



AUDIT REPORT
ON
THE ACCOUNTS OF
DISTRICT GOVERNMENT
SAHIWAL
AUDIT YEAR 2014-15

AUDITOR GENERAL OF PAKISTAN

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ABBREVIATIONS AND ACRONYMS

ADP	Annual Development Program
B&R	Building & Road
CCB	Citizen Community Board
CD	Community Development
C&W	Communication & Works Department
DAC	Departmental Accounts Committee
DCO	District Coordination officer
DDC	District Development Committee
DDO	Drawing and Disbursing Officer
DEO (EE-M)	District Education Officer (Elementary Education-Male)
DHQ	District Headquarters
DO	District Officer
DTL	Drug Test Laboratory
EDO	Executive District Officer
F&P	Finance and Planning
FD	Finance Department
LG&CD	Local Government& Community Development Department
MB	Measurement Book
MFDAC	Memorandum for Departmental Accounts Committee
OFWM	On Farm Water Management
P&D	Planning and Development
PDG	Punjab District Government

ESRP	Education Sector Reforms Programme
PFR	Punjab Financial Rules
PLGO	Punjab Local Government Ordinance
POL	Petroleum Oil and Lubricants
PDSSP	Punjab Devolved Social Services Programme
PMU	Project Management Unit
SE	Superintending Engineer
S&GAD	Services and General Administration Department
SMC	School Management Council
THQ	Tehsil Head Quarter
TS	Technical Sanction
W&S	Works & Services

Preface

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

The Report is based on audit of the accounts of various offices of the District Government, Sahiwal for the financial year 2013-14. The Directorate General of Audit, District Governments, Punjab (South), Multan, conducted audit during 2014-15 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 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:

(Muhammad Akhtar Buland Rana)
Auditor-General of Pakistan

EXECUTIVE SUMMARY

The Director 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, District Governments Multan, a Field Audit Office of the DGA, District Governments, Punjab (South), Multan, carries out the audit of District Governments, Multan, Lodhran, Vehari, Pakpattan, Sahiwal and Khanewal.

The Regional Directorate Audit has a human resource of 32 officers and staff, constituting 6,589 mandays and the budget amounting to Rs 14.007 million was allocated in audit year 2014-15. 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 RDA Multan carried out audit of the accounts of various formations of District Government, Sahiwal for the Financial Year 2013-14 and the findings included in the Audit Report.

The District Government, Sahiwal conducts its operations under Punjab Local Government Ordinance, 2001. The DCO is the Principal Accounting Officer of the District Government and carries out functions of the District Government through group of offices as notified in PLGO. 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 were not elected therefore the Annual Budget Statement was authorized by the DCO, who has been notified as Administrator by the Government of the Punjab in February, 2010.

District Sahiwal is administratively divided into two sub-divisions / tehsils namely Sahiwal and Chichawatni.

Audit Objectives

Audit was conducted with the objectives to ensure that:

1. Money shown as expenditure in the accounts was authorized for the purpose for which it was spent.

2. Expenditure was incurred in conformity with the laws, rules and regulations framed to regulate the procedure for expending of public money.
3. Every item of expenditure was incurred with the approval of the competent authority in the Government.
4. Public money was not wasted.
5. The assessment, collection and accountal of revenue was made in accordance with the prescribed laws, rules and 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, Sahiwal for the financial year 2013-14, auditable expenditure under the jurisdiction of Regional Director Audit (District Governments), Multan was Rs 5,888.115 million covering one PAO and 264 formations. Out of this, Regional Director Audit (District Governments), Multan audited an expenditure of Rs 2,097.170 million which, in terms of percentage, is 36% of total auditable expenditure

Total receipt of the District Government Sahiwal for the financial year 2013-14, were Rs17.569 million. RDA Multan audited receipts of Rs 7.028 million which was 40 % of total receipts.

b) Recoveries at the Instance of Audit

Recoveries of Rs 60.10 million were pointed out by Audit which was not in the notice of the management before audit. An amount of Rs 0.983 million was recovered and verified during the year 2014-15, till the time of compilation of Report.

However against the total recovery amount of Rs 16.478 million pertaining to paras (over one million) drafted in this report, no amount of 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), PFR Vol-I, II, Delegation of Financial Powers and other relevant laws, which govern the propriety of utilization of the financial resources of the District 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, 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 2014-15.

e) Comments on Internal Control and Internal Audit department

Internal control mechanism of District Government Sahiwal was not found satisfactory during audit. Many instances of weak Internal Controls have been highlighted during the course of audit which includes some serious lapses like withdrawal of public funds against the entitlement of the employees. Negligence on the part of District Government authorities may be captioned as one of important reasons for weak Internal Controls.

Section 115-A (1) of PLGO, 2001, Nazim of each District Government shall appoint an Internal Auditor but the same was not appointed in District Sahiwal.

f) The Key Audit Findings of the Report

- i. Irregular expenditure involving Rs17.479 million was noted in five cases¹.
- ii. Performance issue involving an amount of Rs 226.956 million was noted in one case²

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

g) Recommendations

PAO/District Government is required to:

- i. Conduct physical stock taking of the fixed and current assets.
- ii. Comply with the Punjab Public Procurement Rules for economical and rational purchases of goods and services.
- iii. Inquiries be held, responsibility fixed and appropriate disciplinary action taken against the person responsible for fraud, misappropriation, losses, theft and wasteful expenditure.
- iv. Efforts to be made for expediting the realization of various Government receipts.
- v. Ensure establishment of internal control system and proper implementation of the monitoring system.
- vi. Rationalize budget with respect to utilization.

