



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

AUDIT YEAR 2017-18

AUDITOR GENERAL OF PAKISTAN

TABLE OF CONTENT

ABBREVIATIONS & ACRONYMS	i
PREFACE	ii
EXECUTIVE SUMMARY	iii
Table 1: Audit Work Statistics	vi
Table 2: Audit Observations regarding Financial Management	vi
Table 3: Outcome Statistics	vii
Table 4: Irregularities Pointed Out	viii
Table 5: Cost-Benefit	viii
CHAPTER 1	1
District Education Authority, Attock	1
1.1 Introduction of the Authority	1
1.2 Comments on Budget and Accounts	2
1.3 Brief Comments on the Status of Compliance with PAC Directives	2
1.4 AUDIT PARAS	3
CHAPTER 2	21
District Education Authority, Bhakkar	21
2.1 Introduction of the Authority	21
2.2 Comments on Budget and Accounts	22
2.3 Brief Comments on the Status of Compliance with PAC Directives	23
2.4 AUDIT PARAS	24
CHAPTER 3	32
DISTRICT EDUCATION AUTHORITY CHAKWAL	32
3.1 Introduction of the Authority	32
3.2 Comments on Budget and Accounts	33

3.3	Brief Comments on the Status of Compliance with PAC Directives	33
3.4	AUDIT PARAS.....	34
CHAPTER 4		49
District Education Authority, Gujranwala.....		49
4.1	Introduction of Departments.....	49
4.2	Comments on Budget and Accounts	50
4.3	Brief Comments on the Status of Compliance with PAC Directives	51
4.4	AUDIT PARAS.....	52
CHAPTER 5		62
District Education Authority, Gujrat		62
5.1	Introduction of Departments.....	62
5.2	Comments on Budget and Accounts	63
5.3	Brief Comments on the Status of Compliance with PAC Directives	64
5.4	AUDIT PARAS.....	65
CHAPTER 6		72
District Education Authority, Hafizabad.....		72
6.1	Introduction of Departments.....	72
6.2	Comments on Budget and Accounts (Variance Analysis) 73	
6.3	Brief Comments on the Status of Compliance with PAC Directives	74
6.4	AUDIT PARAS.....	75
CHAPTER 7		83
District Education Authority, Jhelum		83
7.1	Introduction of the Authority.....	83
7.2	Comments on Budget and Accounts	84

7.3	Brief Comments on the Status of Compliance with PAC Directives	85
7.4	AUDIT PARAS.....	86
CHAPTER 8		100
District Education Authority, Kasur		100
8.1	Introduction of Authority	100
8.2	Comments on Budget & Accounts.....	101
8.3	Brief Comments on the Status of Compliance with PAC Directives	101
8.4	AUDIT PARAS.....	102
CHAPTER 9		114
District Education Authority, Khushab		114
9.1	Introduction of the Authority.....	114
9.2	Comments on Budget and Accounts	115
9.3	Brief Comments on the Status of Compliance with PAC Directives	117
9.4	AUDIT PARAS.....	118
CHAPTER 10		123
District Education Authority, Lahore		123
10.1	Introduction of Authority	123
10.2	Comments on Budget and Accounts	124
10.3	Brief Comments on the Status of Compliance with PAC Directives	124
10.4	AUDIT PARAS.....	125
CHAPTER 11		139
District Education Authority, Mandi Baha-u-Din.....		139
11.1	Introduction	139
11.2	Comments on Budget and Accounts (Variance Analysis)	140

11.3	Brief Comments on the Status of Compliance with PAC Directives	141
11.4	AUDIT PARAS.....	142
CHAPTER 12		157
District Education Authority, Mianwali		157
12.1	Introduction of the Authority.....	157
12.2	Comments on Budget and Accounts	158
12.3	Brief Comments on the Status of Compliance with PAC Directives	159
12.4	AUDIT PARAS.....	160
CHAPTER 13		166
District Education Authority, Nankana Sahib		166
13.1	Introduction of Authority	166
13.2	Comments on Budget and Accounts	167
13.3	Brief Comments on the Status of Compliance with PAC Directives	167
13.4	AUDIT PARAS.....	168
CHAPTER 14		184
District Education Authority, Narowal		184
14.1	Introduction of Departments.....	184
14.2	Comments on Budget and Accounts (Variance Analysis)	185
14.3	Brief Comments on the Status of Compliance with PAC Directives	186
14.4	AUDIT PARAS.....	187
CHAPTER 15		191
District Education Authority, Okara		191
15.1	Introduction of Authority	191
15.2	Comments on Budget and Accounts	192

15.3	Brief Comments on the Status of Compliance with PAC Directives	192
15.4	AUDIT PARAS.....	193
CHAPTER 16		212
DISTRICT EDUCATION AUTHORITY, RAWALPINDI.....		212
16.1	Introduction of the Authority.....	212
16.2	Comments on Budget and Accounts	213
16.3	Brief Comments on the Status of Compliance with PAC Directives	214
16.4	AUDIT PARAS.....	215
CHAPTER 17		229
District Education Authority, Sargodha		229
17.1	Introduction of the Authority.....	229
17.2	Comments on Budget and Accounts	230
17.3	Brief Comments on the Status of Compliance with PAC Directives	231
17.4	AUDIT PARAS.....	232
CHAPTER 18		242
District Education Authority, Sheikhpura		242
18.1	Introduction of Authority	242
18.2	Comments on Budget and Accounts	243
18.3	Brief Comments on the Status of Compliance with PAC Directives	243
18.4	AUDIT PARAS.....	244
CHAPTER-19		261
District Education Authority, Sialkot.....		261
19.1	Introduction of Departments.....	261
19.3	Brief Comments on the Status of Compliance with PAC Directives	263

