget and Development Committee. Only the development projects approved by the Budget and Development Committee shall be considered for inclusion in the Annual Development Programme.

District Officer, On Farm Water Management (OFWM), Chiniot executed 05 development schemes costing Rs 7.022 million for improvement of water courses during 2015-16 under “Optimizing Watercourse Conveyance Efficiency through Enhancing Lining Length”, Project and incurred expenditure of Rs 5.477 million. However, the works were executed without getting Administrative Approval by the District Development Committee (DDC).

Audit is of the view that due to non-compliance of rules, works were executed without Administrative Approval by the Competent Authority. Execution of works costing Rs 5.477 million without Administrative Approval by the Competent Authority resulted in irregular expenditure and violation of rule.

The matter was reported to the DCO and DDO concerned in November, 2016. In DAC meeting held in December, 2016, DDO replied that works were executed after fulfilling codal formalities defined in PC-I of the project. The reply was not tenable because Administrative Approval was required to be obtained from DDC.

DAC directed EDO (Agriculture) to scrutinize the record and report progress within two weeks. Non progress was intimated to Audit till the finalization of this Report.

Audit recommends fixing of responsibility against the concerned besides regularization of expenditure, under intimation to Audit.

[PDP No.244]

1.2.1.17 Execution of additional work without retendering – Rs 5.476 million

According to Rule 59(c)(iv) of the Punjab Procurement Rules, 2014, a procuring agency may utilize the alternative method of “Direct Contracting” for procurement of goods, services and works through “Repeat Orders” not exceeding 15 percent of the original procurement. Further, according to Inter Departmental Committee of the Public Accounts Committee’s decision dated 17.11.2001, the management is not empowered to award a new work as an additional work to an existing contractor without calling open tenders.

District Officer (Roads), Chiniot awarded two works for construction of roads to contactors at an original agreement cost of Rs 5.489 million during 2014-15. However, subsequently schemes were revised and scope of works was enhanced to the extent of Rs 10.965 million in November, 2015. Additional works costing Rs 5.476 million were executed through the same contractors without inviting fresh tenders. It was pertinent to mention that in all the cases, enhancement in cost of the schemes was made even after stipulated date of completion. The detail is given below:

(Rupees in Million)

Sr. No.	Name of Scheme	Original Works			Additional Works		Amount of Work without Tendering
		Date of Award of Work	Cost of Original Award	Stipulated Date of Completion	Date of Enhancement of Work	Cost of Work after Enhancement	
1	Construction of road from Yakawala to Biekh	12.06.2015	2.023	12.09.2015	16.11.2015	4.196	2.173
2	Construction of road from Jamia Abad Aminpur Road	01.01.2015	3.466	01.06.2015	23.11.2015	6.769	3.303

Sr. No.	Name of Scheme	Original Works			Additional Works		Amount of Work without Tendering
		Date of Award of Work	Cost of Original Award	Stipulated Date of Completion	Date of Enhancement of Work	Cost of Work after Enhancement	
	Dhaari Machian to Khoo Tehsildar Chak 156/JB						
Total			5.489			10.965	5.476

Audit is of the view that due to non-adherence to PPRA Rules and weak internal controls, additional works were awarded without open competition. Award of works without open competition resulted in mis-procurement amounting to Rs 5.476 million besides depriving the Government from lowest possible rates.

The matter was reported to the DCO and DDO concerned in November, 2016 to which no reply was furnished by the Department. DAC meetings were held in December, 2016. The department neither submitted reply nor attended the meetings.

DAC expressed serious concern and directed EDO (W&S) to submit reply for violation of the Government rules. No progress was intimated to Audit till the finalization of this Report.

Audit recommends fixing of responsibility against the concerned besides regularization of the matter, under intimation to Audit.

[PDP No.214]

1.2.1.18 Irregular purchase of furniture during ban period – Rs 4.916 million

According to Para 2(VII) of Government of the Punjab, Finance Department letter No.FD.SO(GOODS)44-4/2011 dated 07.07.2012 and even No. dated 06.08.2013 and 01.09.2014, the purchase of furniture and fixture shall not be allowed except with prior concurrence of the Austerity Committee constituted for the purpose but procurement of school furniture in the districts through

respective School Councils was allowed upto a maximum of Rs 0.500 million during a financial year.

Headmaster/Headmistress of four High Schools of Chiniot incurred expenditure of Rs 4.916 million for procurement of furniture during 2012-16 which was excess than permissible limit during a financial year. Contrary to the above referred instructions of Finance Department, concurrence of the Austerity Committee was also not obtained before these procurements, as detailed below:

(Rupees in Million)

Sr. No.	DDOs	Financial Year	Amount
1	Headmistress, Government Girls High School, Chiniot	2013-14	1.500
		2014-15	0.799
2	Headmistress, Government Nusrat Girls High School, Chenab Nagar	2014-15	0.700
3	Headmaster, Government Islamia High School, Chiniot	2013-14	1.019
4	Headmistress, Government Girls High School, Ahmed Nagar	2012-13	0.898
Total			4.916

Audit is of the view that due to Finance Department's instructions, irregular expenditure was incurred without concurrence of Austerity Committee. Incurrence of expenditure amounting to Rs 4.916 million for purchase of furniture without concurrence of Austerity Committee resulted in violation of the Government instructions.

The matter was reported to the DCO and DDOs concerned in November, 2016. In DAC meeting held in December, 2016, it was replied that funds, provided by EDO (F&P) for purchase of furniture, were incurred after fulfilling all the codal formalities. The reply was not tenable because expenditure was incurred without getting clearance from the Austerity Committee. DAC meetings were held in December, 2016. The DDOs neither submitted reply nor attended the meetings.

DAC expressed serious concern and directed EDO (Education) to submit reply for purchase of furniture without getting clearance from the Austerity Committee. No progress was intimated to Audit till the finalization of this Report.

Audit recommends regularization of the matter from the Competent Authority, under intimation to Audit.

[PDP Nos.36, 59, 100, 70]

1.2.1.19 Irregular procurement of literacy kits and furniture – Rs 4.150 million

According to Rule 38 of the Punjab Procurement Rules 2014, single stage two envelopes bidding procedure shall be used for procurement of such goods where the bids are to be evaluated on technical and financial grounds. After the evaluation and approval of the technical proposals, the procuring agency shall open the financial proposals of the technically accepted bids. Further, according to Rule 15.18 of the Punjab Financial Rules, Volume-I, balances of stores must not be held in excess of the requirements. Furthermore, according to Government of the Punjab, Services and General Administration Department (Procurement Wing) letter No.SO(Proc)S&GAD/1-3/97(Vol-II) dated 01.11.2001, all purchases exceeding Rs 600,000 were required to be approved by the District Coordination Officer on the recommendation of Special Purchase Committee.

Executive District Officer (Education) and District Officer (EE-M), Chiniot incurred expenditure of Rs 4.150 million on the procurement of literacy kits and furniture from different suppliers during 2015-16, as detailed below:

(Rupees in Million)		
Sr. No.	Description of Procurement	Amount
1	Purchase of literacy kits	3.230
2	Purchase of furniture (teacher chairs)	0.920
Total		4.150

However, following shortcomings were noticed in procurement of literacy kits and furniture:

- i. In tender notice, the procuring agency did not mention the procedure of bidding, whether it was single stage one envelop bidding or single stage two envelop bidding or two stage bidding etc. .
- ii. Technical report showing defects in various literacy items were signed by only two members whereas other members did not sign the said report.
- iii. The comparative statement was prepared on 26.03.2016 i.e. prior to preparation of technical report.
- iv. The members of purchase committee i.e. Executive District Officer (Community Development), District Officer (Coordination), Executive District Officer (Finance and Planning) or their representatives did not sign the comparative statement.
- v. The case was not approved by the District Coordination Officer on the recommendations of Special Purchase Committee.
- vi. The minutes in connection with the opening of financial proposals were also not signed by the all members. The same were only signed by the District Education Officer (EE-M), Chiniot.
- vii. Huge quantity of different items was lying in the store. It appeared that the material was procured without immediate requirement.
- viii. The date of opening of technical proposals for procurement of furniture was 10.05.2016 and after report of technical committee, the financial proposal was opened on 13.05.2016. However, technical inspection report, submitted on 14.06.2016, was later on tampered to change the month from June to May, 2016.
- ix. The financial bids for procurement of furniture were opened prior to issuance of technical inspection report because comparative statement of financial bids was signed on 13.05.2016.

Audit is of the view that due to weak internal controls and financial indiscipline, procurement was made by adopting defective procurement procedure. Procurement of literacy kits and furniture by adopting defective procedure resulted in irregular expenditure amounting to Rs 4.150 million and violation of rules.

The matter was reported to the DCO and DDO concerned in November, 2016 to which DDO replied that literacy kits were procured through Special Purchase Committee at economical rates and comparative statement was signed by all members of the committee. The reply was not tenable because minutes were not signed by all members as evident from record and procurement was made in violation of rules. DAC meetings were held in December, 2016. DDO attended the meetings but did not submit reply.

DAC directed Executive District Officer (Education) to submit detailed reply and get the matter regularized. No progress was intimated to Audit till the finalization of this Report.

Audit recommends fixing of responsibility against the concerned besides regularization of expenditure from the Competent Authority, under intimation to Audit.

[PDP Nos.85, 83, 84, 86]

1.2.1.20 Irregular expenditure without approval of SNE – Rs 4.055 million

According to Rule 64(2) of the Punjab District Government and Tehsil Municipal Administration (Budget) Rules, 2003, two elements are necessary before public money can be spent. There must be an appropriation of funds for the purpose and sanction of an authority competent to sanction expenditure. Further, according to Government of the Punjab, Finance Department letter No.FD(DG)1-12/2010 dated 28.04.2011, creation of the post of District Officer (Community

Organization) along with supporting staff in District Government, Chiniot was regretted.

District Government, Chiniot released budget of Rs 7.466 million to the office of the District Officer (Community Organization), Chiniot from 2011-12 to 2015-16 without sanction of posts and approval of the Statement of New Expenditure (SNE). Resultantly, District Officer (Community Organization) Chiniot incurred an expenditure of Rs 4.055 million during the period without authority.

Audit is of the view that due to violation of Budget Rules, budget was released and expenditure was incurred without SNE. Incurrence of expenditure without sanction of SNE resulted in irregular expenditure of Rs 4.055 million.

The matter was reported to the DCO and DDO concerned in October, 2016, to which no reply was furnished by the department. DAC meetings were held in December, 2016. The department neither submitted reply nor attended the meetings.

DAC expressed serious concern and directed EDO (Community Development) to submit reply for violation of the Government rules. No progress was intimated to Audit till the finalization of this Report.

Audit recommends investigation of the matter for fixing of responsibility against the concerned besides regularization of expenditure, under intimation to Audit.

[PDP Nos.199, 201]

1.2.1.21 Drawl of pay and allowances at excessive rates – Rs 4.007 million

According to Government of the Punjab, Services and General Administration Department Notification No.DS(O&M)5-3/20Q4/CONTRACT (MF) dated 14.10.2009, the pay of employees, regularized w.e.f. 14.10.2009, was

required to be fixed at the initial of respective pay scales and the increment(s) already earned shall be converted into Personal Allowance. Further, according to Government of the Punjab, Finance Department letter No.FD.PC-2-2/2010 dated 15.07.2010, Adhoc Allowance - 2010 @ 50 percent of Basic Pay Scales, 2008 was granted to the employees. Furthermore, according to Government of the Punjab, Finance Department Notification No.FD(SRI)-I-39/70 (Vol. III) dated 02.06.1972, the annual increments in the basic pay scales shall fall due on the first day of December, following the completion of at least six months service at a stage in relevant basic pay scale. Furthermore, according to Government of the Punjab, S&GAD letter dated 19.12.2004, Benevolent Fund (BF) and Group Insurance (GI) were required to be deducted/recovered from civil servant.

Services of 128 employees working under the administrative control of different DDOs of Education Department, Chiniot were regularized w.e.f. 19.10.2009 and 09.11.2011. After regularization of services, these employees were paid inadmissible Social Security Benefit (SSB). Further, Basic Pay, Adhoc Allowance – 2010 and Personal Allowance were paid at excessive rates. Moreover, deduction on account of General Provident Fund, Benevolent Fund and Group Insurance was also not made from pay of these employees after regularization. Resultantly, an amount of Rs 4.007 million was overpaid to these employees during 2009-16. **(Annex-C)**

Audit is of the view that due to non-compliance of rules, excess payment was made to the employees. Payment of pay and allowances at excessive rates amounting to Rs 4.007 million resulted in loss to the Government Treasury.

The matter was reported to the DCO and DDOs concerned in November, 2016. In DAC meeting held in December, 2016, it was replied that partial recovery had been made and efforts were being made to recover the balance amount from employees concerned. Audit stressed to provide evidence of recovery effected and expedite the balance recovery at the earliest.

DAC directed EDO (Education) to produce record of partial recovery and expedite the balance recovery. No progress was intimated to Audit till the finalization of this Report.

Audit recommends fixing of responsibility against the concerned for payment of pay and allowances at excessive rates besides recovery of Rs 4.007 million, under intimation to Audit.

[PDP Nos.29,1 66,21,12,99,52,23,6,14,55,61,74,96,2,30,10,47]

1.2.1.22 Irregular expenditures under head of POL – Rs 3.509 million

According to Government of the Punjab, Services and General Administration Department (Transport Pool) letter No. MTO(S&GAD)AT-II/2-9/2006 dated 26.12.2008, necessary arrangements be made for sealing of speedometer / milometer of all the vehicles under use in the Government offices to minimize the chances of pilferage / misappropriation of fuel. Further, according to Section 49 of Appendix-14 of the Punjab Financial Rules Vol-II:

- i. Record of POL should be maintained separately for each vehicle.
- ii. Full particulars of journey and distances should be correctly exhibited.
- iii. The purpose of journey indicating the brief particulars of the journey performed should be recorded. The term “official” is not sufficient.
- iv. Average consumption of POL should be worked out and the log books should be maintained in the prescribed form.

Seven DDOs of different departments of District Government, Chiniot incurred expenditure of Rs 3.509 million during 2012-16 on procurement of POL for the Government vehicles, i.e. official vehicles and hospital ambulance, as detailed below:

(Rupees in Million)		
Sr. No.	DDOs	Amount
1	Deputy District Officer (Health), Chiniot	1.076
2	Medical Superintendent, Tehsil Headquarters Hospital, Lalian	0.347

Sr. No.	DDOs	Amount
3	Project Director, District Health Development Center, Chiniot	0.975
4	District Officer (Buildings), Chiniot	0.504
5	District Officer (OFWM), Chiniot	0.487
6	Executive District Officer (Health), Chiniot	0.093
7	Secretary, District Road Transport Authority, Chiniot	0.027
Total		3.509

Following discrepancies were observed in running of vehicles and consumption of POL:

1. Speedometers / milometers of motor vehicles were not got sealed.
2. Average consumption of petrol (summary) was not properly worked out and recorded in the log books at the close of each month.
3. Distances between two places were not correctly recorded.
4. Deputy District Officer (Health), Chiniot did not produce log book for the financial year 2012-13.
5. District Officer (Buildings), Chiniot drew POL against two vehicles not allotted to him but did not produce vouchers, bills and log books for verification. Project Director, District Health Development Center and Secretary, District Road Transport Authority, Chiniot drew POL without recording the same in log books.
6. POL for special purposes i.e. measles campaign was drawn from regular budget.
7. Patient referral protocols were not properly observed.
8. Evidence of registration of patients at referred health facility was not available.

Audit is of the view that due to negligence and monitoring, speedometers / milometers of motor vehicles were not got sealed and log books alongwith other supporting record were not properly maintained. Non-sealing of speedometers / milometers and improper maintenance of log books resulted in irregular expenditure amounting to Rs 3.509 million.

The matter was reported to the DCO and DDOs concerned in October, 2016. In DAC meetings held in December, 2016, District Officer (OFWM) replied that Motor Vehicle Examiner, Chiniot had been requested for sealing of speedometer/milometer. Reply was not tenable because expenditure was incurred in violation of instructions. However, other DDOs neither submitted reply nor attended the meetings.

DAC directed EDO (Agriculture) to get the speedometers sealed within two weeks and expressed serious concern for non-submission of replies on the part of other DDOs. No progress was intimated to Audit till the finalization of this Report.

Audit recommends regularization of the matter from the Competent Authority besides sealing of speedometer/ milometer, under intimation to Audit.