¹ Para 1.2.1.1 to 1.2.1.5

² Para 1.2.2.1

SUMMARY TABLES & CHARTS

Table 1: Audit Work Statistics

(Rupees in Million)

Sr. No.	Description	No.	Budget/ Expenditure
1	Total PAOs in Audit jurisdiction	01	6,882.907
2	Total formations DAO/DDOs in Audit jurisdiction	264	6,882.907
3	Total entities (PAOs) audited	01	2,706.998
4	Total formations DAO / DDOs audited	25	2,706.998
5	Audit & Inspection Reports	25	-
6	Special Audit Reports	-	-
7	Performance Audit Reports	-	-
8	Other Reports(Relating to Districts)	-	-

Table 2: Audit Observations Classified by Category

(Rupees in million)

Sr. No.	Description	Amount Placed under Audit Observation
1	Asset management	-
2	Financial management	227.957
3	Internal controls	-
4	Others	16.478
	Total	244.435

Table 3: Outcome Statistics**(Rupees in Million)**

Sr. No	Description	Expenditure on Physical Assets	Salary	Non-Salary	Civil Works	Receipts	Total current year	Total last Year
1	Outlays Audited	20	2097972	213.108	375.918	-	2,706.998*	1,937.393
2	Amount placed under audit observations/irregularities	-	16.478	-	227.957	-	244.435	85.066
3	Recoverable Pointed Out at the instance of Audit	-	16.478	-	-	-	16.478	73.456
4	Recoverable Accepted / Established at the instance of Audit	-	16.478	-	-	-	16.478	73.456
5	Recoverable Realized at the instance of Audit	-	-	-	-	-	-	-

*The amount mentioned against Sr. No.1 in column of “Total” is the sum of expenditure and receipt, whereas, the total expenditure was Rs 2,706.998 million.

Table 4: Irregularities Pointed Out

(Rupees in Million)		
Sr. No.	Description	Amount Placed under Audit Observation
1	Violation of rules and regulations and violation of principles of propriety and probity in public operations.	1.001
2	Reported cases of fraud, embezzlement, thefts and misuse of public resources.	-
3	Accounting Errors (accounting policy departure from IPSAS ¹ , misclassification, overstatement or understatement of account balances) that are significant but are not material enough to result in the qualification of audit opinions on the financial statements.	-
4	Quantification of weaknesses of internal control systems.	-
5	Recoverable and overpayments, representing cases of established overpayments or misappropriations of public monies	16.478.
6	Non-production of record.	-
7	Others, including cases of accidents, negligence etc.	226.956
Total		244.435

Table 5: Cost Benefit

(Rupees in Million)		
Sr. No.	Description	Amount
1	Outlays Audited (Items 1 Table 3)	2706.998
2	Expenditure on Audit	0.273
3	Recoveries realized at the instance of Audit	0.983
4	Cost-Benefit Ratio	3.601

¹ The Accounting Policies and Procedure as prescribed by the Auditor General of Pakistan which are IPSAS (Cash) compliant.

CHAPTER 1

1.1 District Government Sahiwal

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 Governments consist of Zila Nazim / Administrator and District Administration. The District Government shall be competent to acquire, hold or transfer any property, moveable and immovable, to enter into contract and to sue or be sued in its name through 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 Districts 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 the 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 Coordination Group of Offices is carried out in accordance with the laws and to coordinate the activities of the groups of offices for coherent planning, development, effective and efficient functioning of District Administration.

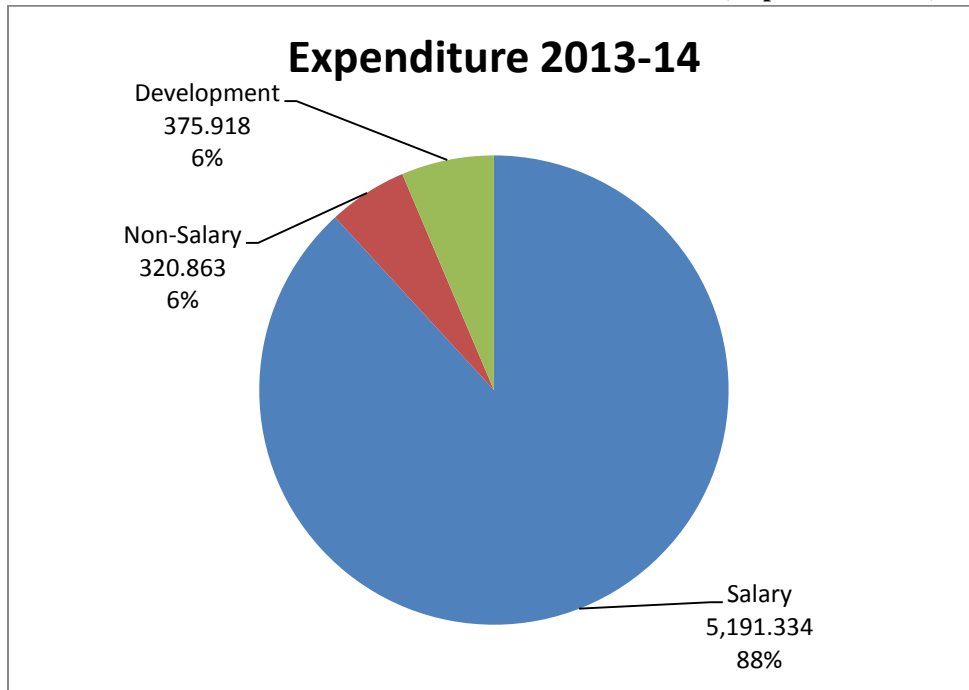
1.1.2 Comments on Budget and Accounts

The detail of Budget and Expenditure is given below in tabulated form

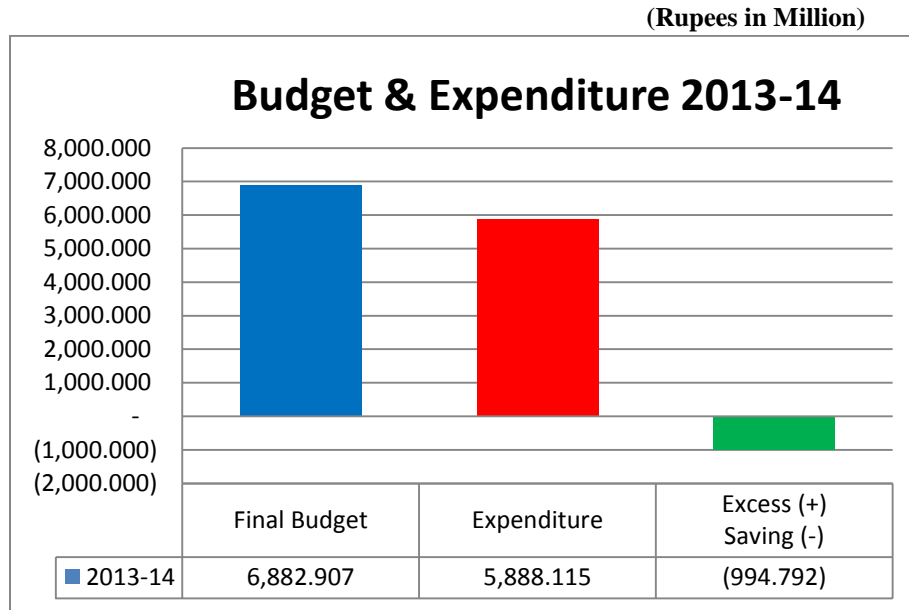
(Rupees in Million)

2013-14	Budget	Actual	Saving (-)	(%) Saving
Salary	5,515.765	5,191.334	324.431	6%
Non-salary	707.736	320.863	386.873	55%
Development	659.406	375.918	283.488	43%
Total	6,882.907	5,888.115	994.792	14%
Receipts	49.585	17.569	32.016	65%

(Rupees in Million)



As per the Appropriation Accounts 2013-14 of the District Government Sahiwal, total original budget (Development and Non-Development) was Rs 6,368.799 million, supplementary grant of Rs 514.108 million was provided and the final budget was Rs 6,882.907 million. Against the final budget, total expenditure of Rs 5,888.115 million was incurred by the District Government during the financial year 2013.14. (Annex-B)



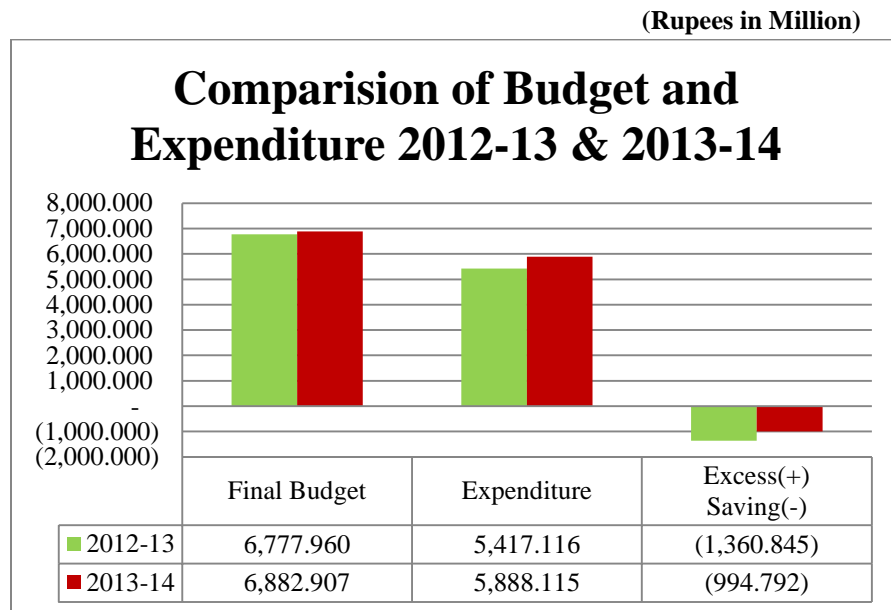
Due to inefficient financial management in release of budget by EDO (F&P), major portion of saving occurred as detailed below:

- In various offices under EDO (Education) saving of Rs 312.186 million (7% of allocation) occurred by over estimating/releasing the budget against the vacant posts despite the fact that no recruitment against these vacant posts was made during the financial year 2013-14. Further funds of School Management Council (SMC) were not utilized despite availability. The same resulted into depriving the students / populace

from necessary facilities such as provision of furniture & fixture as well as provision of laboratory equipment.

- In Health Department saving of Rs 68.216 million (10% of allocation) occurred due to non-utilization of budget allocations made under SP-I and SP-II of PMDGP. Health Department finalized the rate contract near the end of the financial year i.e. in June, 2014 resulting in non-utilization of budget for purchase of medicines. This resulted into depriving the populace from better health facilities.
- In Works & Services Department saving of Rs 315.343 million (43 % of allocation) occurred due to non-execution/completion of development schemes.

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



There was 2% and 9% increase in Budget Allocation and Expenditures incurred respectively, while there was overall savings of Rs 994.792 million during 2013-14.

1.1.3 Brief Comments on the Status of Compliance of MFDAC Audit Paras of Audit Report 2013-14

Audit paras reported in MFDAC (Annex-I) of last year audit report which have not been attended in accordance with the directives of DAC have been reported in Part-II of Annexure-A.

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	2002-03	24	Not convened
2	2003-04	11	Not convened
3	2004-05	11	Not convened
4	July 2005 to March 2008 Special Audit Report	117	Not convened
5	2009-10	30	Not convened
6	2010-11	26	Not convened
7	2011-12	16	Not convened
8	2012-13	10	Not convened
9	2013-14	33	Not convened
	Total	278	

*Period covered in Special Audit for F.Y 2005-08.

1.2 AUDIT PARAS

1.2.1 Irregularities & Non-Compliance

1.2.1.1 Excess Withdrawal of Pay and Allowances – Rs 8.868 Million

According to Para 6 of Government of Punjab School Education Department Notification No. S.O.(SE-III) 2-16/2007 of dated 10.09.2011 regarding regularization of employee of Education Department, the salary component of such employee shall be in accordance with the pay scales plus usual allowances prescribed for the posts against which they are being appointed. They will, however, not be entitled to the payment of 30% Social Security Benefit in lieu of pension or any other pay package being drawn by them.