[PDP Nos.117, 180, 162, 119, 222, 243, 197]

1.2.1.23 Overpayment of inadmissible pay and allowances – Rs 3.445 million

According to Government of the Punjab, Finance Department letter No. FD(M-1)1-15/82-P-I dated 15.01.2000, House Rent Allowance is not permissible when facility of official accommodation is availed by the Government servant and deduction on account of House Rent Charges at the rate of 5 percent of pay is required to be made from the allottees. Further, according to Government of the Punjab, School Education Department Order No.SO(SE-I)1-255/214 dated 05.12.2014, a civil servant appointed on contract basis shall contribute towards Benevolent Fund and Group Insurance. Furthermore, according to Government of the Punjab, Finance Department letter No.FD-SR-1-9-4186(P)(PR) dated 04.12.2012, the employees residing in residential colonies situated within work premises are not entitled to the facility of Conveyance Allowance. Furthermore, according to Rule 2.31(a) of the Punjab Financial Rules,

Volume-I, a drawer of bill for pay, allowances, contingent and other expenses will be held responsible for any overcharges, fraud and misappropriation.

Ninety two employees working in different departments of District Government, Chiniot withdrew pay and allowances amounting to Rs 3.445 million during 2015-16. Pay and allowances were either inadmissible or drawn at excessive rates without justification. **(Annex-D)**

Audit is of the view that due to non-compliance of Finance Department's instructions and weak internal controls, pay and allowances were withdrawn without admissibility or at excessive rates. Withdrawal of pay and allowances to employees without admissibility and at excessive rates resulted in overpayment amounting to Rs 3.445 million.

The matter was reported to the DCO and DDOs concerned in October, 2016. In DAC meetings held in December, 2016, four Deputy District Education Officers replied that efforts would be made for recovery. Audit stressed for recovery at the earliest. However, other DDOs neither submitted reply nor attended the meetings.

DAC directed EDO (Education) to ensure recovery within two weeks and expressed serious concern for non-submission of replies on the part of other DDOs. No progress was intimated to Audit till the finalization of this Report.

Audit recommends recovery of Rs 3.445 million from the employees concerned, under intimation to Audit.

[PDP Nos.17, 22, 26, 27, 28, 43, 54, 106, 115, 122, 129, 131, 133, 134, 136, 140, 141, 149, 156, 159, 174, 187, 197, 221, 225, 226, 238, 110, 114]

1.2.1.24 Non-recovery on account of price variation from the contractors – Rs 3.363 million

According to Government of the Punjab, Finance Department letter No.RO(Tech)F.1-2/83-VI(P) dated 11.01.2007 read with Clause 55 of the

Contract Agreement, where any variation (increase or decrease), to the extent of 5 percent or more, in the price of bitumen and diesel (among other items) 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 actual variation in the cost of the item concerned.

District Officer (Roads), Chiniot awarded twenty nine works for construction, repair/improvement and rehabilitation of roads in 2014-15 and 2015-16. Contractors executed the works from July, 2015 to April, 2016. However, during execution of works, there was more than 5 per cent decrease in prices of bitumen and diesel as per monthly price variation notifications issued by Government of the Punjab, Finance Department. Contrary to the above, District Officer (Roads) did not recover/adjust price variation amounting to Rs 3.363 million in the bills of contractors.

Audit is of the view that due to non-compliance of contractual provisions and lack of vigilance, recovery/adjustment of price variation was not made in the bills of contractors. Non-recovery/adjustment of price variation resulted in excess payment of Rs 3.363 million to the contractors.

The matter was reported to the DCO and DDO concerned in November, 2016 to which no reply was furnished by the Department. DAC meetings were held in December, 2016. The department neither submitted reply nor attended the meetings.

DAC expressed serious concern and directed EDO (W&S) to submit reply after scrutiny of record. No progress was intimated to Audit till the finalization of this Report.

Audit recommends recovery of overpaid amount of Rs 3.363 million from the concerned besides recovery against other similar works, under intimation to Audit.

[PDP No.204]

1.2.1.25 Non-imposition of penalty for delay in completion of works – Rs 3.195 million

According to Clause 39 of the Contract Agreement, the time limit for carrying out the work as entered in the tender shall be strictly observed by the contractor. The contractor shall pay as compensation an amount equal to one percent of the amount of contract subject to a maximum of 10 percent or such smaller amount as the Engineer-in-Charge (whose decision in writing shall be final) may decide, for every day that the work remains un-commenced or unfinished after the proper date.

District Officer (Roads), Chiniot awarded nine works costing Rs 31.950 million for provision and laying of tuff tiles, construction, improvement and rehabilitation of roads during 2014-16. However, contractors failed to complete the works within stipulated period. District Officer (Roads) did not impose penalty amounting to Rs 3.195 million for delay in completion of schemes, as detailed below:

(Rupees in Million)

Sr. No.	Name of Scheme	Work Order No. / Date	Stipulated Date of Completion	Agreement Cost	Amount of Penalty
1	Providing and laying of tuff tile from Madrisa-tul-Binat School to Government High School Sargodha Road via Old Mandi Bawa Lal Mandar Road	6879 dated 01.09.15	31.10.15	2.455	0.246
2	Construction of road and providing of tuff tiles Baraf Karkhana link road bye pass via Sheryar	7113 dated 08.10.15	07.11.15	2.434	0.243
3	Repair/rehabilitation of road from Thana Sadar Chowk to Gate Mandi Bawalal via Katchery Bazar	8458-59 dated 28.12.15	27.02.16	1.632	0.163
4	Repair/rehabilitation of road in Y-Block Satilite Town, Chiniot	8452 dated 23.12.15	22.02.16	5.928	0.593
5	Repair/rehabilitation of road from Shahra-e-Qaid-Azam to Chowk Qasaban, Chiniot.	6889-96 dated 01.09.15	31.10.15	2.730	0.273

Sr. No.	Name of Scheme	Work Order No. / Date	Stipulated Date of Completion	Agreement Cost	Amount of Penalty
6	Construction of road from Jamia Abad Aminpur road Dhari Mochina to Khoo Tehsildar Chak No. 156/JB	25 dated 01.01.15	28.02.15	3.466	0.347
7	Construction of Pacca Road (Remaining Portion) Abadi Pipal Wala in Tehsil Bhowana	1030 dated 03.12.14	02.02.15	1.827	0.183
8	Construction of road from Jhang Chiniot Road Puli Maqsood Shah Wali to Hayat Sipra in Tehsil Bhowana	6694 dated 27.07.15	26.10.15	5.550	0.555
9	Construction of road from Ahmad Abad to Hanjra More Suleman, Tehsil Bhowana	6679-82 dated 27.07.15	26.10.15	5.927	0.593
Total Amount				31.950	3.195

Audit is of the view that due to non-adherence to contractual provisions and weak internal controls, works were not completed within stipulated period and penalty was not imposed. Non-imposition of penalty resulted in non-completion of works and loss to the Government exchequer amounting to Rs 3.195 million.

The matter was reported to the DCO and DDO concerned in November, 2016 to which no reply was furnished by the Department. DAC meetings were held in December, 2016. The department neither submitted reply nor attended the meetings.

DAC expressed serious concern and directed EDO (W&S) to submit reply for non-imposition of penalty. No progress was intimated to Audit till the finalization of this Report.

Audit recommends fixing of responsibility against the concerned for non-completion of schemes within stipulated time besides recovery of Rs 3.195 million, under intimation to Audit.

[PDP No.205]

1.2.1.26 Irregular expenditure without quotations/tenders – Rs 3.086 million

According to Rule 9 of the Punjab Procurement Rules, 2014, a procuring agency shall announce in an appropriate manner all proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements so planned. Further, according to Rule 59(b) *ibid*, a procuring agency may provide for petty purchases through at least three quotations where the cost of the procurement is more than fifty thousand rupees but less than one hundred thousand rupees and such procurement shall be exempted from the requirements of bidding procedure.

Different Drawing and Disbursing Officers of Health Department, Chiniot incurred expenditure of Rs 3.086 million for purchase of medicines, x-ray films, medical equipment and clinical laboratory items from the local market during 2014-16. The procurement was made by splitting the cost of procurements and keeping amount of each purchase below the financial limit of Rs 100,000 to avoid tendering and Rs 50,000 to avoid quotations, as detailed below:

(Rupees in Million)

Sr. No.	DDOs	Amount
1	District Officer (Health) Chiniot	0.957
2	Medical Superintendent, Headquarters, Hospital, Bhowana	0.810
3	Senior Medical Officer, Rural Health Centre, Chak No. 14/JB	0.358
4	Medical Superintendent, Tehsil Headquarters, Lalian	0.961
Total		3.086

Audit is of the view that due to violation of PPRA Rules and financial mismanagement, expenditure was incurred without open competition / tendering. Procurement without open competition resulted in mis-procurement and irregular expenditure of Rs 3.086 million.

The matter was reported to the DCO and DDOs concerned in October, 2016. It was replied that expenditure was incurred as per requirements of the health facilities. The reply was not tenable because expenditure was incurred by splitting the cost of procurements. DAC meetings were held in December, 2016. The department neither submitted reply nor attended the meetings.

DAC expressed serious concern and directed EDO (Health) to submit reply for violation of the rules. No progress was intimated to Audit till the finalization of this Report.

Audit recommends fixing of responsibility against the concerned besides regularization of expenditure, under intimation to Audit.

[PDP Nos.125, 142, 154, 168, 169]

1.2.1.27 Pre-mature refund of security deposits – Rs 3.085 million

According to Clause 50 of the General Conditions of Contract Agreement, the amount retained as security deposit shall not be refunded to the contractor before the expiry of six months in the case of original works valuing Rs 5 million and twelve months or even more, as may be determined by the Engineer-in-Charge with the prior approval of the Chief Engineer, in the case of works valuing above Rs 5.000 million, after the issue of certificate of completion of the work.

District Officer (Buildings), Chiniot refunded security deposits amounting to Rs 3.085 million to contractors against five works during 2015-16. However, premature refund of securities was made to contractors before completion of maintenance period of one year, as detailed below:

(Rupees in Million)

Sr. No.	Name of Work	Date of Start	Date of Completion	Actual Date of Maturity	Date of Payment	Amount
1	Up-gradation of Government Girls Elementary School, Rao Bagh Mall.	05.09.2014	03.03.2015	02.03.2016	21.10.2015	0.564

Sr. No.	Name of Work	Date of Start	Date of Completion	Actual Date of Maturity	Date of Payment	Amount
2	Construction at Government High School, Chak 247/JB, Bhowana.	05.09.2014	08.04.2015	07.04.2016	26.10.2015	0.639
3	Up-gradation of Government Girls Primary School, Changram wala to high level, Lalian	25.05.2015	20.09.2015	19.09.2016	18.04.2016	0.526
4	Re-construction of dangerous school building at Government High School, Taleem-ul-Islam, Chanab Nagar.	14.09.2014	13.05.2015	12.05.2016	01.03.2016	0.836
5	Provision of missing infrastructure at Tehsil Headquarters Hospital, Bhowana.	28.07.2015	03.11.2015	02.11.2016	23.06.2016	0.520
Total						3.085

Audit is of the view that due to the negligence of authorities, premature refund of security deposits was made before expiry of maintenance period. Premature refund of security deposits amounting to Rs 3.085 million resulted in violation of contractual provisions.

The matter was reported to the DCO and DDO concerned in October, 2016 to which no reply was furnished by the department. DAC meetings were held in December, 2016. The department neither submitted reply nor attended the meetings.

DAC expressed serious concern and directed EDO (W&S) to submit reply for premature refund of security deposits. No progress was intimated to Audit till the finalization of this Report.

Audit recommends fixing of responsibility against the concerned besides regularization of the matter from the Competent Authority, under intimation to Audit.

[PDP No.227]

1.2.1.28 Irregular expenditure without tenders – Rs 2.978 million

According to Rule 09 of the Punjab Procurement Rules, 2014, a procuring agency shall announce in an appropriate manner all proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements so planned. Further, according to Rule 59(b) *ibid*, a procuring agency may provide for petty purchases through at least three quotations where the cost of the procurement is more than fifty thousand rupees but less than one hundred thousand rupees and such procurement shall be exempted from the requirements of bidding procedure.

Drawing and Disbursing Officer of District Coordination Office, Chiniot incurred expenditure of Rs 2.978 million on hiring of tentage, generator, temporary lights, folk singers, magician, photographer, purchase of lunch boxes, shields, printing of pana-flex banners etc. for spring festival and hiring of vehicles for Mohram-ul-Haram duty during 2015-16. However, procurement was made by splitting the cost to keep amount of each purchase below the financial limit of Rs 100,000 to avoid tendering, as detailed below:

(Rupees in Million)

Sr. No.	Description of Expenditure	Amount
1	Expenditure on spring festival, 2016	2.705
2	Expenditure on Moharam-ul-Haram duty	0.273
Total		2.978

Audit is of the view that due to weak internal controls and financial indiscipline, expenditure was incurred without open competition. Procurement without open competition resulted in mis-procurement and irregular expenditure of Rs 2.978 million.

The matter was reported to the DCO and DDO concerned in November, 2016 to which no reply was furnished by the department. DAC meetings were held in December, 2016. DDO neither submitted reply nor attended the meetings.

DAC expressed serious concern and directed DDO concerned to submit reply for violation of the rules. No progress was intimated to Audit till the finalization of this Report.

Audit recommends fixing of responsibility against the concerned besides regularization of expenditure, under intimation to Audit.

[PDP Nos.182, 186]

1.2.1.29 Purchase of medicines beyond prescribed limit – Rs 2.963 million

According to Government of the Punjab, Finance Department, Notification No.FD(FR)11-2/89 dated 01.11.2001, the budget allocation for purchase of medicines shall be 75 percent bulk purchases, 10 percent bulk purchase for natural calamities and 15 percent local purchase (day to day use).

Medical Superintendent, District Headquarters Hospital, Chiniot incurred excess expenditure of Rs 2.963 million on Local Purchase instead of incurring the same for purchase under 75 percent bulk purchase budget, as detailed below:

(Rupees in Million)

Sr. No.	DDO	Total Budget	Expenditure to be Incurred out of 15% and 10% Budget	Expenditure Incurred out of 15% and 10% Budget	Amount of Excess Expenditure
1	Medical Superintendent DHQ Hospital, Chiniot	32.870	7.250	10.187	2.963
	Total				2.963

Audit is of the view that due to the deviation from prescribed yardstick, expenditure more than the prescribed limit on Local Purchase of medicine was incurred. Incurrence of expenditure amounting to Rs 2.963 million beyond prescribed limit resulted in violation of the Government instructions.

The matter was reported to the DCO and DDO concerned in October, 2016. It was replied that approval was accorded by the DCO, Chiniot for incurring expenditure to ensure supply of necessary medicines. Audit did not agree because purchases were made beyond prescribed limit. DAC meetings were held in December, 2016. The department neither submitted reply nor attended the meetings.

DAC expressed serious concern and directed EDO (Health) to submit reply for violation of the Government instructions. No progress was intimated to Audit till the finalization of this Report.

Audit recommends fixing of responsibility against the concerned besides regularization of expenditure from the Competent Authority, under intimation to Audit.

[PDP No.111]

1.2.1.30 Overpayment of Conveyance Allowance – Rs 2.773 million

According to clarification of Government of the Punjab, Finance Department vide letter No.FD.SRI9-4/66(P)(PR) dated 21.04.2014, the officers who are availing facility of the Government vehicles including bikes (sanctioned/pool) are not entitled to the facility of Conveyance Allowance w.e.f. 01.03.2014.

Contrary to the above, 71 officers/officials working in various offices of District Government, Chiniot drew Conveyance Allowance amounting to Rs 2.773 million during 2014-16 despite the fact that official vehicles were provided to them. The detail is as under:

(Rupees in Million)

Sr. No.	DDOs	No. of Employees	Designation	Period	Amount
1	District Officer (Health), Chiniot	34	Vaccinators etc.	2015-16	0.871
2	EDO (Health), Chiniot	02	EDO (Health)	04/2016	0.018

Sr. No.	DDOs	No. of Employees	Designation	Period	Amount
				to 06/2016	
3	Project Director, District Health Development Center	01	Project Director	2014-16	0.120
4	DDO (Health), Chiniot	24	DDO (Health) and other office staff	03/2015 to 06/2016	1.179
5	DO (Social Welfare), Chiniot	01	DO (Social Welfare)	2013-16	0.135
6	District Coordination Officer	02	DO (Civil Defence)	07/2015 to 09/2016	0.075
7	Secretary (DRTA), Chiniot	04	Secretary (DRTA)	03/2014 to 10/2016	0.160
8	Deputy DO (Agriculture Extension), Lalian	02	Deputy DO (Agriculture Extension)	03/2014 to 09/2016	0.155
9	District Officer (OFWM), Chiniot	01	Deputy District Officer (OFWM), Chiniot	2015-16	0.060
Total		71			2.773

Audit is of the view that due to negligence and non-compliance of Government instructions, inadmissible Conveyance Allowance was drawn. Withdrawal of inadmissible Conveyance Allowance amounting to Rs 2.773 million resulted in overpayment to the employees concerned and loss to public exchequer.

The matter was reported to the DCO and DDOs concerned in October, 2016. District Officer (Health) replied that matter would be referred to Government of the Punjab, Finance Department for clarification. The reply was not tenable because matter had already been clarified vide above referred letter. Other DDOs replied that recovery would be made from the concerned. Audit stressed upon early recovery. DAC meetings were held in December, 2016. The departments neither submitted reply nor attended the meetings.

DAC expressed serious concern and directed EDO (Health) to submit reply for excess payment. No progress was intimated to Audit till the finalization of this Report.

Audit recommends fixing of responsibility besides recovery of Rs 2.773 million from the concerned, under intimation to Audit.

[PDP Nos.126, 124, 161, 116, 202, 183, 195, 237]

1.2.1.31 Irregular expenditure on Local Purchase of medicine – Rs 2.519 million

According to Para 16 of the Policy and Operational Guidelines for local purchase of Medicines (Day to Day) issued by Health Department, Government of the Punjab vide letter No.SO (P-I)H/3-64/2008 dated 12.09.2013, “Local Purchase of only those drugs should be done which are included in formularies”. Further according to Para 2 of ibid, “Local Purchase costs Government higher price in comparison to bulk purchases. The non-availability of prescribed medicines or its alternates within the hospital generates justification of Local Purchase; therefore, the policy requires hospitals to establish non-availability of prescribed medicine through an authorized pharmacist in the hospital on case to case basis to avoid duplication of resources”.

Medical Superintendent, Tehsil Headquarters Hospital, Bhowana and Senior Medical Officer, Rural Health Center, Chak No.14/JB incurred expenditure amounting to Rs 2.519 million on purchase of medicines in bulk from local market against 15 percent local purchase of (day to day) medicine budget instead of procurement on day to day basis. The expenditure was incurred on purchase of medicines from local market in bulk, as detailed below:

(Rupees in Million)

Sr. No.	DDOs	Expenditure
1	Medical Superintendent, Tehsil Headquarters Hospital, Bhowana	1.752

Sr. No.	DDOs	Expenditure
2	Senior Medical Officer, Rural Health Center, Chak No. 14/JB	0.767
Total		2.519

Audit is of the view that due to weak internal controls and non-adherence to policy guideline, medicines in bulk quantities were purchased from local market. Bulk purchase of medicines from local market resulted in irregular expenditure amounting to Rs 2.519 million and violation of above referred instructions.

The matter was reported to the DCO and DDOs concerned in October, 2016. It was replied that procurement of medicines was made for smooth running of health facilities. The reply was not tenable because expenditure was incurred in violation of above referred Government instructions. DAC meetings were held in December, 2016. The department neither submitted reply nor attended the meetings.

DAC expressed serious concern and directed EDO (Health) to submit reply for violation of the Government rules/instructions. No progress was intimated to Audit till the finalization of this Report.

Audit recommends regularization of the matter from the Competent Authority, under intimation to Audit.

[PDP Nos.145, 153]

1.2.1.32 Splitting of scheme to avoid approval of higher authority – Rs 2.513 million

According to Sr.No.1(b) of Chapter Special Powers to Communication and Works Department of the Punjab Delegation of Financial Powers Rules, 2006, Executive Engineer can grant Technical Sanction in case of ordinary and special repairs (non-residential buildings and machinery & equipment) upto Rs 0.300 million in each case, Superintending Engineer upto Rs 1.500 million in each case and Chief Engineer has full powers.

District Officer (Buildings), Chiniot awarded two works costing Rs 2.513 million for repair of main building, provision of sanitary installations/ sewer-line and repair of medical officer residence at Tehsil Headquarters Hospital, Bhowana during 2015-16 and incurred expenditure of Rs 2.483 million. The works were awarded and executed by splitting and keeping the cost of each work below the financial limit of Rs 1.500 million to avoid approval of the Chief Engineer, Punjab, as detailed below:

(Rupees in Million)

Sr. No.	Name of Work	Date of Technical Sanction of Estimate	Date of Award of Work	Approved Cost	Expenditure
1	Repair of main building, provision of electricity, sanitary installation and sewerage in Tehsil Headquarters Hospital, Bhowana.	19.05.2016	11.06.2016	1.070	1.068
2	Repair of Medical Officer residence waiting shed and manhole in Tehsil Headquarters Hospital, Bhowana.	19.05.2016	06.06.2016	1.443	1.415
Total				2.513	2.483

Audit is of the view that due to violation of rules and misuse of authority, works were executed by splitting the cost of scheme to avoid approval of higher authority. Splitting of works to avoid approval of higher authority resulted in violation of the rules and irregular allocation of funds amounting to Rs 2.513 million.

The matter was reported to the DCO and DDO concerned in October, 2016. It was replied that process was initiated after receipt of two separate requisitions from the client department. Hence, splitting was not made. The reply was not tenable because technical sanction of estimates was accorded by EDO (W&S), Chiniot on the same date and works were awarded to same contractor. DAC meetings were held in December, 2016. The department neither submitted reply nor attended the meetings.

DAC expressed serious concern and directed EDO (W&S) to submit reply for violation of the Government rules. No progress was intimated to Audit till the finalization of this Report.

Audit recommends fixing of responsibility besides regularization of expenditure from the Competent Authority, under intimation to Audit.

[PDP Nos.230]

1.2.1.33 Unauthorized withdrawal of Conveyance Allowance – Rs 2.072 million

According to Rule 1.15(2) of the Punjab Travelling Allowance Rules, Conveyance Allowance will be admissible only for the period during which the civil servant held the post to which the conveyance is attached and will not be admissible during leave or joining time. Further, according to clarification of Government of the Punjab, Finance Department vide letter No.FD.SRI9-4/66(P)(PR) dated 21.04.2014, the officers who are availing facility of the Government vehicles including bikes (sanctioned/pool) are not entitled to the facility of Conveyance Allowance w.e.f. 01.03.2014.

Twelve DDOs of Education Department, Chiniot made payment of Conveyance Allowance amounting to Rs 2.072 million to 1,207 employees during 2010-16. Contrary to the above referred rule/instructions, payment of inadmissible Conveyance Allowance was made during leave, summer/winter vacation and to employees availing the facility of official vehicle. **(Annex-E)**

Audit is of the view that due to the violation of Government instructions, inadmissible Conveyance Allowance was paid to employees during leave, summer/winter vacation and to employees availing the facility of official vehicle. Payment of inadmissible Conveyance Allowance amounting to Rs 2.072 million resulted in excess payment to the employees and loss to the Government exchequer.

The matter was reported to the DCO and DDOs concerned in November, 2016. In DAC meeting held in December, 2016, DDOs replied that partial recovery had been made and balance recovery would be made from employees concerned. Audit stressed to provide evidence in support of reply and recover the balance amount from the concerned at the earliest.

DAC directed EDO (Education) to provide evidence regarding recovery effected and expedite the process of balance recovery. No progress was intimated to Audit till the finalization of this Report.

Audit recommends recovery of excess paid amount of Rs 2.072 million from the concerned, under intimation to Audit.

[PDP Nos.51, 62, 64, 42, 40, 35, 77, 78, 91, 95, 48, 8, 20, 98, 73, 89]

1.2.1.34 Non-recovery of inadmissible Conveyance Allowance and House Rent Allowance – Rs 2.071 million

According to Government of the Punjab, Finance Department, letter No.FD.S.R.1.9-4/86 (PR)(P) dated 15.10.2011, employees residing in the residential colonies situated within work premises are not entitled for Conveyance Allowance. Further, according to Government of the Punjab, Finance Department letter No.FD(M-1)1-15/82-P-I dated 15.01.2000, the officials provided with Government residences above their entitlement are required to pay House Rent @ 10 percent of the maximum of the scale for which the residence occupied was actually meant. Furthermore, according to Government of the Punjab, Finance Department letter No.FD(M-1)1-15/82-P-I dated 15.01.2000, House Rent @ 5 percent of pay is required to be made from the allottees of the Government accommodations.

Forty nine employees of different health facilities of Health Department, Chiniot, residing in the colonies situated in the same work premises, drew Conveyance Allowance and House Rent Allowance amounting to Rs 1.911 million during 2015-16. Further, deduction of House Rent charges amounting to

Rs 0.160 million @ 5 percent was also not made from salaries of these employees. The DDOs concerned did not take action for recovery of excess paid amount of Rs 2.071 million. The detail is given below:

(Rupees in million)

Sr. No.	DDOs	No. of Employees	Conveyance Allowance	House Rent Allowance	5% House Rent Charges	Total Amount
1	District Officer Health), Chiniot	11	0.290	0.161	-	0.451
2	Medical Superintendent, DHQ, Chiniot	16	1.032	0.103	-	1.135
3	Tehsil Headquarters Hospital, Bhowana	16	0.061	0.033	0.160	0.254
4	Senior Medical Officer, Rural Health Center, 14/ JB	05	0.120	0.077	-	0.197
5	Medical Superintendent, Tehsil Headquarters Hospital, Lalian	01	0.025	0.009	-	0.034
Total		49	1.528	0.383	0.160	2.071

Audit is of the view that due to weak internal controls and negligence of the authorities, employees drew inadmissible allowances and House Rent Charges were not deducted. Withdrawal of inadmissible allowances and non-deduction of House Rent Charges resulted in excess payment amounting to Rs 2.071 million to the employees and loss to Government Treasury.

The matter was reported to the DCO and DDOs concerned in October, 2016. It was replied that employees concerned would be directed to deposit the overdrawn amount in Government Treasury. Audit stressed upon early action. DAC meetings were held in December, 2016. The department neither submitted reply nor attended the meetings.

DAC expressed serious concern and directed EDO (Health) to submit reply for payment of inadmissible allowances. No progress was intimated to Audit till the finalization of this Report.

Audit recommends recovery amounting to Rs 2.071 million from the employee concerned at the earliest, under intimation to Audit.

[PDP Nos.128, 108, 144, 155, 173]

1.2.1.35 Irregular withdrawal of Inspection Allowance – Rs 1.810 million

According to Government of the Punjab, School Education Department Notification No.SO(ADP)MISC-409/2012 dated 29.08.2012, Inspection Allowance shall be payable on the basis of at least 50 inspections of Schools in a month. In case of less than 50 schools inspection, it shall be claimed @ Rs 100 per school inspection.

Twenty Assistant Education Officers working under the administrative control of different Deputy District Education Officers of Education Department, Chiniot drew Inspection Allowance amounting to Rs 1.810 million during 2015-16. However, allowance was drawn without producing inspection reports and follow-up reports of previous month's inspections besides non-maintenance of record of paid bills, as detailed below:

(Rupees in Million)

Sr. No.	DDOs	No. of Employees	Amount
1	Deputy District Education Officer (EE-W) Lalian	7	0.460
2	Deputy District Education Officer (EE-W) Chiniot	3	0.450
3	Deputy District Education Officer (EE-M) Bhowana	3	0.390
4	Deputy District Education Officer (EE-W), Bhowana	6	0.479
5	Government Girls High School, Chiniot	1	0.031
Total		19	1.810

Audit is of the view that due to weak internal controls and monitoring mechanism, Inspection Allowance was drawn without maintaining relevant record. Non-maintenance of record resulted in irregular withdrawal of Inspection Allowance amounting to Rs 1.810 million.

The matter was reported to the DCO and DDOs concerned in October, 2016. In DAC meetings held in December, 2016, three Deputy District Officers attended the meetings but did not submit reply. However, other DDOs neither submitted reply nor attended the meetings.

DAC expressed serious concern and directed EDO (Education) to submit reply for violation of the Government instructions. No progress was intimated to Audit till the finalization of this Report.

Audit recommends fixing of responsibility against the concerned besides production of record for verification, under intimation to Audit.

[PDP Nos.53, 7, 18, 34, 41]

1.2.1.36 Irregular refund of lapsed security deposits – Rs 1.742 million

According to Rule 12.7 of the Punjab Financial Rules, Volume-I read with Article 127 of the Account Code Volume-II, all balances, unclaimed for more than three complete account years will, at the close of June in each year, be credited to the Government by means of transfer entries in the Accountant General's office. Further, according to Rule 12.10 of the Punjab Financial Rules Volume-I read with Article 63 of the Account Code Volume-II, deposits, credited to the Government under Rule 12.7, cannot be repaid without the sanction of the Accountant General, but this sanction will be given as a matter of course after ascertaining that the item was really received, carried to credit as lapsed and is now claimed by the person who might have drawn it any time before the lapse. The amount of refund will, however, be charged in the cash book as a refund and not debited to deposits.

District Officer (Roads), Chiniot refunded the security deposit, amounting to Rs 1.742 million during 2015-16 pertaining to work for dualization of Chiniot-Jhang Road in Bhowana City which was completed in June, 2012. As the security deposit was more than three year old and was to be treated as lapsed

security deposit; it was only to be refunded after due verification to avoid wrong payments. However, the same was neither treated as lapsed security deposit nor was prescribed procedure adopted before release of the same. In the absence of proper scrutiny of claim, authenticity of refund to the person who had right over it could not be ascertained.

Audit is of the view that due to weak internal controls and in derogation of prescribed procedure, security deposit was not treated as lapsed security deposit and refunded without adopting prescribed procedure. Refund of security deposit without adopting prescribed procedure resulted in irregular refund amounting to Rs 1.742 million.

The matter was reported to the DCO and DDO concerned in November, 2016 to which no reply was furnished by the Department. DAC meetings were held in December, 2016. The department neither submitted reply nor attended the meetings.

DAC expressed serious concern and directed EDO (W&S) to submit reply for violation of the prescribed procedure. No progress was intimated to Audit till the finalization of this Report.

Audit recommends fixing of responsibility against the concerned besides regularization of refund, under intimation to Audit.

[PDP No.215]

1.2.1.37 Excess payment due to non-deduction of taxes – Rs 1.537 million

According to Section 153(1) and 1(c) of the Income Tax Ordinance, 2001, every prescribed person making a payment shall deduct tax from the gross amount payable at the specified rates. Further, according to Section 236(A) of *ibid*, any person making sale by public auction of any property or goods, shall collect Advance Tax at prescribed rate. Furthermore, according to Rule 5 of the

Punjab Sales Tax on Services (Withholding) Rules, 2012, a withholding agent shall on receipt of taxable services from an unregistered service provider, deduct Sales Tax at the applicable rate from the payment due to the service provider. Furthermore, according to Sales Tax Special Procedure (Withholding) Rules, 2007, every withholding agent is required to withhold Sales Tax @ 1/5th of the total Sales Tax payable in case the purchases are made from registered person.

Fifteen DDOs of District Government, Chiniot made payments to different suppliers and service providers against supply of goods and rendering of services during 2014-16 but Income Tax amounting to Rs 0.488 million, General Sales Tax (GST) amounting to Rs 0.551 million and Punjab Sales Tax on Services amounting to Rs 0.498 million was not deducted before making payments. Resultantly, an amount of Rs 1.537 million was not deducted and deposited in Government Treasury. **(Annex-F)**

Audit is of the view that due to non-compliance of tax laws, taxes were not deducted before making payments. Non-deduction of taxes resulted in overpayment amounting to Rs 1.537 million to the vendors and loss to public exchequer.

The matter was reported to the DCO and DDOs concerned in November, 2016. In DAC meeting held in December, 2016, Deputy District Education Officer (EE-W), Bhowana replied that efforts were being made to recover the amount from suppliers concerned. Audit stressed for recovery of excess paid amount. However, other DDOs neither submitted reply nor attended meetings.

DAC directed EDO (Education) to ensure recovery at the earliest and expressed serious concern for non-submission of reply on the part of other DDOs. No progress was intimated to Audit till the finalization of this Report.