Following DDOs of District Government made excess payment of Rs 8.868 million during F.Y 2013-14 on account of pay and inadmissible allowances to the employees despite the regularization of services of such employees. The social security benefits were paid which were not admissible to regular employees.

(Amount in Rupees)

Sr. No.	DDOs	Nature of Excess Payment	Amount of Excess Payment
1	Dy. DEO (EE-M) Chichwatni	Pay and Allowances	2,687,816
2	Dy. DEO (EE-M) Chichwatni	Social Security Benefit	1,225,620
3	Dy. DEO (EE-M) Chichwatni	Pay and Allowances	603,850
4	Senior Headmistress Govt. Govt. Girls H/S Chichawatni	30% Social Security Benefit in lieu of pension	310,560
5	Deputy District Officer (EE-M) Sahiwal	30% Social Security Benefit in lieu of pension	4,040,640
Total			8,868,486

Audit is of the view that due to weak financial controls, excess pay and allowances were paid despite regularization of services of employees.

Unauthorized excess payment of Rs 8.868 million resulted in loss to Government.

The matter was reported to the DCO and DDOs concerned in November, 2014. The DDOs admitted the recovery and replied that the recovery process was being

initiated. In SDAC meeting held in January, 2015, Committee directed the DDOs to expedite the recovery. No further progress was intimated till the finalization of this Report.

Audit recommends recovery of the overpayment and disciplinary action against the concerned, under intimation to Audit.

[AIR Para: 03, 04, 07, 02, 01]

1.2.1.2 Unjustified Payment of Conveyance Allowance – Rs 4.281 Million

According to Finance Department letter No.PC.2-1/2011 dated 11.07.2011 and clarification issued vide letter No.FD.SR.1.9-4/86(PR)(P) dated 15-10-2011 , “Conveyance allowance was not admissible to those employees who were residing in the residential colonies situated within work premises.” Further, According to Finance Department letter No. FD.SR-I-9-4/86(P) (PR) dated 4th December, 2012, “The employees who are residing in residential colonies situated within work premises are not entitled to the facility of conveyance allowance.”

District Officer (Health) allowed the payment of Rs 4.281 million on account of conveyance allowance to the employees residing in colonies situated within work premises where they were posted / performing their duties during the F.Y 2013-14 as detailed below:-

(Rupees in Million)			
No. of Employees	Designations	Cost Center	Amount
183	Dispenser, Chokidar, Midwife, JT, NQ, Sanitary Worker etc	SL-6427	4.281

Audit is of the view that due to weak financial controls, excess payment was allowed.

Excess payment of conveyance allowance resulted in loss to Government amounting to Rs 4.281 million.

The matter was reported to the DCO and DDO concerned in November, 2014. The DDO replied that Government residences in BHUs were in miserable condition, and that a comprehensive report in this regard had been received from the PRSP of all the Basic Health Units. The medical and para medical staff was not residing in those residences. The department reply was not tenable as neither the residences were got repaired nor status of employee availing residences was produced. In SDAC meeting held in January, 2015, Committee directed to produce complete report about the employees availing residences along with complete list of BHUs. No further progress was intimated till the finalization of this Report.

Audit recommends recovery besides fixing of responsibility, under intimation to Audit.

[AIR Para: 4]

1.2.1.3 Non-Deduction of Conveyance Allowance– Rs 1.919 Million

According to Finance Department letter No. FD.SR.I-94/86(P)(PR) dated 21.04.2014, “Conveyance allowance will not be allowed to the Government servant availing Government vehicle and vehicle from the Pool allotted including bike will not be entitled to withdraw conveyance allowance w.e.f 01.03.2014.” Further, as per Rule 1.15 of Punjab TA Rules, “Conveyance allowance is not admissible during any kind of leave except casual leave.”

District Officer (Health) and Deputy District Education Officer (EE-M) Sahiwal allowed pay & allowance to the officials without deduction of conveyance allowance of Rs 1.919 million during F.Y 2013-14. The conveyance allowance was not admissible to employees as the staff of DO (Health) was availing Government vehicles and staff of Deputy District Education Officer (EE-M) was availing winter leaves as detailed below:-

(Rupees in Million)

DDOs	No. of Employees	Designations	Amount
Dy. DEO (EE-M) Sahiwal	1103	EST, S.V, SST, ESE, PST	0.709
DO (Health) Sahiwal	80	DSV, Vaccinator, Asst. Superintendent	1.210
Total			1.919

Audit is of the view that due to weak financial controls, conveyance allowance was not deducted from the pay and allowances of the employees.

Non-deduction of conveyance allowance resulted in loss to Government amounting to Rs 1.919 million.

The matter was reported to the DCO and DDOs concerned in November, 2014. The DO (H) replied that POL for motor bikes was allowed to the vaccinators by the Government for performing their field duties and the same were being used for official purpose. The Dy. DEO (EE-M) admitted the recovery of overpaid conveyance allowance. The department reply of DO (H) was not tenable as Finance Department clarified that the employees having Government vehicles and bikes were not entitled for conveyance allowance. In SDAC meeting held in January, 2015, Committee directed the DDOs for stoppage of future payments of conveyance allowance and recovery of overpaid amounts. No further progress was intimated till the finalization of this Report.

Audit recommends action against the concerned for overpayment besides recovery, under intimation to Audit.

[AIR Para: 6, 8]

1.2.1.4 Excess withdrawal of Pay and Allowance – Rs1.410 Million

According to Government of Punjab, School Education Department letter No. SO (SE-III) 2-16 / 2007 dated 10.09.2011, “Pay of the contract employees being appointed in the basic pay scales shall be fixed at the initial of the respective pay

scales and the increment(s) already earned during the contract appointment shall be converted into Personal Allowance.”