Audit recommends recovery amounting to Rs 1.537 million besides depositing the same into Government Treasury, under intimation to Audit.

[PDP Nos.121, 151, 137, 163, 164, 223, 184, 185, 203, 241, 24, 80, 94, 104, 75, 224, 170, 166]

1.2.1.38 Excess drawl of pay and allowances – Rs 1.421 million

According to Government of the Punjab, Services and General Administration Department Notification No.DS (O&M) 5-3/20Q4/CONTRACT (MF) dated 14.10.2009, the services of employees were regularized w.e.f. 14.10.2009 and pay of these employees was required to be fixed at the initial of respective pay scales. Further, according to Government of the Punjab, Finance Department letter NO.FD.PC-2-2/2010 dated 15.07.2010, Adhoc Allowance - 2010 @ 50 percent of Basic Pay Scales 2008 was granted to the employees.

Services of 51 employees working under the administrative control of different DDOs of Health Department, Chiniot were regularized w.e.f. 14.10.2009. However, their pay was not fixed at initial of respective pay scales. Therefore, Adhoc Allowance - 2010 @ 50 percent, Basic Pay and Personal Allowance were paid at excessive rate. An amount of Rs 1.421 million was paid in excess, as detailed below:

(Rupees in Million)

Sr. No.	DDOs	Head of Account	Number of Employees	Amount
1	District Officer (Health), Chiniot	Basic Pay and Personal Allowance	09	0.244
2	District Officer (Health), Chiniot	Adhoc Allowance - 2010	29	0.786
3	Medical Superintendent, Tehsil Headquarters Hospital, Bhowana		03	0.062
4	Medical Superintendent, Tehsil Headquarters Hospital, Lalian		10	0.329
Total			51	1.421

Audit is of the view that due to negligence of authorities concerned, inadmissible allowances were drawn by the employees. Payment of inadmissible allowances resulted in overpayment amounting to Rs 1.421 million to the employees and loss to public exchequer.

The matter was reported to the DCO and DDOs concerned in October, 2016. It was replied that recovery would be made from employees concerned. Audit stressed upon early recovery. DAC meetings were held in December, 2016. The department neither submitted reply nor attended the meetings.

DAC expressed serious concern and directed EDO (Health) to submit reply for payment of inadmissible allowances. No progress was intimated to Audit till the finalization of this Report.

Audit recommends recovery of Rs 1.421 million at the earliest, under intimation to Audit.

[PDP Nos.132, 127, 143, 172]

1.2.1.39 Expenditure through irregular School Councils – Rs 1.293 million

According to Section 3.3.2 of the School Council’s Policy, 2007, tenure of School Council will be two years from the date of School Council notification, issued by Assistant Education Officer (AEO).

School Councils of four schools under the administrative control of Deputy District Education Officer (EE-W), Lalian remained working even after the expiry of tenure of two years and incurred expenditure amounting to Rs 1.293 million during 2015-16.

(Rupees in Million)

Sr. No.	Name of School	Expenditure
1	Government Model Primary School, Jallahy Wala	0.378
2	Government Girls Primary School, Kot Ameer Shah	0.336

Sr. No.	Name of School	Expenditure
3	Government Model Primary School, Kaloka No.2	0.336
4	Government Model Primary School, Saghry Wala	0.243
Total		1.293

Audit is of the view that due to non-compliance of policy guidelines, School Councils remained working even after expiry of tenure and utilized budget. Utilization of funds through irregular School Councils resulted in irregular expenditure amounting to Rs 1.293 million.

The matter was reported to the DCO and DDO concerned in November, 2016. In DAC meeting held in December, 2016, it was replied that the matter would be taken up with higher authorities. Audit stressed to regularize the matter.

DAC directed EDO (Education) to get the expenditure regularized by the Competent Authority. No progress was intimated to Audit till the finalization of this Report.

Audit recommends regularization of expenditure by the Competent Authority, under intimation to Audit.

[PDP No.57]

1.2.1.40 Loss due to non-execution of schemes through the lowest bidders – Rs 1.290 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. Further, according to Rule 35(2) of *ibid*, the procuring agency shall upon request communicate to any bidder, the grounds for its rejection of all bids or proposals.

District Officer (Roads), Chiniot invited tenders for execution of two schemes costing Rs 7.650 million in July, 2015. The lowest evaluated bidders offered rates at 19.07 percent and 10 percent below the estimated cost. Notices were issued to the lowest evaluated bidders for deposit of Additional Performance Security. Subsequently, District Officer (Roads) rejected the bids without recording reasons and re-invited the tenders for said schemes in December, 2015 and awarded contracts to other contractors @ 0.25 percent below the estimated cost which resulted in loss of Rs 1.290 to the Public Exchequer. The detail is given below:

(Rupees in Million)

Name of Scheme	Particulars of Rejected Bids	Particulars of Contract Awarded	Difference of Rates	Estimated Cost of Works	Loss due to Acceptance of Higher Rates
	Rate Offered by the contractors	Rate offered by the contractors			
Repair/rehabilitation of roads in Y-Block, Satellite Town, Chiniot	19.07% below	0.25% below	18.82% above the previous rates	6.000	1.129
Repair/rehabilitation of road from Thana Sadar Chowk to Gate Mandi Bawa Lal	10% below	0.25% below	9.75% above the previous rates	1.650	0.161
Total				7.650	1.290

Audit is of the view that due to violation of rules and financial propriety, lower bids were rejected without recording reasons and works were executed in an uneconomical manner by accepting higher rates. Rejection of lower bids and procurement in an uneconomical manners resulted in violation of rules and loss of Rs 1.290 million to the public exchequer.

The matter was reported to the DCO and DDO concerned in November, 2016 to which no reply was furnished by the department. DAC meetings were held in December, 2016. The department neither submitted reply nor attended the meetings.

DAC expressed serious concern and directed EDO (W&S) to submit reply for violation of the procurement rules. No progress was intimated to Audit till the finalization of this Report.

Audit recommends fixing of responsibility against the concerned besides recovery of loss, under intimation to Audit.

[PDP No.213]

1.2.1.41 Non-obtaining of Performance Security – Rs 1.125 million

According to the Para 2 of Government of the Punjab, Health Department letter No.SO(P-I)1-1/2015-16 dated 16.10.2015, District Health Departments shall issue notifications of Award/Advance Acceptance of tenders (AATs) and subsequently contract & purchase orders be issued against the rate finalized by the Health Department after receipt of Performance Security equivalent to 5 percent of the total contract amount. Further, according to Rule 56 of the Punjab Procurement Rules, 2014, the procuring agency shall require the successful bidder to furnish a Performance Guarantee which shall not exceed ten percent of the contract amount.

Three DDOs of different departments of District Government, Chiniot made procurement of medicines and furniture costing Rs 15.578 million during 2015-16, without obtaining Performance Security amounting to Rs 1.125 million from firms, before issuance of supply orders, as detailed below:

(Rupees in Million)			
Sr. No.	DDOs	Cost of Procurement	Performance Security
1	Executive District Officer (Health), Chiniot	5.046	0.252
2	Medical Superintendent Tehsil Headquarters Hospital, Lalian	4.006	0.200
3	Executive District Officer (Education), Chiniot	6.726	0.673
Total		15.778	1.125

Audit is of the view that due to violation of Government instructions and dereliction of duty, Performance Security was not obtained. Non-obtaining of

Performance Security amounting to Rs 1.125 million resulted in violation of the Government rules and contractual provisions.

The matter was reported to the DCO and DDOs concerned in October, 2016. In DAC meetings held in December, 2016, EDO (Education) replied that compliance would be shown to Audit. The reply was not tenable because Performance Security was required to be obtained before issuance of supply orders. However, other DDOs neither submitted reply nor attended the meetings.

DAC directed EDO (Education) to produce relevant record to Audit regarding obtaining of Performance Security within two weeks and expressed serious concern for non-submission of replies on the part of other DDOs. No progress was intimated to Audit till the finalization of this Report.

Audit recommends fixing of responsibility against the concerned for non-obtaining of Performance Security, under intimation to Audit.

[PDP Nos.123, 88, 171]

1.2.1.42 Irregular expenditure out of Local Purchase of medicine budget – Rs 1.051 million

According to Paras 3, 5, 14, 17, 26, 29 and 30 of Policy and Operational Guidelines for local purchase of medicines (day to day) issued vide No. SO(P-I)H/3-64/2008 dated 12-09-2013, the bidding document shall provide “Reference Trend List” to bidders for their estimation on the frequency and quantum of purchase. Successful bidder shall submit 2.5 percent of total budget of Local Purchase as Performance Security. The bidder shall provide attested copy of valid drug license. The supplied drugs shall be accompanied with warranty certificate. Moreover, the contractor will be bound to provide the invoice of his source of purchase. Further, according to Paras 1, 2, 4 of *ibid*, Local Purchase in Government hospitals is allowed to ensure fulfillment of immediate needs of indoor patients on the prescription of authorized medical practitioner on case to case basis. Treatment register should be maintained

encompassing name, registration number, address, diagnosis and description of medicines etc. The bidders shall also submit, separately the technical bid and financial bid in sealed envelopes.

Medical Superintendent Tehsil Headquarters Hospital, Lalian spent an amount of Rs 1.051 million on procurement of medicines out of 15 per cent local purchase of (day to day) medicines budget during 2015-16. The medicines were procured from local market by executing rate contract with local supplier/medical store in January, 2016. However, execution of rate contract and procurement of medicines stood irregular due to following discrepancies:

- i. Bidding documents were issued to bidders without reference trend list of medicines of last year for their estimation on the frequency.
- ii. Technical bids were not submitted by the bidders.
- iii. Performance Security @ 2.5 percent of total budget of Local Purchase was not obtained from successful bidder.
- iv. The bidder did not submit valid drug sales license and successful bidder submitted expired drugs sales license.
- v. Prescription/recommendation for individual patients on case to case basis was not created by the medical practitioners and medicines were procured in bulk.
- vi. Medicines/disposable items, which were also included in the Government rate contract of bulk purchase of medicines, were procured and excess expenditure of Rs 191,192 was made due to excessive rates.
- vii. The contractor did not provide warranty certificates and authentic price list of the medicines alongwith the bills due to which contractor charged excess rate against one medicine and extra expenditure of Rs 109,140 was incurred.

- viii. Treatment register was not maintained encompassing name, registration number, address, diagnosis and description of medicines issued to specific patient.

Audit is of the view that due to violation of policy guidelines and financial indiscipline, medicines were procured in bulk by executing defective rate contract and in violation of Policy Guidelines for Local Purchase of medicines. Execution of defective rate contract and procurement of medicines in violation of Policy Guidelines resulted in irregular/suspicious expenditure of Rs 1.051 million.

The matter was reported to the DCO and DDO concerned in October, 2016 to which no reply was furnished by the Department. DAC meetings were held in December, 2016. The department neither submitted reply nor attended the meetings.

DAC expressed serious concern and directed EDO (Health) to submit reply for violation of the Government instructions. No progress was intimated to Audit till the finalization of this Report.

Audit recommends fixing of responsibility against the concerned, under intimation to Audit.

[PDP Nos.167, 175, 176, 179]

1.2.1.43 Unauthorized withdrawal of allowances during leave – Rs 1.011 million

According to Rule 1.15(2) of the Punjab Travelling Allowance Rules, Conveyance Allowance will not be admissible during leave. Further, according to Government of the Punjab, Health Department letter No.SO(A-3-MCW)9-17/84-IV dated 12.02.1987, Mess and Uniform / Dress Allowance will not be admissible during leave. Furthermore, according to Government of the Punjab, Finance Department and Health Department clarifications issued vide letter No.SO X-H-

I/6-91/2004-1 dated 14.07.2008, Health Sector Reforms Allowance will not be admissible to the officers/officials during leave period.

Fifty one employees working in different health facilities of Health Department, Chiniot drew Conveyance Allowance, Health Sector Reforms Allowance, Dress and Mess Allowances and other allowances amounting to Rs 0.966 million during leave period. Further, two employees working under administrative control of Deputy District Officer (Agriculture Extension), Lalian also drew Conveyance Allowance amounting to Rs 0.045 million during leave. DDOs allowed withdrawal of inadmissible allowances during 2015-16 and did not take action for recovery from the officers/officials concerned. The detail is given below:

(Rupees in Million)

Sr. No.	DDOs	Number of Employees	Conveyance Allowance	HSRA and Other Allowances	Total
1	District Officer (Health), Chiniot	9	0.043	0.063	0.106
2	Executive District Officer (Health), Chiniot	16	0.142	-	0.142
3	MS, District Headquarters Hospital, Chiniot	17	0.150	0.419	0.569
4	MS, Tehsil Headquarters Hospital, Bhowana	7	0.003	0.062	0.065
5	SMO, Rural Health Center, Chak No.14/JB	2	0.005	0.079	0.084
6	Deputy District Officer (Agriculture Extension), Lalian	02	0.045	-	0.045
Total		53	0.388	0.623	1.011

Audit is of the view that due to the negligence of authorities, inadmissible allowances were drawn by the employees during leave period. Withdrawal of inadmissible allowances amounting to Rs 1.011 million resulted in overpayment to the employees and loss to public exchequer.

The matter was reported to the DCO and DDOs concerned in October, 2016. It was replied that recovery would be made. Audit stressed to recover the amount at the earliest. DAC meetings were held in December, 2016. The departments neither submitted annotated reply nor attended the meetings.

DAC expressed serious concern and directed EDOs concerned to submit reply for payment of inadmissible allowances. No progress was intimated to Audit till the finalization of this Report.

Audit recommends recovery amounting to Rs 1.011 million from the concerned at the earliest, under intimation to Audit.

[PDP Nos.135, 120, 109, 146, 158, 239]

1.2.1.44 Overpayment of General Sales Tax – Rs 1.011 million

According to Section 3 of the Finance Bill, 2015 regarding Amendments of Sales Tax Act, 1990, General Sales Tax on supply of bricks was exempted upto 30.06.2018. Further, according to Serial No. 52A of Sixth Schedule of the Sales Tax Act, 1990, hospitals having more than 50 beds are exempted from Sales Tax.

Twelve DDOs of different departments of District Government, Chiniot incurred expenditure amounting to Rs 7.282 million for procurement of bricks, other store items and payment of electricity bills during 2015-16. However, DDOs either made payment of Sales Tax to suppliers on exempted supplies or status of 4/5th of GST paid to suppliers was not got verified. **(Annex-G)**

Audit is of the view that due to non-compliance of the tax law and due diligence, overpayment of General Sales Tax was made to suppliers. Overpayment of General Sales Tax amounting to Rs 1.011 million resulted in loss to public exchequer.

The matter was reported to the DCO and DDOs concerned in October and November, 2016. In DAC meetings held in December, 2016, four Deputy District Education Officers replied that efforts would be made for recovery. Audit stressed to recover overpaid amount of GST at the earliest. However, other DDOs neither submitted reply nor attended the meetings.

DAC directed EDO (Education) to recover the overpaid amount of GST at the earliest and expressed serious concern for non-submission of replies on the part of other DDOs. No progress was intimated to Audit till the finalization of this Report.

Audit recommends recovery amounting to Rs 1.011 million from the concerned, under intimation to Audit.

[PDP Nos.56, 50, 49, 44, 105, 102, 76, 33, 16, 5, 67, 113, 181]

1.2.1.45 Unauthorized withdrawal of funds – Rs 1.008 million

According to Rule 64(2)(i&ii) of the Punjab District Government and Tehsil Municipal Administration (Budget) Rules, 2003, sanction of an authority competent to sanction expenditure is necessary before public money can be spent. Further, according to Government of the Punjab Primary and Secondary Healthcare Department Notification No.S.O.(GC)N-34/2008 dated 04.04.2016, Senior Women Medical Officer, THQ Hospital Lalian, District Chiniot was assigned additional charge of the post of Medical Superintendent, THQ Hospital Lalian till further orders.

A Senior Women Medical Officer of Tehsil Headquarters Hospital Lalian was assigned the additional charge of Medical Superintendent of the hospital on 04.04.2016. However, the said doctor utilized the hospital budget during January, February and March, 2016 without authority and drew an amount of Rs 1.008 million, on account of cost of other store, POL charges, stationery, others, purchase of drugs and medicines, telephone and trunk calls, repair of transport etc. No documentary evidence/orders of the Competent Authority,

regarding permission to exercise the financial powers before April, 2016 was made available to Audit for verification.

Audit is of the view that due to negligence, funds were withdrawn from the Government Treasury without authority. Withdrawal of funds without authority and delegation of financial powers resulted in unauthorized expenditure amounting to Rs 1.008 million.

The matter was reported to the DCO and DDO concerned in October, 2016 to which no reply was furnished by the Department. DAC meetings were held in December, 2016. The department neither submitted reply nor attended the meetings.

DAC expressed serious concern and directed EDO (Health) to submit reply for unauthorized use of funds. No progress was intimated to Audit till the finalization of this Report.

Audit recommends fixing of responsibility against the concerned besides regularization of expenditure, under intimation to Audit.

[PDP No.178]

1.2.2 Performance

1.2.2.1 Non-completion of schemes by FESCO – Rs 110.935 million

According to Para 4(xii) and (xiii) of the Guidelines for execution of Pak MDGs Community Development Programme, issued by Government of Pakistan, Cabinet Secretariat, Cabinet Division vide letter No. U.O No. 7(1)/DD(Dev)/14-15 dated 15.01.2015, PAOs of ministries / ACS (Dev) shall be responsible to ensure the quality of work and furnish to the Cabinet Division monthly progress on physical work and utilization of funds. Schemes identified for a specified financial year shall be completed within the same year.

Executive District Officer (Finance and Planning), Chiniot transferred funds amounting to Rs 122.570 million to Chief Executive FESCO against execution of 138 schemes of rural electrification, under Pak MDGs Community Development Programme during 2014-15 and 2015-16. FESCO Authorities incurred expenditure amounting to only Rs 11.635 million on the schemes upto June, 2016, resulting in non-completion of works costing Rs 110.935 million.

Audit is of the view that due to violation of prescribed guidelines and follow-up mechanism, schemes could not be completed within same financial year despite availability of funds. Non-completion of schemes amounting to Rs 110.935 million resulted in violation of the Government instructions/guidelines and non-achievement of targets of Millennium Development Goals.

The matter was reported to the DCO and DDO concerned in November, 2016 to which no reply was furnished by the department. DAC meetings were held in December, 2016. The department neither submitted reply nor attended the meetings.

DAC expressed serious concern and directed EDO (F&P) to submit reply for violation of the Government instructions. No progress was intimated to Audit till the finalization of this Report.

Audit recommends fixing of responsibility against the concerned, under intimation to Audit.

[PDP No.188]

1.2.2.2 Non-obtaining of Additional Performance Security – Rs 18.660 million

According to Sr. No.26 of the General Directions for the Guidance of the tenderers, lowest evaluated bidder shall, within 15 days of receipt of notice, furnish to the tender approving authority Performance Security and or Additional Performance Security where required and specified in the tender/memorandum of work. Further, according to Government of the Punjab, Finance Department Notification No.RO(Tech)FD-1-2/83(VI)(P) dated 6th April, 2005 read with Notification No.RO(Tech)FD-1-2/83/VI(P) dated 24th January, 2006, in case the total tender amount is less than 5 percent of the approved estimated amount, the lowest bidder will have to deposit Additional Performance Security from the scheduled bank ranging from 5 percent to the extent lowest rate quoted by the successful bidder within 15 days of issuance of notice or within expiry period of bid.

District Officer (Buildings) and District Officer (Roads), Chiniot awarded 30 works for up-gradation of school buildings, providing and laying of tuff tiles, construction, improvement and rehabilitation of roads with estimated cost of Rs 64.003 million during 2014-16. However, the works were awarded to contractors on rates below the estimated cost ranging from 5 percent to 22 percent without obtaining Additional Performance Security amounting to Rs 18.660 million from the contractors, as detailed below:

(Rupees in Million)

Sr. No.	Name of Scheme	No. of Works	Estimated Cost	Amount
1	District Officer, (Buildings), Chiniot	2	14.620	1.641
2	District Officer, (Roads), Chiniot	28	49.383	17.019
Total		30	64.003	18.660

Audit is of the view that due to violation of Government directions and weak internal controls, Additional Performance Security was not obtained from the contractors. Non-obtaining of Additional Performance Security amounting to Rs 18.660 million resulted in violation of contractual provisions.

The matter was reported to the DCO and DDOs concerned in October, 2016. It was replied that Additional Performance Security had been deducted from the running bills of contractors. Audit did not agree because works were required to be awarded after obtaining Additional Performance Security. DAC meetings were held in December, 2016. The department neither submitted reply nor attended the meetings.

DAC expressed serious concern and directed EDO (W&S) to submit reply for violation of the Government instructions. No progress was intimated to Audit till the finalization of this Report.

Audit recommends fixing of responsibility against the concerned besides regularization of matter from the Competent Authority, under intimation to Audit.

[PDP Nos.234, 207]

1.2.2.3 Non-verification of General Sales Tax – Rs 4.442 million

According to Para 4(b) of the Sales Tax Special Procedure (Withholding) Rules, 2007, the Drawing and Disbursing Officer concerned shall prepare the return on prescribed format for each month and forward the same to the Collector, by the 15th of the following month. Further, according to Section 4(3) of *ibid*, the Collector shall periodically ensure that the suppliers, mentioned in the return filed by the withholding agents, are filing returns and are duly declaring the supplies made to withholding agents.

Head Teachers of 151 Elementary and Primary Schools working under the administrative control of different Deputy District Education Officers and 11 other DDOs of District Government, Chiniot made procurements from different

suppliers during 2011-16. Procuring authorities, being withholding agent, deducted 1/5th of Sales Tax but did not submit monthly returns to the Collector of Sales Tax. Resultantly, deposit of remaining 4/5th of Sales Tax, amounting to Rs 4.442 million, by the suppliers could not be verified by the Sales Tax Department. **(Annex-H)**

Audit is of the view that due to non-compliance of rules, monthly returns for 1/5th of Sales Tax were not submitted. Non-submission of monthly returns resulted in concealment of 4/5th of Sales Tax amounting to Rs 4.442 million by the suppliers and resultant loss to the Government.

The matter was reported to the DCO and DDOs concerned in November, 2016. In DAC meetings held in December, 2016, Deputy District Officers (EE-W), Chiniot and Bhowana replied that efforts would be made for verification of 4/5th of Sales Tax deposited by the suppliers. Audit stressed for verification of 4/5th of Sales Tax deposit by the suppliers. However, other DDOs neither submitted annotated reply nor attended the meetings.

DAC directed EDOs concerned to collect evidence of GST deposit by the suppliers for verification by Audit and expressed serious concern for non-submission of replies on the part of other DDOs. No progress was intimated to Audit till the finalization of this Report.

Audit recommends early compliance regarding GST deposit by the suppliers concerned, under intimation to Audit.

[PDP Nos.32, 11, 4, 38, 65, 81, 101, 69, 157, 130, 240, 196, 165, 150]

1.2.3 Internal Control Weaknesses

1.2.3.1 Non-rendering of vouched accounts by the executing agencies – Rs 270.866

According to Rule 4(2) of the Punjab Local Governments (Accounts) Rules 2008, Principal Accounting Officer shall be responsible for all transactions relating to the District Fund/Local Fund and for the maintenance of the accounts correctly and in accordance with the provisions of the Ordinance and the rules made there under. Further, according to Rule 3(2) of ibid, accounts of the receipts and expenditure of local government shall be kept in such form and in accordance with such principles and methods as the Auditor General of Pakistan has prescribed in the Manual or NAM.

Executive District Officer (F&P), Chiniot transferred funds amounting to Rs 270.866 million to different executing agencies not falling under the jurisdiction of District Government, Chiniot during 2015-16 for execution of various civil works. The works were executed by the said agencies with an expenditure of Rs 258.130 million. However, executing agencies did not render vouched accounts pertaining to the works. Further, record of remaining funds amounting to Rs 12.736 million was also not available. The detail is given below:

(Rupees in Million)

Name of Executing Agency	Funds Released	Expenditure
Chief Executive, FESCO	174.716	174.716
Assistant Director, Local Government	91.500	83.414
Tehsil Officer (Infrastructure and Services), Tehsil Municipal Administration, Chiniot	4.650	-
Total	270.866	258.130

Audit is of the view that due to weak internal controls and financial indiscipline, vouched accounts were not got submitted by the executing agencies.

Non-submission of vouched accounts resulted in irregular allocation/utilization of funds amounting to Rs 270.866 million.

The matter was reported to the DCO and DDO concerned in November, 2016 to which no reply was furnished by the department. DAC meetings were held in December, 2016. The department neither submitted reply nor attended the meetings.

DAC expressed serious concern and directed EDO (F&P) to submit reply for non-submission of vouched accounts. No progress was intimated to Audit till the finalization of this Report.

Audit recommends fixing of responsibility against the concerned besides production of vouched account, under intimation to Audit.

[PDP No.193]

1.2.3.2 Award of contracts on suspicious enlistment of contractors – Rs 211.439 million

According to Government of the Punjab, Communication and Works Department letter No.B-II(C&W)2-11/78(V.II) dated 09.07.2010, enlistment/renewal of contractors in category C-6, D and E will now be accorded by the concerned Superintendent Engineer after having approval of the committee in a meeting at circle level to be chaired/supervised by the concerned Chief Engineer, Punjab Highways/Building Department.

Executive District Officer (W&S), Chiniot approved 36 cases regarding enlistment/renewal of enlistment of different contractors during 2015-16 and District Officer (Buildings) awarded works costing Rs 211.439 to these contractors during the said period. However, enlistment cases were approved without obtaining prior approval of the committee chaired/supervised by Chief Engineer, Punjab concerned.

Audit is of the view that due to negligence of authority, works were awarded to contractors on suspicious/unauthorized enlistment. Award of contracts on suspicious enlistment/renewal of contractors resulted in irregular expenditure of Rs 211.439 million.

The matter was reported to the DCO and DDO concerned in October, 2016. It was replied that the matter did not relate to DO (Buildings) as DO (Buildings) was not competent for enlistment/renewal of enlistment. The reply was not tenable because DO (Buildings) being the member of enlistment/renewal committee awarded the works to the said contractors. DAC meetings were held in December, 2016. The department neither submitted annotated reply nor attended the meetings.

DAC expressed serious concern and directed EDO (W&S) to submit reply for violation of the Government instructions. No progress was intimated to Audit till the finalization of this Report.

Audit recommends fixing of responsibility against the concerned besides regularization of matter from the Competent Authority, under intimation to Audit.

[PDP No.228]

1.2.3.3 Savings against non-salary budget allocations – Rs 202.608 million

According to Rule 71 of the Punjab District Government and Tehsil Municipal Administration Budget Rules, 2003, Statement of Excesses and Surrenders shall be prepared by the Head of Office on the basis of actual expenditure during the first eight months of the financial year and the expected expenditure in the remaining four months of the financial year.

Executive District Officer (F&P), Chiniot allocated funds amounting to Rs 1120.232 million during 2015-16 to various DDOs in non-salary component

against which expenditure of Rs 917.624 million was made. It resulted in saving of Rs 202.608 million which in terms of percentage was 18 percent. The detail is given below:

(Rupees in Million)

Sr. No.	Category of Saving	Revised Budget	Expenditure	Saving
1	Above Rs 1.000 million, in each case	894.546	735.057	159.489
2	Above Rs 0.500 million but less than Rs 1.000 million, in each case	34.200	19.916	14.284
3	Above Rs 0.100 million but less than Rs 0.500 million, in each case	70.896	56.005	14.891
4	Less than 0.100 million, in each case	120.590	106.646	13.944
Total		1120.232	917.624	202.608

Audit is of the view that due to weak financial management and monitoring, the funds were not utilized timely and savings were not surrendered well in time. Non-utilization of funds of Rs 202.608 million resulted in unnecessary savings in violation of the Government instructions.

The matter was reported to the DCO and DDO concerned in November, 2016 to which no reply was furnished by the department. DAC meetings were held in December, 2016. The department neither submitted reply nor attended the meetings.

DAC expressed serious concern and directed EDO (F&P) to submit reply for violation of Government instructions. No progress was intimated to Audit till the finalization of this Report.

Audit recommends fixing of responsibility against the concerned, under intimation to Audit.

[PDP No.190]

1.2.3.4 Unauthorized provision of Supplementary Grants against NIL budget – Rs 53.335 million

According to Provision 3.3.13(1)(2)(3) and (4) of the Accounting Policies and Procedures Manual, if funds are still not available to the spending

entity, it can then apply to the Finance Department for a Supplementary Grant. Expenditure on new services or programs in which no provision in the budget has been made will not normally be admitted as a Supplementary Grant and should be met from savings. The Finance Department will need to give consent for the Supplementary Grant application. However, the Supplementary Grant application can only be approved by the Provincial Assembly during the budgetary cycle for the following year.

Executive District Officer (F&P), Chiniot allocated/released funds amounting to Rs 53.335 million as supplementary grants during 2015-16. Following discrepancies were noted during audit:

1. Supplementary Grants were allocated / released against head of accounts in which no provision in the original budget was made.
2. Supplementary Grants were allocated without considering saving for the year 2015-16.
3. Supplementary Grants were allocated without approval of Finance Department.

(Note: The amount was derived from Financial Information (FI) Data retrieved from SAP-R3 for the financial year 2015-16).

Audit is of the view that due to financial indiscipline, Supplementary Grants were released in violation of the Government instructions. Release of supplementary grants in violation of the Government instructions resulted in unauthorized utilization of funds amounting to Rs 53.335 million.

The matter was reported to the DCO and DDO concerned in November, 2016 to which no reply was furnished by the department. DAC meetings were held in December, 2016. The department neither submitted reply nor attended the meetings.

DAC expressed serious concern and directed EDO (F&P) to submit reply for violation of the prescribed procedure. No progress was intimated to Audit till the finalization of this Report.

Audit recommends fixing of responsibility against the concerned besides regularization of the matter, under intimation to Audit.

[PDP No.191]

1.2.3.5 Non-utilization of Non-Salary Budget – Rs 5.985 million

According to Para 2.1 of the Guidelines for Utilization of Non-Salary Budget in Primary and Elementary Schools, allocation of proper funds is necessary to enable the schools for better education planning, management and delivery. Further, according to Para 2.4 of *ibid*, schools will be bound to prepare School Based Action Plan with consideration of allocated budget. Furthermore, according to Para 2.6 of *ibid*, the schools will keenly observe their necessities for preparation of detailed budget and rationally divide budget against relevant heads.

Head Teachers of 33 Elementary and Primary Schools, under the administrative control of different Deputy District Education Officers, Chiniot did not utilize funds released under Non-salary Budget (NSB) during 2015-16 and funds amounting to Rs 5.985 million, which in terms of percentage were 48 percent, remained unutilized till June, 2016, as detailed below:

(Rupees in Million)

Sr. No.	DDOs	No. of Schools	Allocation for the Year	Expenditure during the Year	Unutilized Funds	Non-Utilization %age
1	Deputy District Education Officer (EE-W), Bhowana	27	9.965	5.627	4.337	44%
2	Deputy District Education Officer (EE-M), Chiniot	06	2.593	0.945	1.648	64%
Total		33	12.558	6.572	5.985	47%

Audit is of the view that due to weak financial management and monitoring, funds could not be utilized. Non-utilization of funds amounting to Rs 5.985 million resulted in depriving the students of envisaged benefits.

The matter was reported to the DCO and DDOs concerned in November, 2016. In DAC meeting held in December, 2016, the department replied that school wise justification regarding non-utilization of funds would be provided for verification. Audit stressed to justify the matter at the earliest.

DAC directed EDO (Education) to investigate the matter and submit detailed reply within two weeks. No progress was intimated to Audit till the finalization of this Report.

Audit recommends fixing of responsibility against the concerned for non-utilization of funds, under intimation to Audit.

[PDP Nos.25, 46]

1.2.3.6 Non-surrendering of savings to Federal Government – Rs 2.796 million

According to Para 4(xiv) of the Guidelines for execution of Pak MDGs Community Development Programme, issued by Government of Pakistan, Cabinet Secretariat, Cabinet Division vide letter No.U.O No.7(1)/DD(Dev)/14-15 dated 15.01.2015, the saving shall be surrendered immediately on completion of the scheme without waiting for closing of the financial year.

Executive District Officer (Finance and Planning), Chiniot got executed twenty one schemes for construction, repair/rehabilitation of roads, rural drainage, soling etc. costing Rs 26.768 million through different executing agencies during 2014-15 and 2015-16 under Pak MDGs Community Development Programme. Executing agencies incurred expenditure of Rs 23.972 million on completion of the schemes. However, savings of Rs 2.796 million were not surrendered to the Federal Government upto June, 2016.