Deputy District Education Officer (EE-M) Sahiwal withdrew excess pay and allowances of Rs 1.410 million during F.Y 2011-14 for the school teachers / staff whose services were regularized w.e.f. 10.09.2011.

(Rupees in Million)

DDO	No. of Employees	Designations	Amount
Dy. DEO (EE-M) Sahiwal	50	ESE, SESE, ESR, SSE, NQ, Chokidar, Mali, SG, etc.	1.410

Audit is of the view that due to weak financial controls, pay and allowances were paid in excess of actual entitlement.

Excess withdrawal of Pay and Allowances of Rs 1.410 million resulted in loss to public exchequer.

The matter was reported to the DCO and DDO concerned in November, 2014. The DDO admitted the recovery and replied that the recovery process was being initiated. In SDAC meeting held in January, 2015, Committee directed the DDO to expedite the recovery. No further progress was intimated till the finalization of this Report.

Audit recommends recovery of the overpaid amount, discontinuation of excess withdrawal and disciplinary action against the concerned under intimation to Audit.

[AIR Para: 9]

1.2.1.5 Payments without Approval of Competent Authority – Rs1.001 Million

According to the instructions issued by the Finance Department, vide No. RO(Tech)FD-18-23/2004, dated 21.09.2004, “Rate analysis for the non-standardized items shall be prepared by the Executive Engineer, clearly giving the specifications

of the material used and approved by the competent authority not below the rank of Superintending Engineer on the basis of input rate of relevant quarter placed at website of FD.”

District Officer (Buildings) Sahiwal allowed unauthorized payments to contractor amounting to Rs 1.001 million. Non-scheduled items of Rs 765,633 were paid without approval of competent authority and Rs 235,413 were paid for quantities of various items of works in excess of the provision in the technically sanctioned estimate. (**Annex-C**)

Audit is of the view that due to weak financial management, payments were made without approval of competent authority.

Unauthorized payment of Rs 765,633 resulted in violation of Government instructions.

The matter was reported to the DCO and DDO concerned in November, 2014. The DDO replied that non-scheduled items had been approved by the E.D.O (W&S) and technical sanction of the estimate had been revised in which excess paid quantities had been provided. The department reply was not tenable as payments were made before approval of competent authority. In SDAC meeting held in January, 2015, Committee directed the DDO to get expenditure regularized from the Finance Department. No further progress was intimated till the finalization of this Report.

Audit recommends strict action against the concerned for payments without approval of the competent authority besides regularization from the Finance Department, under intimation to Audit.

[AIR Para: 5,16]

1.2.2 Performance

1.2.2.1 Non-Completion of Projects and Non-Submission of Vouched Accounts by the CCBs– Rs 226.956 Million

According to Section 99 (6) of PLGO 2001, “CCBs are required to submit their annual accounts to the registration authority i.e. District Officer (Social Welfare).” Further According to Rule 2.33 of PFR Vol-I, “Every Government servant should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part.”

Executive District Officer (Community Development) released funds of Rs 213.361 million to different CCBs for their projects in the previous years. The CCBs were registered and bound to follow the Government rules. The copies of annual statements of accounts were not deposited in any year by all the CCBs. Further Rs 13.595 million was released to different CCBs for their projects in the different years. The concerned CCBs despite receipt of one or two installments did not complete the project. The EDO (CD) did not take any action against CCBs despite lapse of several years and Govt. sustained loss of released funds. Neither any effort was made to receive the annual accounts nor CCB projects were got completed as detailed below:-

(Rupees in Million)

Status of Schemes	Number of Schemes	Cost of Scheme		Funds Released
		Govt. Share	CCB Share	
Non-completed Schemes	50	23.628	6.107	13.595
Non Submission of Accounts	163	170.287	43.074	213.361
Total				226.956

Audit is of the view that due to negligence, neither any action was taken against defaulter CCBs nor released amounts were recovered from the concerned.

Non-completion of CCB projects and non-submission of vouched accounts by the CCBs resulted in loss to Government amounting to Rs 226.956 million.

The matter was reported to the DCO and DDO concerned in November, 2014. The DDO replied that CCBs were independent bodies and they worked according to the CCB Rules 2003. The EDO (CD) released funds according to the reports of the sectoral office and it was the responsibility of the sectoral office to get completed work at site from CCB according to requirement and estimates. It is further mentioned that the CCB shall submit the annual statement of accounts to the District Officer (Social Welfare) after its approval in its annual meeting. Therefore, these annual statements of accounts can be verified at the time of audit of the office of DO (Social Welfare). The department reply was not tenable as neither the CCB projects were completed nor vouched accounts were available in the concerned office. In SDAC meeting held in January, 2015, Committee directed to submit report regarding completion of projects and where needed, recovery might be initiated and vouched accounts of CCB provided. No further progress was intimated till the finalization of this Report.

Audit recommends action against CCB official for negligence and loss to Government besides completion of CCB projects and collection of annual accounts, under intimation to Audit.

[AIR Para: 2, 3]

ANNEX

Annex-A**Part-I****Memorandum for Departmental Accounts Committee Paras Pertaining to
Current Audit Year 2014-15****(Rupees in Million)**

DDOs	Sr. No	Para No	Subject	Amount
DCO Sahiwal	1	2	Loss to Government due to non-deduction of sales tax	0.191
	2	12	Non-Collection of Deposit Proof of GST	0.408
EDO(F&P)	3	2	Loss to Government due to non-deduction of liquidated damages	0.087
	4	16	Non-Collection of Deposit Proof of GST	0.298
DO(Buildings)	5	1	Non Production of Record	1.344
	6	3	Unauthorized Payment of ½” dia Steel Bar Recovery thereof	0.377
	7	17	Non-Recovery of Professional Tax	0.092
	8	18	Unauthorized Payment in Excess of Agreement Amount	0.051
	9	21	Doubtful withdrawal of amounts on account of POL without Maintenance of Record	0.547
	10	22	Irregular/Doubtful Expenditure on account of Repair of Vehicles	0.168
	11	25	Loss to Government due to payment of Excess Quantities of Mild Steel Fabrication	0.63
	12	26	Non Maintenance of Important Works Record	-
DO(Roads)	13	4	Securities deducted and retained since long but not credited to Account IV	5.798
	14	5	Irregular Withdrawal of Conveyance Allowance	0.082