Audit is of the view that due to financial indiscipline, savings against the schemes were not surrendered well in time. Non-surrendering of savings amounting to Rs 2.796 million resulted in violation of the Government instructions/guidelines.

The matter was reported to the DCO and DDO concerned in November, 2016 to which no reply was furnished by the department. DAC meetings were held in December, 2016. The department neither submitted reply nor attended the meetings.

DAC expressed serious concern and directed EDO (F&P) to submit reply for violation of the Government instructions and non-surrendering of funds. No progress was intimated to Audit till the finalization of this Report.

Audit recommends fixing of responsibility against the concerned, under intimation to Audit.

[PDP No.189]

ANNEX

Annex-A

Part-I

**Memorandum for Departmental Accounts Committee Paras Pertaining to
Current Audit Year 2016-17**

(Rupees in Million)

Name of Formation	Sr. No.	Para No.	Title of Para	Amount of Audit Observation
DDEO (EE-W) Chiniot	1	2	Irregular expenditure by School Council	0.948
	2	8	Non recovery of amount	0.050
	3	11	Difference of cash balance between cash book and bank statement	0.314
	4	12	Non-recovery of fine imposed	0.020
DDEO (EE-W) Bhowana	5	13	Non-recovery of fine imposed	0.224
Government Girls High School, Chiniot	6	8	Excess expenditure due to purchase of furniture at higher rates	0.026
DDEO (EE-M) Chiniot	7	2	Suspicious / unauthentic expenditure out of non-salary budget grant	0.554
	8	6	Un-authorized purchase from unregistered firms / persons	0.269
	9	8	Suspicious expenditure against unauthentic record	0.270
	10	9	Suspicious expenditure on the purchase of uniforms, school bags	0.128
	11	10	Loss to Government due to non-accountal of material items	0.113
DDEO (EE-W) Lalian	12	3	Non-recovery of fine imposed	0.264
	13	7	Irregular expenditure by School Council	0.956
Government Girls High School Nusrat Chenab Nagar	14	3	Irregular purchase of furniture due to fake competition	0.430
	15	11	Non-credit of profit earned in Account-IV	0.010
Government Girls High School Ahmad Nagar	16	7	Excess payment of pay and allowances due to non-regularization of services	0.249
	17	11	Loss to public exchequer	0.069
Government Girls High School Rajoya Sadat	18	5	Unauthorized expenditure beyond the competency of School Council	0.712
	19	8	Loss to public exchequer	0.039
	20	9	Irregular procurement of printer, digital camera and CCTV camera without specification	0.067

Name of Formation	Sr. No.	Para No.	Title of Para	Amount of Audit Observation
EDO (Education) Chiniot	21	5	Non-maintenance of record of renewal of registration of private registered schools	3.033
	22	7	Non-recovery of liquidated damages for late supply	0.517
	23	10	Provision of expenditure statement by concealing facts	0.919
	24	11	Procurement of equipment without specifications	0.050
	25	12	Non-implementation of penalties imposed on employees	0.045
Government Higher Secondary School Lalian	26	5	Less deposit of Frogh-e-Taleem Fund	0.012
	27	6	Procurements not entered in stock register	0.211
	28	7	Non-auction of angle wire	0.150
	29	11	Procurements not entered in stock register	0.062
	30	12	Irregular / suspicious expenditure on the repair of machinery and equipment	0.292
	31	13	Unauthentic / suspicious expenditure on the repair of furniture and fixture	0.242
	32	15	Recovery of overpayment from supplier	0.006
Government Islamia High School Chiniot	33	16	Overpayment to the supplier	0.004
	34	7	Non-deposit of bank profit in Government Treasury	0.054
	35	9	Non-deduction of Sales Tax on Services	0.012
DHQ Hospital, Chiniot	36	11	Non-recovery of liquidated damage	0.014
	37	4	Non-deposit of hospital receipts into Government Treasury	0.353
	38	5	Non-recovery from the contractors of Canteen, Car / Motor Cycle and Cycle Stand	0.328
	39	7	Non-forfeiture of security due to non-supply of medicines	0.173
	40	9	Procurement of medicines at excessive rates	0.163
	41	10	Non-recovery of Liquidated Damages for late supply	0.481
	42	12	Non-recovery on account of Benevolent Fund and Group Insurance	0.279
DDO (Health), Chiniot	43	13	Suspicious utilization of medicine by various wards of hospital	0.208
	44	2	Excess payment of salary after regularization	0.031
	45	6	Splitting of expenditure	0.136
EDO (Health), Chiniot	46	7	Irregular payment of TA/DA	0.753
	47	5	Splitting of expenditure	0.145
	48	6	Non-forfeiture of Performance Security	0.249
	49	7	Non-recovery of license fee	0.500
	50	10	Non-recovery of registration fee	0.05

Name of Formation	Sr. No.	Para No.	Title of Para	Amount of Audit Observation
	51	11	Splitting of expenditure	0.058
District Officer (Health), Chiniot	52	4	Loss due to non-purchase of medicines at risk and cost of original suppliers	0.456
	53	10	Blockage of public funds due to non-disposal of motorcycles	0.225
	54	11	Non-recovery of penalty for late supply of medicines	0.180
	55	14	Non-recovery of penalty imposed on employees	0.116
	56	16	Overpayment due to charging of excessive rate of medicines than MRP	0.101
	57	19	Payment of inadmissible Health Risk Allowance	0.077
	58	21	Loss due to theft of motorcycle	0.066
	59	22	Non-blacklisting of firms and non-forfeiture of Performance Security and non-obtaining of Stamp Duty	0.057
	60	24	Non-recovery of fine imposed under Punjab Local Government Ordinance	0.047
THQ Hospital Bhowana	61	2	Purchase of X-Ray films at excessive rate	0.051
	62	5	Non-blacklisting of firms and non-forfeiture of Performance Security due to non-supply of medicines	0.063
	63	6	Non-recovery of penalty for late supply of medicines	0.103
	64	10	Purchase of medicines at excessive rates	0.021
	65	15	Irregular expenditures in violation of Austerity Measures	0.582
	66	16	Non-deposit of hospital receipts into Government Treasury	0.047
Rural Health Centre 14/JB	67	6	Drawl of funds without requirement	0.1
	68	10	Non-deposit of receipts	0.034
	69	11	Non-blacklisting of firms and non-forfeiture of Performance Security and non-obtaining of Stamp Duty	0.031
	70	12	Non-recovery of penalty for late supply of medicines	0.027
	71	14	Non-maintenance/production of record	0.631
Programme Director DHDC Chiniot	72	2	Non-recovery of over payment of pay	0.072
	73	7	Loss due to theft of curtains	0.010
THQ Hospital Lalian	74	1	Loss due to procurement of X-ray films and chemicals at higher rates	0.121
	75	7	Suspicious expenditure	0.225
	76	9	Non-Supply of medicines and non-forfeiture of performance security	0.058
	77	13	Consumption of other store items without maintenance of proper record/Stock Register	0.348

Name of Formation	Sr. No.	Para No.	Title of Para	Amount of Audit Observation
	78	18	Non-utilization of medicine budget	0.876
	79	19	Blockage of public resources due to non-functional of medical equipment	-
	80	20	Delay in supply of medicines and non- imposing of penalty	0.014
	81	21	Irregular expenditure on POL	0.600
	82	22	Non-functioning of Operation Theater and expenditure on Pay & Allowances of Anesthesia Assistant and Operation Theater Assistant	0.409
	83	24	Suspicious utilization of funds	0.500
	84	27	Suspicious utilization of medicines in hospital emergency	-
	85	28	Suspicious utilization of medicines in indoor ward	-
	86	29	Loss due to procurement of other store items on higher rates	0.035
DCO, Chiniot	87	7	Non-reimbursement of expenditure incurred on behalf of Provincial Government	0.314
	88	8	Unauthentic expenditure on repair of transport	0.428
	89	9	Non-recovery of rent	0.258
	90	10	Non-deduction of house rent charges	0.057
	91	11	Mis-procurement through collusive practices	0.098
EDO (F &P) Chiniot	92	3	Non-surrendering of anticipated savings	-
	93	4	Unauthorized utilization of funds from Account-IV	0.243
	94	6	Expenditure against NIL budget	0.212
	95	8	Expenditure excess than budget allocation	-
	96	10	Short allocation of development budget	-
	97	11	Irregular allocation of budget for local purchase of medicine	-
Secretary DRTA Chiniot	98	2	Unauthorized payment of Social Security Benefit and non-recovery of Benevolent Fund, General Provident Fund, Group Insurance and annual increment	0.021
	99	4	Unauthorized withdrawal of TA/DA	0.050
	100	5	Irregular payment of Cash Award to Irrelevant Personnel	0.070
	101	7	Non-utilization of funds	0.132
District Officer (Community Organization) Chiniot	102	2	Excess drawl of Transfer Grant	0.022
	103	4	Unjustified drawl due to non-availability of pay bills	0.137
	104	5	Irregular drawl of funds against fuel and repair of vehicle	0.018
	105	7	Irregular expenditure without keeping supporting record	0.060

Name of Formation	Sr. No.	Para No.	Title of Para	Amount of Audit Observation
District Officer (Social Welfare and Women Development Chiniot	106	3	Expenditure without obtaining actual payee receipts	0.984
	107	4	Non-reimbursement of TA/DA of election duty	0.019
	108	5	Non-verification of General Sales Tax	0.065
	109	6	Non-Auction of old parts and tyres of vehicle	0
District Officer Roads Chiniot	110	16	Loss due to provision of uneconomical option in the estimate	0.214
	111	17	Loss due to non-award of work to the lowest evaluated bidder	0.049
	112	18	Non-competitive bidding and non-deposit of tender fee	-
	113	19	Non-recovery of lease rent charges from the owners of petrol pumps	0.430
	114	20	Short recovery of fee for renewal of enlistment of contractors	0.006
	115	21	Non-forfeiture of Bid Security due to non-deposit of Additional Performance Security	0.080
	116	22	Unknown whereabouts of brick work of retaining wall	0.443
	117	23	Non-imposition of penalty for non-execution of works	0.154
DO (Buildings) Chiniot	118	1	Incurrence of expenditure at the end of the year	-
	119	9	Non-deduction of Professional Tax	0.169
	120	14	Procurement in violation of Procurement Rules	0.106
	121	16	Irregular expenditure out of M&R budget in violation of procurement and Delegation of Financial Powers	0.370
	122	17	Irregular splitting to avoid Technical Sanction of Higher Authority	0.190
	123	20	Less collection of enlistment / renewal fee	0.094
	124	21	Non-maintenance of record	0.862
	125	22	Irregular expenditure on development work	0.712
	126	23	Recording entries in Measurement Book without work done	0.174
	127	24	Execution of excess work without revision of Administrative Approval	0.729
Deputy DO (Agriculture) Extension), Lalian	128	27	Non-recovery of electricity bill paid on behalf of residents of hostel type accommodation	0.323
	129	3	Unknown whereabouts of wheat seed	0.972
	130	4	Non- deposit of sale proceeds of vegetable seed kits	0.045
	131	6	Non- deposit of recovery	0.044

Part-II**[Para-1.1.3]****Memorandum for Departmental Accounts Committee Paras not Attended
in Accordance with the Directives of DAC Pertaining to Audit Year 2015-16**

(Rupees in Million)

Name of Formation	Sr. No.	Para No.	Subject	Amount
Dy. DEO (EE-W) Bhowana	1	4	Unjustified drawal of Adhoc Allowance	0.164
	2	5	Non deposit of auction money of trees into Government treasury	0.115
	3	6	Non deposit of Government receipt in treasury	0.075
	4	7	Unauthorized expenditure beyond the financial limit of School Council	0.728
	5	8	Irregular expenditure out of Non Salary Budget (NSB)	0.150
	6	9	Unauthorized payment due to non-obtaining of invoices/Bills from suppliers	0.49
	7	10	Non verification of GST invoices	0.507
	8	11	Irregular expenditure out of NSB	24.025
DDEO (MEE) Chiniot	9	2	Excess expenditure than actual budget allocation	3.130
	10	3	Excess payment due to non-regularization of services of contract employees	0.758
	11	4	Overdrawn of pay in higher scales without up gradation	0.537
	12	5,6,7,9	Non- recovery of allowances	0.284
	13	8	Encroachment of state land	0.500
	14	10	Payment inadmissible conveyance allowance	0.025
	15	11	Unauthorized payment of HSRA	0.003
	16	12	Irregular development expenditures out of NSB funds	1.063
	17	13	Embezzlement in NSB funds by schools	0.571
	18	14	Misappropriation of funds	0.079
	19	15	Uneconomical expenditure due to violation of PPRA rules	0.596
	20	16	Non verification of GST by suppliers	0.553
	21	17	Non-production of record	0.455
	22	18	Non-utilization of NSB grant	0.853
GGHSS Bhowana	23	3,10	Non recovery of allowances and fees	0.070
	24	4	Expenditure through irregular School Council	1.010
	25	5	Unauthorized payment of salary without post	0.382
	26	6	Irregular expenditure	0.100

Name of Formation	Sr. No.	Para No.	Subject	Amount
	27	9	Non availability of furniture bill	0.150
	28	11	Unauthorized payment of salary after transfer	0.104
DCO	29	2	Unauthorized drawal of salaries after termination of contract and irregular payment of salary	0.829
	30	3	Irregular expenditure beyond the functions/ job description	2.199
	31	4-a	Non-reimbursement from Provincial Government for expenditure on the event of Moharram-ul-Haram	0.139
	32	4-b	Non reimbursement of expenditure previously incurred on behalf of Provincial Government	0.537
	33	5	Unauthorized allotment of vehicle beyond entitlement and drawal of POL	0.286
	34	6	Irregular drawal of TA/ DA without countersignature of authority	0.234
	35	7	Uneconomical expenditure due to violation of PPRA rules	0.072
	36	8,9,10	Non /less deduction of Income Tax	0.058
	37	11	Non/less utilization of funds	24.811
	THQ Hospital Lalian	38	1	Procurement without devising mechanism for planning in detail
39		2	Purchase of local medicines instead of rate contract	0.550
40		3	Un-authorized drawal of health risk allowance recovery	0.232
41		4	Irregular expenditure on the local purchase medicines	0.814
42		6	Expenditure met from wrong code classification	0.281
43		7-a	Non supply of medicine and non-forfeiture of performance guarantee	0.029
44		7-b	Non-recovery of liquidated damages for delay in the supply of medicines	0.038
45		8	Irregular expenditure out of head POL for ambulance	0.499
46		9	Non auction of condemned ambulance and dental unit	0.500
47		10	Infructuous expenditure of pay and allowances	0.399
	48	11	Non deposit of income into Government account	0.021
EDO (H)	49	5	Unauthorized payment of salary due to appointment on the basis of bogus educational certificate	0.868
	50	6	Payment of salary during EOL / after termination & retirement	0.691
	51	7	Loss of income due to running of medical stores without registration	0.158
	52	8	Non supply of medicine by the firms	3.074
	53		Non-forfeiture of performance security of defaulter supplier	0.061
	54	9	Delayed benefits of medicines due to delay in DTL reports	1.721
	55	10	Non deduction of GST on services	0.040
	56	11	Excess drawal of Personal Allowance	0.022
57	12	Irregular expenditure / issuance of medicines	0.894	
RHC 14 JB	58	1-a	Excess payment of Health Risk Allowance	0.325
	59	1-c	Unauthorized payment of health risk allowance without	0.068

Name of Formation	Sr. No.	Para No.	Subject	Amount
			entitlement	
	60	2	Irregular expenditure on the salaries of staff posted at DHQ Chiniot	1.966
	61	3	Unauthorized expenditures on local purchase of medicines	1.500
	62	4	Non-forfeiture of performance security	0.011
	63	7	Purchase of medicines beyond prescribed limit	0.600
	64	8	Excess drawal of house rent, non-deduction of house rent charges	0.072
	65	10	Excess payment of salary after regularization of services	0.062
	66	11	Non maintenance of permanent stock register and residence allotment register	-
DDEO (WEE) Lalian	67	2	Non deposit of auction money into Government treasury	0.014
	68	3	Non recovery of embezzled/stolen amount	0.242
	69	4	Non recovery of advance Income Tax	0.013
	70	5	Unauthorized payment of salaries to employees after retirement	0.347
	71	6	Unjustified drawal of Inspection Allowance	0.150
	72	7	Unjustified drawal of Conveyance Allowance	0.063
	73	8	Overpayment due to drawal of excess pay and allowances	0.341
	74	10	Excess payment of SSB due to non-regularization of services of educators	0.592
	75	11	Non recovery of penalty imposed on teachers	0.288
	76	12	Overpayment due to non-implementation of penalty	0.246
	77	13	Recovery of non-deduction of BF and Group Insurance	0.027
	78	14	Irregular expenditure out of NSB	29.962
	79	15	Non verification of GST invoices	2.200
	80	16	Unauthorized expenditure beyond the financial limit of School Councils	2.017
	81	17	Non/less deduction of Income Tax	1.269
GHSS Bhowana	82	1	Excess payment due to non-regularization of services of contract employees	0.504
	83	2	Excess payment due to non-regularization of services of contract employees	0.169
	84	3	Loan from FTF for payment of utility bills not refunded	0.072
	85	4	Expenditure without procurement plan, determination of needs	1.789
	86	6	Expenditure through irregular School Council	3.662
	87	7	Splitting of expenditure	0.600
	88	8	Unauthorized expenditure	0.034
	89	9	Expenditure without advertisement on PPRA website	1.600
	90	10	Irregular expenditure out of NSB	1.100
	91	11	Non obtaining of performance security and tender fee	0.051
	92	12	Purchase of furniture with connivance of contractor	1.000
	93	13	Vocational equipment purchased	0.275

Name of Formation	Sr. No.	Para No.	Subject	Amount
GGHSS Lalian	94	1	Excess payment of SSB due to non-regularization of services of contract employees	0.384
	95	2	Non deduction of BF and GI due to non-regularization of services of contract employees	0.118
	96	3	Unjustified drawal of allowance	0.088
	97	4	Expenditure without advertisement on PPRA website	0.963
	98	5	Non-deduction of GST and Income Tax	0.033
	99	6	Expenditure through irregular School Council –	2.191
	100	7	Splitting of expenditure	0.788
	101	8	Uneconomical purchase	0.080
	102	9	Loan from FTF for payment of utility bills not refunded	0.341
	103	10	Purchase of furniture with connivance of contractor	0.700
DO (Live Stock)	104	1	Unauthorized purchase of medicines to the tune	0.532
	105	2-a	Non recovery of Conveyance Allowance	0.111
	106	3-b	Un authorized drawal of allowance	0.025
	107	4	Non obtaining of Performance Security	0.349
	108	5	Improper maintenance of cash book	-
	109	6	Unauthorized drawal from DDO account	0.058
	110	7	Loss to Government Due to non-issuance of license to compound feed and feed stuff manufacture	0.150
	111	8	Excess payment of social security benefits due to non-regularization of services of contract employees	0.643
	112	9	Non deduction of BF and GI due to non-regularization of services of contract employees	0.128
	113	10	Non collection of group insurance premium from the employees of defunct local council	0.026
DO (Environment)	114	11	Non deduction of Sales Tax	0.014
	115	1	Overpayment on account of inadmissible allowance	0.132
	116	2	Unauthorized purchase of plant and machinery	0.099
	117	3	Unauthorized drawal of transfer Travelling Allowance	0.038
	118	4	Irregular expenditure on repair of vehicle recovery of Income Tax	0.003
	119	5	Irregular expenditure on POL without preparing/maintenance of log book	0.070
	120	6	Non maintenance of follow-up of lawsuit cases after decreed	-
DO (Forest)	121	7	Improper maintenance of record of savings	1.586
	122	1	Non-recovery of conveyance allowance	0.105

Name of Formation	Sr. No.	Para No.	Subject	Amount
	123	2	Unauthorized expenditure done to irregular temporary duty	0.515
	124	3	Non auction of trees kept on Supardari	0.038
	125	4	Loss to Government due to theft of trees and bricks	0.054
	126	5	Loss to Government due to non-recovery of damages of trees	3.625
	127	6	Loss to Government due to non-recovery of compensation	0.457
	128	7	Loss to Government due to theft of trees	0.031
	129	8	Trifling returns/benefit against huge expenditure on nursery	0.437
	130	9	Deposits of receipts amount against wrong head of account	6.885
	131	10	Loss due to non-recovery of receipt upon sale of nursery plantation	0.142
	Dy. DEO (EE-M) Lalian	132	3	Non recovery of advance Income Tax
133		4	Unauthorized payment of salaries to employees after retirement	0.175
134		5	Unjustified drawal of allowance	0.109
135		6	Un-authorized drawal of allowance	0.170
136		7	Non-auction of trees	0.305
137		8	Unjustified drawal of Inspection Allowance	0.310
138		9	Excess drawal of Personal Allowance	0.071
139		12	Excess payment of SSB due to non-regularization of services of educators	0.340
140		13	Irregular expenditure out of NSB	17.025
141		14	Non verification of GST invoices	0.510
142		15	Non/less deduction of Income Tax	0.625
143		17	Non recovery of embezzled amount	0.313
EDO (Education)	144	2	Non obtaining of performance guarantee	0.260
	145	3	Non recovery of inspection fee from the registered private schools	0.157
	146	5	Non deposit of profit earned on Account-IV	0.086
	147	6	Loss due to non-regularization of services of contract employees	8.779
	148	7	Purchase of IT equipment's on higher rates	0.412
	149	8	Call deposit of computer communication technologies not obtained	0.405
	150	9	Non receipt of security deposit from the owners of registered private schools	2.800
	151	11	Irregular procurements	5.209
	152	12	Unauthorized re-appropriation/utilization of funds out of stipend	0.244
	153	14	Recovery of honoraria	0.007
	154	15	Less enrollment of students after utilization of NSB	0.000
	155	16	Over staffing in schools due to non-rationalization of teachers	0.000
	156	17	Non recovery of fines	0.029

Name of Formation	Sr. No.	Para No.	Subject	Amount
DHQ Chiniot	157	1	Misuse of POL due to non-maintenance of log books of generators	5.044
	158	6	Irregular expenditure / issuance of medicines	0.408
	159	7	Excess payment to suppliers due to less receipt of MSD medicines	0.455
	160	8-a	Loss due to irregular payment of GST on electricity	0.445
	161	8- b	Non deduction of Sales Tax on services	0.165
	162	8-c	Short-recovery of Income Tax	0.058
	163	9	Non-recovery of amount from canteen contractor	0.390
	164	10-a	Unauthorized payment of salary after transfer	0.104
	165	10-b	Overpayment due to drawal of salary during absconded period	0.128
	166	10-c	Excess drawal of allowances	0.220
	167	10-d	Excess payment of social security benefits after regularization of services	0.048
	168	10-e	Overpayment due to drawal of salary during absent period	0.362
	169	10-f	Unauthorized drawal of pay during EOL without pay	0.165
	170	10-g	Un-authorized payment of health sector reforms allowance	0.460
	171	10-h	Excess payment of other allowance	0.045
	172	10-i	Excess payment of Health Risk Allowance	0.015
	173	11-a	Non-supply of medicines and non-forfeiture of advance security	0.066
	174	11-b	Non-recovery of penalty for late supply/ non-supply	0.073
	175	11-c	Purchase of medicines beyond prescribed limit	0.365
	176	13	Excess issuance of supply orders of MSD medicines than budget allocation	5.194
	177	14-a	Purchase of medicines on higher rates as compared to MSD rate contract	0.682
	178	14-b	Excess payment due to purchase of bedding clothing on higher rates	0.086
	179	14-c	Overpayment due to local purchase of D/syringes on higher rates	0.310
	180	15	Unauthorized purchase of medicines from suppliers	0.734
	181	16-a	Irregular issuance of medicines in violation of Government instructions	0.110
	182	16-b	Payment on procurement without received / accounted for in stock register	0.098
	183	17	Unjustified expenditure likely misappropriation of Government fund	0.232
	184	18	Unauthorized drawal of Daily Allowances	0.080
	185	19	Mis-procurement through collusive practices, designed to establish bid prices at artificial, non-competitive level	0.401
	186	20	Non-recovery of penal rent form illegal occupant of Government residence	0.047

Name of Formation	Sr. No.	Para No.	Subject	Amount
	187	21-a	Loss to Government due to accident of ambulance	0.500
	188	21-b	Misclassification of expenditure	0.628
	189	23	Unjustified journey	0.221
	190	24	Recovery due to excess consumption of POL	0.123
	191	25	Non maintenance of pool register of residential facilities	-
EDO(W&S)	192	1	Excess drawal pay after regularization of services	0.037
	193	4	Irregular approval of luxurious items	0.704
	194	6	Irregular payment due to change in scope of work	8.755
	195	7	Savings not surrendered	3.463
	196	8	Unknown whereabouts of funds drawn	0.074
RHC Barana	197	1	Unauthorized payment by DDO	2.142
	198	2	Purchase of medicines on higher rates despite availability in MSD rate contract	0.053
	199	3	Non-recovery of social security benefit paid even after confirmation	0.048
	200	4	Unjustified expenditure on POL & repair of vehicle	0.062
	201	5	Non-allotment of designated residencies to Staff Nurses	0.654
	202	6	Recovery due to unauthorized payment of allowance	0.042
	203	7	Recoverable from Government servants provided designated residences	0.023
	204	8	Drawal of pay & allowances without performing duties	0.346
	205	9	Non-forfeiture of security due to non-supply of medicines	0.092
	206	10	Non-deduction of Income Tax on income other than salary	0.008
	207	11	Non-deduction of Income Tax at source on supplies	0.010
THQ Hospital Bhowana	208	13	Non-deposit of fixer water used in X-Ray department	0.006
	209	1	Unauthorized payment by DDO	3.834
	210	2	Over drawn of pay & allowances	0.093
	211	3	Purchase of medicines on higher rates instead of availability in MSD rate contract	0.140
	212	4	Non- deduction of 5% house rent charges from employees allotted Government residencies.	0.112
	213	5	Overpayment by entering excess quantity in the bill recovery thereof	0.025
	214	6	Uneconomical expenditure on X-Ray films due to violation of PPRA rules	0.350
	215	7	Unauthorized payment to employees instead of actual payee without acknowledgement	0.313
	216	8	Non-recovery of social security benefit paid even after confirmation	0.032
	217	10	Unnecessary purchase of medicine	1.082
	218	11	Non deduction of Income Tax at sources from salary	0.027
	219	12	Non deduction of Income Tax at sources on supplies	0.024

Name of Formation	Sr. No.	Para No.	Subject	Amount
	220	13	Non auction of dried / fallen trees	0.486
	221	14	Non deposit of tender fee	0.002
DO (Health)	222	1	Un-authorized drawal of Health Risk Allowance	2.325
	223	3	Recovery of overpayment of pay for Sanitary Inspector appointed on bogus diploma	0.868
	224	5	Unauthorized drawal of allowances	0.313
	225	7	Excess payment after regularization of services of contract employees	0.182
	226	8	Rush of expenditure in the month of June Rs15.359 million	-
	227	9-a	Non-supply of medicines and non-forfeiture of performance guarantee	0.113
	228	9-b	Non recovery of Liquidated Damages for delay in the supply of medicines	0.029
	229	10	Un economical expenditure on the procurement of printed material	0.740
	230	11	Procurement of medicines at excessive rates	0.075
	231	12	Non auction of un serviceable store items / motorcycles	0.144
	232	13-a	Non-deposit of food sampling fines into public exchequer	0.384
	233	13-b	Recovery on account of fines of food sampling	0.042
	234	13-c	Non verification of deposits	0.265
	235	14	Non auction of dried / fallen trees assessed value.	0.137
	236	15	Recovery of un authorized drawal of pay and allowances relieving from duty	0.085
	237	16	Non adopting SOP for the receipt and issuance of drugs / medicines	0.141
	238	17	Theft of material	0.006
DO (Buildings)	239	5	Invitation of tenders in the absence of technically sanctioned estimates	15.886
	240	6	Delay in completion of works	2.502
	241	7	Non-recovery of cost of old material retrieved from dismantlement	0.715
	242	8	Irregular expenditure through quotations instead of tenders	0.648
	243	9	Unjustified payment for earth work involving extra lead	2.035
	244	11	Irregular execution of original work form M&R budget	1.111
	245	12	Irregular payment for non-schedule items without preparation and approval of rate analysis on the basis of input rates	1.181
	246	13	Irregular expenditure without execution of agreement	25.019
	247	14	Excess payment due to drawal of Conveyance Allowance	0.120
	248	15	Loss due to non re-use of excavated earth	0.186
	249	16	Loss due to unauthorized payment of contractor's profit and overhead charges	0.072
	250	17	Excess payment to contractor due to charging of excess rate	0.187

Name of Formation	Sr. No.	Para No.	Subject	Amount
	251	18	Excess payment to contractor	0.043
	252	19	Loss due to non-execution of items by the contractor	0.047
	253	20	Irregular expenditure on M&R after lapse of technical sanction	0.318
Public Health Specialist MNCH, Chiniot	254	2	Withdrawal of inadmissible allowances	0.107
	255	3	Unauthorized withdrawal of Non Practicing Allowance	0.050
	256	4	Irregular expenditure under head of POL	0.517
	257	1	Unauthorized execution of brick lining work instead of PCPS	27.843
	258	3	Non-adoption of specification for watercourse as per PC-I	0.684
	259	4	Overpayment by allowing material rates in excess of rates approved in Technically Sanctioned Estimate / purchase committee	0.569
	260	5	Unauthorized appointment of DDO	1.024
	261	6	Unauthorized withdrawal of Conveyance Allowance	0.157
	262	7	Payment of pay and allowance without verification of degrees	5.099
	263	8	Excess use of bricks in construction of water courses	0.821
	264	9	Payment for brick without quality testing reports	17.855
	265	10	Unauthorized retention of recovered unspent balance	0.171
	266	11	Non-deduction / less deduction of Sales Tax	0.153
	267	12	Irregular expenditures under head of POL	0.935
	268	13	Non-execution of watercourse schemes through well established and time tested farmers' institution of Water Users Association	-
	269	14	Irregular expenditure on development schemes of improvement of watercourses without approval Rs 20.609 million	-
	270	15	Unauthentic / irregular withdrawn of T.A/D.A. bills	1.449
	271	16	Irregular release of funds for improvement of watercourses	26.692
	272	1,4	Un-authorized drawal of Conveyance Allowance	0.175
	273	2	Non achievement of target by expending due to weak management	-
	274	3	Doubtful consumption of pol without sealing of speedometers	0.542
	275	5	Non provision of pre-audited vouchers	1.550
	276	1	Irregular purchase through splitting/ without calling tenders	1.049
	277	2	Excess expenditure due to weak management	5.953
	278	3	Misclassification of expenditure	0.092
	279	5	Fraudulent drawal of pay and allowance during absent period	0.091
	280	6	Excess payment of SSB due to non-regularization of services of contract employees	0.026
	281	7	Non maintenance of record	-
	282	1	Unauthorized encroachment of state land	-
EDO (F&P)	283	2-a	Non-recovery of fee on ferries	0.167
	284	2-b	Non-recovery of auctioned money of agriculture land	0.131
	285	2-c	Non-recovery of rent of shops	0.099

Name of Formation	Sr. No.	Para No.	Subject	Amount
	286	3	Unjustified allocation of funds against abandoned CCB scheme	1.844
	287	4	Non-realization of receipts estimates in the revised budget estimates	0.950
	288	5	Non-deduction GI from the salaries of employees of Defunct Zila Council	-
	289	6	Irregular allocation / revision of M&R work	0.873
	290	7	Weak management/slow progress of development schemes of ADP	-
	291	8	Unjustified block allocation	-
	292	9	Unrealistic budgeting resulted in saving	-
	293	10	Unjustified difference of supplementary grant between appropriation account and District Government Budget	-
DEO (WEE) Chiniot	294	11	Outstanding remittance of pension contribution share	-
	295	1	appointment of teachers on bogus documents and drawal of salaries	0.395
	296	2	Drawal of salaries after cancellation of contract of teaching staff	0.209
	297	3	Drawal of salaries after removal from service	0.027
	298	5	Excess payment of salary to teaching staff due to non-implementation of decisions of enquiries	0.192
	299	6	Non-recovery of special fines	0.047
DDEO (MEE) Bhowana	300	7	Expenditure on procurement of goods without proper specification	0.051
	301	1	Excess payment of social security benefit	1.178
	302	2	Non-deduction of GPF, BF and GI from the salaries of employees	0.601
	303	3	Excess payment of social security benefit	0.080
	304	4	Payment of inadmissible allowances to staff	0.061
	305	5	Payment of inadmissible inspection allowance to AEO	0.080
	306	6	Payment of inadmissible allowances to staff	0.204
	307	8	Unauthorized expenditure out of NSB funds	2.859
	308	9	Doubtful expenditure on procurements	2.273
	309	10	Drawal of funds without prior approval of SMCs	11.770
	310	11	Non-obtaining of actual payee receipts and doubtful deduction of Income Tax	0.211
	311	12	Loss to Government Due to doubtful sales tax invoices and recovery	0.639
	312	13	Missing date of joining in SAP/R-3 HR data and drawal of pay & allowances	2.246
	313	14	Misclassification in booking of expenditure for leave encashment	5.372
	314	15	Doubtful drawal of TA/ DA and hotel charges	0.121