DDOs	Sr. No	Para No	Subject	Amount
	15	7	Recovery of Below Specification Sub-Base against the Standard Specification	0.164
	16	15	Defective Estimation of Earthwork without Deduction Road Camber Recovery Thereof	0.056
DO(Forest)	17	3	Unjustified Drawl of Pay & Allowances During Absent Period & Leave Period , Recovery of Pay and Allowances	0.052
	18	8	Non Collection Of Proof Of Deposit Of Sales Tax	0.069
EDO(Education)	19	4	Non Cooperation with Audit and Non Production of Record	-
	20	8	Misappropriation Of community Learning Material	0.169
	21	9	Shortage of Material of Community Learning Kits.	-
	22	10	Unjustified Expenditure On Repair Of Sewing Machine	0.027
	23	11	Non Collection Of Proof Of Deposit Of Sales Tax Of CLC Branch	0.391
	24	18	Loss of Government due to non-collection of liquidated damages	0.192
Govt. Boys High School Chichawatni	25	3	Excess Withdrawal of Allowances	0.18
	26	4	Loss to Government due to Non Regularization of Employees Working on Contract and Withdrawal of Social Security Benefits	0.056
Dy. DO(Health) Chichawatni	27	1	Unauthorized withdrawal of house rent and conveyance allowance due to residing in Government accommodation in BHUs, recovery thereof	2.082
RHC Noor Shah	28	2	Non deduction of 5% maintenance charges from the pay of official residing in official accommodation, recovery thereof	0.131
	29	3	Recovery of Health Sector Reform Allowance during LPR and General duty	0.036

DDOs	Sr. No	Para No	Subject	Amount
	30	4	Irregular withdrawal of POL and disbursement in cash instead of through cheques	0.249
	31	6	Unjustified withdrawal of Social Security Benefit, recovery thereof	0.061
	32	8	Irregular up-gradation of para-medical staff and unauthorized payment of pay and allowances	3.029
DO(Health)	33	3	Unauthorized withdrawal of Pay & Allowance against Up gradation of Posts	7.066
	34	7	Expenditure in over & above the budget allocation	0.894
	35	9	Irregular Purchase of Without Tender Board	0.443
RHC Ghaziabad	36	2	Unjustified payment of Conveyance allowance to the official residing within duty premises	0.415
Govt. Comprehensive High School Sahiwal	37	1	Loss To Government Due To Non Recovery of Conveyance Allowances During Leave Worth	0.152
	38	3	Non production of Record Approximately	10
	39	7	Excess payment to WAPDA on account of GST	0.275
	40	12	Irregular expenditure on account of repair of transport	0.194
THQ Hospital Chichawatni	41	13	Recovery on Account of Conveyance Allowance	0.203
	42	14	Non deduction of 5% maintenance charges, House Rent Allowance and Recovery thereof	0.192
	43	15	Irregular Drawl of Social Security Benefit of	0.566
	44	17	Unauthorized Payment On Account of HSRA-Recovery Thereof	0.044
	45	19	Non-utilization of Budget Allocation	5.411
Dy. DO (Agriculture) Chichawatni	46	8	Non-Verification Of GST Deposit Into Government Treasury	0.013
Govt. Institute Education for the Blinds	47	8	Non-Verification Of GST Deposit Into Government Treasury	0.039
	48	1	Unauthorized confirmation of DDO Powers and drawl of funds	2.153
RHC Harrapa	49	3	Non forfeiture of security deposit due to non-supply / short supply of medicine for	0.496
	50	4	Irregular excess Expenditure on L.P Medicine and Purchase without Rate contracts	0.348
	51	5	Irregular purchase without observing PPRA	0.332

DDOs	Sr. No	Para No	Subject	Amount
			rules	
	52	7	Irregular up gradation of paramedic staff working in RHC	0.176
	53	10	Irregular withdrawal allowance during leave periods	0.08
Dy. DEO (EE-M) Sahiwal	54	4	Recovery of Conveyance Allowance from Employees having Government Vehicles	0.28
	55	5	Unjustified withdrawal of Dress & Washing allowance	0.043
EDO(Health)	56	1	Unauthorized Withdrawal of Conveyance Allowance by the Employee of District Health Department	0.151
	57	6	Unauthorized Expenditure without Sanction of Competent Authority	7.965
SMO RHC 185/9-L	58	2	Unjustified withdrawal of Social Security Benefit, recovery thereof	0.026
	59	3	Non-Collection of Proof of Deposit of Sales Tax	0.032
	60	4	Recovery of Un-authorized Withdrawal of Health Sector Reforms Allowance	0.02
	61	8	Irregular up-gradation of para-medical staff and unauthorized payment of pay and allowances	0.841
Govt. Girls High School Chichawatni	62	3	Misappropriation /Fraud in FTF Recovery thereof	0.524
	63	4	Doubtful expenditure on account of FTF recovery thereof	0.759
	64	5	Doubtful expenditure on account of maintenance & repair	0.823
Govt. Comprehensive High School Sahiwal	65	3	Misappropriation of FTF and recovery thereof	0.727
DO(Buildings)	66	2	Fictitious Tendering due to Participation of Contractors without Purchase of Tender Forms for the Works and recovery thereof	4.432
	67	10	Defective Execution of Works due to Non Obtaining of Test Reports	4.517

DDOs	Sr. No	Para No	Subject	Amount
	68	12	Non Imposition of Penalty for late completion of works	2.168
Govt. Boys High School Chichawatni	69	1	Unauthorized Withdrawal of Social Security Benefits despite Regularization of Services	1.213
DO(Health)	70	1	Irregular transferred of funds to the PRPSP	109.826
Govt. Comprehensive High School Sahiwal	71	2	Irregular drawl of social security benefit	0.863
THQ Hospital Chichawatni	72	11	Unauthorized drawl of Non-practicing Allowance	0.528
Dy.DEO(EE-M) Chichawatni	73	1	Non-Production of Record	6.200
	74	2	Irregular Drawl of Social Security Benefit	4.074
SMO RHC Harrapa	75	2	Irregular purchases of medicine without obtaining scrutiny deposits	0.507
Dy. DEO (EE-M) Sahiwal	76	2	Unauthorized withdrawal of Social Security Benefit	2.726
EDO(Health)	77	2	Unauthorized Payment on account of Social Security Benefit and recovery thereof	1.115
DO(Roads)	78	9	Short imposition of Penalty	0.486

[Para 1.1.3]

Part-II

Memorandum for Departmental Accounts Committee Paras not Attended in Accordance with the Directives of DAC Pertaining to Audit Year 2013-14

(Rupees in Million)

DDOs	Sr. No	Para No.	Subject	Amount	Nature of Observation
Senior Medical Officer, Rural Health Centre 55/5-L		2	Non-Production of Record	-	Non Production of Record
DO Health		3	Unauthorized Withdrawal of Pay & Allowances	4.012	Internal Controls weaknesses
SMO RHC 96/12-L		3	Unauthorized Withdrawal of Pay & Allowances	2.256	Internal Controls weaknesses
EDO Health		11	Doubtful Award of Contract to Favorite Contractor	4.813	Irregularity
Deputy District Education Officer (EE-W)		10	Irregular Transfer of Newly Recruited Educators	0.755	Irregularity
DO (OFWM)		8	Purchase of Material on Higher Price	0.721	Irregularity
Medical Superintendent THQ Hospital Chichawatni		10	Unjustified Fuel Consumption and Misappropriation in POL	0.617	Irregularity
DO Buildings		11	Splitting of Expenditure on Repair of Buildings	0.616	Irregularity
DO (Health)		2	Recovery of Inadmissible HSRP Allowance and Conveyance Allowance –	0.204	Internal Controls weaknesses

SMO RHC 8/11-L		2	Recovery of Inadmissible HSRP Allowance and Conveyance Allowance –	0.192	Internal Controls weaknesses
SMO RHC 96/12-L		5	Recovery of Inadmissible HSRP Allowance and Conveyance Allowance	0.147	Internal Controls weaknesses
DCO		3	Unauthorized Promotion and Withdrawal of Salaries	0.721	Irregularity
DO (Health)		9	Non-Forfeiture of Security Deposit due to Non-Supply of Medicine	0.103	Irregularity
SMO, RHC 8/11-L		4	Non-Forfeiture of Security Deposit due to Non-Supply of Medicine	0.152	Internal Controls weaknesses
DO Health		5	Non-Auction of Old Motorcycles & Cycles	0.238	Irregularity
Deputy District Education Officer (EE-W) Chichawatni		5	Recovery of Overpayment of Pay and Allowances	0.032	Internal Controls weaknesses
Deputy District Education Officer(EE-W) Sahiwal		3,7	Recovery of Overpayment of Pay and Allowances	0.186	Internal Controls weaknesses
DO Livestock		7	Uneconomical Purchase of Medicine by Splitting	0.199	Irregularity
Deputy District Education Officer Chichawatni		3	Non-Collection of Proof of Deposit of Sales Tax	0.022	Internal Controls weaknesses
District Education Officer (Secondary Education)		3	Non-Collection of Proof of Deposit of Sales Tax	0.015	Internal Controls weaknesses

EDO (Community Development)		5	Non-Collection of Proof of Deposit of Sales Tax	0.009	Internal Controls weaknesses
SMO, RHC 8/11-L		5	Non-Collection of Proof of Deposit of Sales Tax	0.106	Internal Controls weaknesses
Senior Medical Officer Rural Health Centre 96/12-L		4	Non-Recovery of Cost of Theft of Assets	-	Internal Controls weaknesses
Senior Head Master Government High School Sahiwal		3	Unknown Status of Dismantled Material	-	Irregularity

Annex-B

**Summary of Appropriation Accounts by Grants for the
Financial Year 2013-14**

(Amount in Rupees)

Grant No.	No. & Name of the Grant / Appropriation	Voted / Charged	Original Grant	Supplementary Grant	Final Grant	Actual Expenditure	Variation
							(+) Excess
							(-) Saving
1	2	3	4	5	6	7	
NON-DEVELOPMENT							
3	Provincial Excise.	Voted	4,704,000	0	4,704,000	4,179,627	-524,373
5	Forests.	Voted	16,365,000	0	16,365,000	16,097,121	-267,879
7	Charges on A/c of Motor V. Act.	Voted	3,543,000	0	3,543,000	3,062,584	-480,416
8	Other Taxes and Duties	Voted	12,063,000	0	12,063,000	10,957,036	-1,105,964
10	General Administration.	Voted	108,204,000	0	108,204,000	91,071,131	17,132,869
15	Education.	Voted	4,585,842,000	145,093,175	4,730,935,175	4,418,749,220	312,185,955
16	Health	Voted	662,542,000	0	662,542,000	594,326,194	68,215,806
17	Public Health	Voted	3,658,000	0	3,658,000	3,274,800	-383,200
18	Agriculture.	Voted	95,345,000	952,971	96,297,971	93,157,922	-3,140,049
19	Fisheries.	Voted	2,366,000	157,598	2,523,598	2,515,990	-7,608
20	Veterinary.	Voted	151,048,000	0	151,048,000	125,444,732	25,603,268
21	Co-operative	Voted	22,685,000	1,110,000	23,795,000	23,170,337	-624,663
22	Industries.	Voted	1,763,000	0	1,763,000	1,558,604	-204,396
23	Miscellaneous Departments.	Voted	3,378,000	59,000	3,437,000	3,342,189	-94,811
24	Civil Works.	Voted	62,822,000	0	62,822,000	41,582,075	21,239,925
25	Communications.	Voted	81,997,000	0	81,997,000	48,348,687	33,648,313
31	Miscellaneous.	Voted	24,014,000	0	24,014,000	21,480,914	-2,533,086