Name of Formation	Sr. No.	Para No.	Subject	Amount
	315	16	Doubtful maintenance of stock register	1.447
DO (Roads)	316	10	Excess payment of items due to excess rate	0.194
	317	11	Non-deduction of rate due to usage of Chenab/local sand	-
	318	12	Non-deduction of rate due to usage of Chenab/local sand	0.025
DO (Labour)	319	1	Overpayment on account of inadmissible allowance	0.017
	320	2	Irregular drawal of Transfer Allowance	0.024
	321	3	Unauthorized purchase of plant and machinery	0.025
	322	4	Unauthorized expenditure on repair of vehicle	0.104
	323	5	Withdrawal of cash instead of disbursement through cross cheque	0.112
	324	6	Unauthorized drawal of Millage Allowance	0.139
	325	7	Unauthorized retention of funds in bank account	0.138
	326	8	Non recovery of outstanding claims on account of compensation and payment of wages	2.471
	327	9	Non achievement of target/less realization of money	1.193
	328	10	Non preparation/reconciliation of expenditure statements	2.373
DDEO (WEE) Chiniot	329	1	Splitting of expenditure	0.893
	330	2	Undue retention of heavy closing balance without detail in the designated bank account of deputy DEO	2.250
	331	4	Excess expenditure due to delay in regularization of contract employees	1.925
	332	5	Un-justified drawal of allowance	0.254
	333	6	Recovery of overpayment of Charge and Inspection Allowance	0.272
	334	7	Non / less deposit of General Sales Tax	0.812
	335	8	Un-authorized drawal of (SSB) and other allowances by employees after regularization of services	0.354
	336	9	Un-authentic expenditure incurred by schools out of NSB	6.638
	337	11	Un-authorized withdrawal of pay and allowances as AEO	0.963
	338	12	Non / less deduction of Income Tax	0.152
	338	13	Un-authorized drawal of allowance	0.040
	339	14	Irregular withdrawal of Inspection Allowance	0.178
	340	15	Un-authorized drawal of Qualification Allowance	0.037
	341	16	Non-utilization of NSB grant	1.516
	342	17	Misuse/misappropriation of NSB funds	0.092
	343	18	Un-authorized expenditure on weather shield paints	0.088
344	19	Non-recovery of fine imposed by authority	0.018	
RHC Ahmad Nagar	345	1	Expenditure met from wrong classification/code	0.886
	346	2	Purchase of local medicines instead of rate contract	0.596
	347	3	Rush of expenditure in the month of June	6.742
	348	4	Un-authorized drawal of Health Risk Allowance	0.465

Name of Formation	Sr. No.	Para No.	Subject	Amount
	349	5	Non-supply of medicine and non-forfeiture of performance guarantee	0.057
	350	7	Difference maintenance of cash book without showing detail of closing balances	2.989
	351	8	Non maintenance of record of consumption of medicines by dispensary	0.250
	352	9	Infructuous expenditure on the salaries of OTA and Anesthesia Assistant	0.803
	353	10	Unauthorized drawal of HSRA during general duty at DHQ	0.038
	354	11	Procurement of medicines without immediate requirement	0.157
	355	12	Irregular expenditure out of head POL for ambulance	0.254

Annex-B

Summary of Appropriation Accounts by Grants for the Financial Year 2015-16

(Amount in Rupees)

Grant No.	Name of Grant	Original Grant	Supplementary Grant	Final Grant	Actual Expenditure	(+) Excess (-) Saving
3	Provincial Excise.	6,951,500	526,960	7,478,460	7,161,216	(-) 317,244
5	Forests.	19,417,000	-	19,417,000	17,791,933	(-) 1,625,067
7	Charges on A/c of M. V. Act.	3,010,000	-	3,010,000	2,172,239	(-) 837,761
8	Other Taxes & Duties.	4,473,000	-	4,473,000	3,247,846	(-) 1,225,154
10	General Administration.	88,693,100	-	88,693,100	43,517,813	(-) 45,175,287
15	Education.	2,184,251,350	-	2,184,251,350	2,013,724,626	(-) 170,526,724
16	Health Services.	512,869,000	-	512,869,000	435,175,122	(-) 77,693,878
17	Public Health.	3,146,000	-	3,146,000	2,652,414	(-) 493,586
18	Agriculture.	85,764,175	-	85,764,175	71,789,857	(-) 13,974,318
20	Veterinary.	83,276,420	-	83,276,420	80,781,874	(-) 2,494,546
21	Co-operative.	11,003,200	-	11,003,200	9,481,256	(-) 1,521,944
22	Industries.	2,557,000	354,072	2,911,072	2,525,930	(-) 385,142
23	Miscellaneous Departments.	3,138,700	-	3,138,700	1,215,330	(-) 1,923,370
24	Civil Works.	45,346,600	-	45,346,600	31,282,886	(-) 14,063,714
25	Communications.	81,283,200	-	81,283,200	63,737,774	(-) 17,545,426
31	Miscellaneous.	31,547,600	-	31,547,600	20,120,953	(-) 11,426,647
Total Non-Development :		3,166,727,845	881,032	3,167,608,877	2,806,379,069	(-) 361,229,808
36	Development.	183,006,000	231,531,000	414,537,000	353,014,904	(-) 61,522,096
41	Highways, Roads & Bridges.	95,350,000	85,457,000	180,807,000	124,904,809	(-) 55,902,191
42	Government Buildings.	72,045,000	230,191,000	302,236,000	257,101,225	(-) 45,134,775
Total Development :		350,401,000	547,179,000	897,580,000	735,020,938	(-) 162,559,062
Grand Total :		3,517,128,845	548,060,032	4,065,188,877	3,541,400,007	(-) 523,788,870

Annex-C

[Para: 1.2.1.21]

Drawl of pay and allowances at excessive rates

(Rupees in Million)

Sr. No.	DDOs	No. of Employees	Amount	Remarks
1	Deputy District Education Officer (EE-W), Bhowana	05	0.190	Drew Adhoc Allowance-2010 at excessive rates
2	Deputy District Education Officer (EE-W), Chiniot	22	1.001	
3	Headmistress, Government Nusrat Girls High School, Chenab Nagar	01	0.050	
4	Deputy District Education Officer (EE-M), Lalian	08	0.153	
5	Deputy District Education Officer (EE-M), Bhowana	10	0.308	
6	Headmaster, Government Islamia High School, Chiniot	02	0.128	
7	Deputy District Education Officer (EE-W), Lalian	29	0.248	
8	Deputy District Education Officer (EE-W), Bhowana	01	0.064	Drew Personal Allowance at excessive rates
9	Deputy District Education Officer (EE-W), Chiniot	01	0.019	
10	Deputy District Education Officer (EE-M), Bhowana	02	0.166	
11	Deputy District Education Officer (EE-W), Lalian	04	0.186	Drew pay and allowances at excessive rates
12	Headmistress, Government Nusrat Girls High School, Chenab Nagar	01	0.297	
13	Headmistress, Government Girls High School, Ahmed Nagar	01	0.029	
14	Principal, Government Higher Secondary School, Lalian	01	0.046	
15	Deputy District Education Officer (EE-W), Chiniot	04	0.482	Drew SSB after regularization of services
16	Deputy District Education Officer (EE-W), Bhowana	01	0.048	

Sr. No.	DDOs	No. of Employees	Amount	Remarks
17	Deputy District Education Officer (EE-M), Bhowana	01	0.112	
18	Deputy District Education Officer (EE-M), Chiniot	34	0.480	Non-deduction of GPF, BF and GI after regularization of services
Total		128	4.007	

Annex-D**[Para: 1.2.1.23]****Overpayment of inadmissible pay and allowances**

(Rupees in Million)

Sr. No.	DDOs	Amount	Remarks
1	Deputy DEO (EE-M), Bhowana	0.032	Conveyance Allowance
2	Deputy DEO (EE-M), Lalian	0.090	Inadmissible allowances
3	Deputy DEO (EE-W), Bhowana	0.03	Drawl of pay and allowances during absent period
		0.047	
		0.286	
4	Government Girls High School, Chiniot	0.022	Qualification Allowance
5	Deputy DEO (EE-W), Lalian	0.054	Charge Allowance and non-deduction of BF and GI
6	Government Islamia High School, Chiniot	0.023	Drawl of pay and allowances after retirement from service
7	District Headquarters Hospital, Chiniot	0.335	Excess drawl of allowances
8	Deputy DO (Health), Chiniot	0.536	Adhoc Allowance 2010
		0.018	Excess drawl of allowances
9	EDO (Health), Chiniot	0.037	Excess drawl of pay and allowances
10	District Officer Health, Chiniot	0.441	Health Sector Reforms Allowance
		0.320	
		0.148	Non-Practicing Allowance
		0.128	Adhoc Allowance 2010
		0.088	BF, GI and pay
		0.054	Arrears of pay and allowances
0.030	Pay and allowances after retirement		
11	Tehsil Headquarters Hospital, Bhowana	0.116	Excess pay and allowances
12	Rural Health Centre, 14/JB	0.157	Pay and allowance during absent period/after resignation
		0.042	Inadmissible allowances at excessive

Sr. No.	DDOs	Amount	Remarks
			rate
13	Tehsil Headquarters Hospital, Lalian	0.016	Health Sector Reforms Allowance
14	District Coordination Officer, Chiniot	0.096	Recovery of pay and allowances
15	Secretary DRTA, Chiniot	0.005	Recovery of Personal Allowance
16	DO (Buildings), Chiniot	0.075	Inadmissible allowances
		0.042	Recovery of Personal Allowance
		0.087	Excess payment of pay and allowance after regularization
17	Deputy DO (Agri-Extension), Lalian	0.090	Drawl of pay and allowances after retirement
Total		3.445	

Annex-E**[Para: 1.2.1.33]****Unauthorized withdrawal of Conveyance Allowance**

(Rupees in Million)

Sr. No.	DDOs	No. of Employees	Amount	Remarks
1	Deputy District Education Officer (EE-W), Lalian	536	0.336	Drew Conveyance Allowance during winter vacation
2	Headmistress, Government Nusrat Girls High School, Chenab Nagar	56	0.136	Drew Conveyance Allowance during leave
		04	0.038	
3	Headmistress, Government Girls High School, Chiniot	05	0.029	Drew pay and Conveyance Allowance during leave/EOL
		42	0.068	Drew Conveyance Allowance during winter vacation
4	Deputy District Education Officer (EE-W), Bhowana	85	0.330	Drew Conveyance Allowance during leave
		05	0.041	
5	Headmistress, Government Girls High School, Rajoya	26	0.053	Drew Conveyance Allowance during winter vacation
		54	0.302	
6	Principal, Government Higher Secondary School, Lalian	05	0.041	Drew Conveyance Allowance during winter/summer vacation
		02	0.160	
7	Deputy District Education Officer (EE-M), Chiniot	01	0.060	Drew Conveyance Allowance while using official vehicle
8	Deputy District Education Officer (EE-W), Chiniot	306	0.196	Drew Conveyance Allowance during summer vacation
9	Deputy District Education Officer (EE-M), Lalian	36	0.065	Drew Conveyance Allowance during winter vacation
10	Headmaster, Government Islamia High School, Chiniot	21	0.035	
11	Headmistress, Government Girls High School, Ahmed Nagar			

Sr. No.	DDOs	No. of Employees	Amount	Remarks
12	Executive District Officer (Education), Chiniot	23	0.182	Drew Conveyance Allowance during leave
Total		1,207	2.072	

Annex-F**[Para: 1.2.1.37]****Excess payment due to non-deduction of taxes**

(Rupees in Million)

Sr. No.	DDOs	GST	Income Tax	Sales Tax on Services	Amount
1	Executive District Officer (Health), Chiniot	0	0.083	0	0.083
2	Medical Superintendent, Tehsil Headquarters Hospital, Bhowana	0	0	0.046	0.046
3	Medical Superintendent, Tehsil Headquarters Hospital, Lalian	0.029	0	0.033	0.062
4	District Officer (Health), Chiniot	0	0	0.088	0.088
5	Program Director, District Health Development Center, Chiniot	0	0.019	0.031	0.050
6	District Officer (Buildings), Chiniot	0.324	0.116	0.256	0.696
7	District Coordination Officer, Chiniot	0.123	0.076	0.025	0.224
8	District Officer (Social Welfare), Chiniot	0	0	0.015	0.015
9	Deputy District Officer (Agriculture Extension), Lalian	0	0	0.004	0.004
10	Deputy District Education Officer (EE-W), Bhowana	0	0.091	0	0.091
11	Headmistress, Government Girls High School, Rajoya	0.012	0.014	0	0.026
12	Principal, Government Higher Secondary School, Lalian	0.017	0.029	0	0.046
13	Headmaster, Government Islamia High School, Chiniot	0.020	0.028	0	0.048
14	Headmistress, Government Girls High School, Ahmed Nagar	0.026	0.032	0	0.058
Total		0.551	0.488	0.498	1.537

Annex-G**[Para: 1.2.1.43]****Overpayment of General Sales Tax**

(Rupees in Million)

Sr. No.	DDOs	Period	Amount	Amount of GST	Remarks
1	Deputy District Education Officer (EE-W), Lalian	2015-16	0.288	0.043	GST on Bricks
2	Deputy District Education Officer (EE-M), Chiniot	2015-16	0.436	0.063	GST on Bricks
3	Deputy District Education Officer (EE-M), Chiniot	2015-16	1.168	0.159	4/5 th GST not verified
4	Government Girls High School, Chiniot	2015-16	0.012	0.002	GST on bricks
5	Government Islamia High School, Chiniot	2015-16	1.038	0.121	Inactive supplier
		2015-16	0.010	0.001	GST on bricks
6	Government Girls High School, Ahmed Nagar	2015-16	0.105	0.015	GST on bricks
7	Deputy District Officer (EE-W), Bhowana	2015-16	0.660	0.100	GST on bricks
8	Deputy District Officer (EE-M), Bhowana	2015-16	0.413	0.060	GST on bricks
9	Deputy District Officer (EE-W), Chiniot	2015-16	0.867	0.126	GST on bricks
10	Government Nusrat Girls High School, Chenab Nagar	2015-16	0.205	0.030	GST on bricks
11	District Headquarters Hospital, Chiniot	2015-16	1.767	0.246	GST on electricity
12	Tehsil Headquarters Hospital, Lalian	2015-16	0.313	0.045	GST on exempted supplies
Total			7.282	1.011	

Annex-H**[Para: 1.2.2.3]****Non-verification of General Sales Tax**

(Rupees in Million)

Sr. No.	DDOs	No. of Schools	Amount
1	Deputy District Education Officer (EE-W), Bhowana	27	0.385
2	Deputy District Education Officer (EE-M), Bhowana	44	0.395
3	Deputy District Education Officer (EE-W), Chiniot	80	0.703
4	Headmistress, Government Girls High School, Chiniot	-	0.658
5	Headmistress, Government Nusrat Girls High School, Chenab Nagar	-	0.523
6	Headmistress, Government Girls High School, Rajoya	-	0.180
7	Headmaster, Government Islamia High School, Chiniot	-	0.446
8	Headmistress, Government Girls High School, Ahmed Nagar	-	0.387
9	Senior Medical Officer, Rural Health Center, 14 JB	-	0.084
10	District Officer (Health), Chiniot	-	0.381
11	Deputy District Officer (Agriculture Extension), Lalian	-	0.016
12	Secretary, District Regional Transport Authority, Chiniot	-	0.035
13	Program Director, District Health Development Center, Chiniot	-	0.036
14	Medical Superintendent, Tehsil Headquarters Hospital, Bhowana	-	0.213
Total		151	4.442