Grant No.	No. & Name of the Grant / Appropriation	Voted / Charged	Original Grant	Supplementary Grant	Final Grant	Actual Expenditure	Variation
							(+) Excess
							(-) Saving
31	Un-Allocable Expenditure	Voted	43,600,000	0	43,600,000	0	- 43,600,000
32	Civil Defence.	Voted	6,870,000	0	6,870,000	6,263,131	-606,869
	Tied/Conditional(Non-Dev.)	Voted	93,925,000	89,394,500	183,319,500	3,615,030	- 179,704,470
Total Non-Development :			5,986,734,000	236,767,244	6,223,501,244	5,512,197,324	- 711,303,920
DEVELOPMENT							
36	Development.	Voted	309,958,000	275,266,000	585,224,000	324,769,053	- 260,454,947
41	Roads & Bridges(ADP)	Voted	44,280,000	1,546,000	45,826,000	44,984,347	-841,653
42	Government Buildings(ADP)	Voted	5,910,000	0	5,910,000	3,721,155	-2,188,845
	ADP 36(Including CCB 20.00M)	Voted	21,917,000	529,000	22,446,000	2,443,204	- 20,002,796
Total Development :			382,065,000	277,341,000	659,406,000	375,917,759	- 283,488,241
Grand Total :			6,368,799,000	514,108,244	6,882,907,244	5,888,115,083	- 994,792,161

Annex-C
[Para1.2.1.5]

Payments without Approval of Competent Authority – Rs1.001 Million

Table: 1

(Amount in Rupees)

Item no.	Name of Work	Description	Qty paid	Rate	Total	Bill no and date
54	Const. of 5 C/rooms at GGHS (MC) City SWL	P/F Steel door etc complete	263 sft	432.50	113,747	5, 20.06.14
55		S/E of MCC 100 Amp etc complete	1	6,487.50	17,300	
56		P/F board	1	6,487.50	6,488	
57		Extra labour architectoal for RCC	108 cft	17	1,836	
Total					139,371	

Table: 2

(Amount in Rupees)

Item no.	Name of Work	Description	Qty paid	Rate	Total	Bill no and date
12	Up-Gradation of GGES 103/12-L to High Level Chichawatni	P/f steel windows with openable glazed pan less beam	680	400	272,000	4,11.06.14
Total					272,000	

Table: 3

Item no.	Name of Work	Description	Qty paid	Rate	Amount	Bill no and date
51	Const. of 9 C/rooms at GGHS Jahaz Ground SWL	P/F Steel door etc complete	481	427.50	205,627	6,19.06.14
42		S/E of MCC 100 Amp etc complete	1	17100	17,100	
53			1	6412	6,412	
Total					229,139	

Table: 4**(Amount in Rupees)**

Item no.	Name of Work	Description	Qty paid	Rate	Amount	Bill no and date
48	Up-Gradation of GGPS 132/9-L to Elementary Level, Sahiwal	P/F Steel door	175	500	85,700	3, 21.04.14
49		P/V PVC air pipe of BSS class D ¾	30	30	900	
50		P/F Goldamatic pump	1	10,000	10,000	
51		P/F tuff water tank 400 gallon	1	20,500	20,500	
52		B/f handle valve ¾" dia	1	260	260	
53		B/F PVC eject of pump	1	263	263	
57		P/F surface white board	1	7,500	7,500	
Total					125,123	
Grand Total					765,633	

Table: 5**(Amount in Rupees)**

Name of Work	MB No. & Page	Name of Item	Qty Paid	Qty in TS	Excess Qty	Rate	Amount
Const. of B/W around Graveyard at Farid town Swl		Cement concrete plain including placing 1.2.4	3,352	3,337	15	17,736.85	266
		Cement pointing struck joint on wall 1:2 with red oxide pigment	39,750	39,303	447	1,558.25	6,965
		Cement plaster 1:3 upto 20" height ½" thick	1,350	1,333	17	1,338.05	227
Up-Gradation of GGES 103/12-L to High Level Chichawatni	3675/672	Spraying antitermite	10,627	10,480	147	172.17	253
	3675/672	pacca brick work fnp 1:6	4,611	4,606	5	12,401.56	620
	3675/672	filling watering ramming earth	5,622	5,305	317	1,598.07	507
	3675/672	with new earth	5,879	5,508	371	5,304.72	1,968
	3675/672	brick on edg	1,815	1,760	55	5,446.89	2,996
	3675/672,153	Borrow pit excavation	14,298	0	14,298	4,019.75	57,474
	3675/672,154	single core cable 3/0029	1,606	1,420	186	27.13	5,046
	3675/672,157	single core cable 7/.064	90	26	64	371.15	23,754
3675/672,157	earthing aluminum	2	1	1	3,101.36	3,101	

Name of Work	MB No. & Page	Name of Item	Qty Paid	Qty in TS	Excess Qty	Rate	Amount
	3675/672,158	mccb box	2	1	1	17,450.00	17,450
Re-Const. of dangerous buildings in GGHS 50/12-L Chichawatni	3755/2852,16	Dismantling Pacca Brick Work	5,046	3,733	1,313	1,548.35	20,330
	3755/2852,18	Pacca Brick Work in other than building	7,782	7,408	374	1,5383.00	57,532
Up-Gradation of GGES 88/6-R(Naiki) to High Level Swl	3770/2867,60-72	Pacca Brick Work in F&P 1:6	5,284	5,202	82	14,979.00	12,283
	3770/2867,60-72	P/F M.S Door etc complete	736	680	56	440.00	24,640
Total							235,413