19.4	AUDIT PARAS.....	264
	ANNEXURES	276
	Annexure-A.....	277
	Annexure-B	301
	Annexure-C.....	304
	Annexure-D	305
	Annexure-E	306
	Annexure-F	307
	Annexure-G.....	308
	Annexure-H.....	312
	Annexure-I	313

ABBREVIATIONS & ACRONYMS

CEO	Chief Executive Officer
DAC	Departmental Accounts Committee
DCO	District Coordination officer
DDC	District Development Committee
DEA	District Education Authority
DGA	Director General Audit
FBR	Federal Board of Revenue
FD	Finance Department
HEC	Higher Education Commission
IAS	International Accounting Standard
NAM	New Accounting Model
NFBE	Non-formal Basic Education
PAC	Public Accounts Committee
PAO	Principal Accounting Officer
PFC	Provincial Finance Commission
PFR	Punjab Financial Rules
PDG	Punjab District Governments
PLGO	Punjab Local Government Ordinance
POL	Petroleum Oil and Lubricants
PPRA	Punjab Procurement Regulatory Authority
S&GAD	Services and General Administration Department
TMA	Tehsil Municipal Administration

PREFACE

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

The report is based on audit of the accounts of District Education Authorities of 19 Districts of Punjab, for the period 1st January, 2017 to 30th June, 2017. The Directorate General of Audit District Governments Punjab (North), Lahore conducted audit from July to November 2017 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 significant audit findings. Relatively less significant issues are listed in the Annexure-A of the Audit Report. The Audit observations listed in Annexure-A shall be pursued with the Principal Accounting Officer at the DAC level and in all cases where the PAO does not initiate appropriate action, the Audit observation will be brought to the notice of the Public Accounts Committee through the next year's Audit Report.

The audit results indicate the need for adherence to the regularity frame work besides instituting and strengthening internal controls to prevent recurrence of such irregularities and to ensure proper assessment, timely realization and deposit of receipts.

The observations included in this Report have been finalized in the light of written responses. However, DAC meetings were not convened in most of the cases despite repeated requests.

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

Islamabad

(Javaid Jehangir)

Dated:

Auditor General of Pakistan

EXECUTIVE SUMMARY

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

The Directorate General Audit has a human resource of 75 officers and staff having 18,675 man-days and annual budget of Rs 125.918 million for the Financial Year 2017-18. Director General carried out audit of the accounts of District Education Authorities of 19 Districts of Punjab (North) for the Financial Year 2016-17 and utilized 1375 man days in execution of field audit activity of the planned assignment.

The Chief Executive Officer is the Principal Accounting Officer of the District Education Authority as per Section 92(3) of PLGA, 2013. The Chairman and the Chief Executive Officer shall be personally responsible to ensure that the business of the authority is conducted proficiently, in accordance with law and to promote the objectives of the authority as sets forth in Section 17(7) of PLGA, 2013.

District Education Authorities were established under Punjab Local Government Act, 2013 to establish, manage and supervise the primary, elementary, secondary and higher secondary schools, adult literacy and non-formal basic education, special education institutions of the Government in the District and to constitute school management councils which may monitor academic activities.

Audit of District Education Authorities was carried out with the view to ascertaining that the expenditure was incurred with proper authorization, in conformity with laws / rules / regulations, economical procurement of assets and hiring of services etc.

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

a) Scope of Audit

Total expenditure of District Education Authorities of 19 Districts for the Financial Years 2016-17 was Rs 36,274.095 million (Annexure-B). Out of this, DG Audit District Governments Punjab (North) Lahore audited expenditure of Rs 28,243.739 million which in terms of percentage was 78 % of total expenditure.

Total receipts of District Education Authority of 19 Districts for the Financial Year 2016-17 was Rs 383.249 million. DG Audit District Governments Punjab (North) Punjab, Lahore audited receipts of Rs 286.227 million which were 75% of total receipts.

b) Recoveries at the instance of Audit

Recoveries of Rs 796.708 million were pointed out during audit which was not in the notice of the executive before audit. Recovery of Rs 1.402 million was affected till finalization of this report.

c) Audit Methodology

The Audit Year 2017-18 witnessed intensive application of Desk Audit techniques in this directorate. This was facilitated by access to live electronic data to the extent of transfer payment released in favour of District Education Authorities, use of internet facility, and availability of permanent files. Desk review helped auditors in understanding the systems, procedures, and environment of the audited entity before starting field activity. This greatly facilitated in the identification of high risk areas for substantive testing in the field.

d) Audit Impact

A number of improvements as suggested by audit, in maintenance of record and procedures have been initiated by the concerned authorities. However, audit impact in the shape of change in rules is yet to be materialized as this is the first Compliance Audit Report on accounts of District Education Authorities to be placed before Public Accounts Committee.

e) Comments on Internal Control and Internal Audit Department

Internal control mechanism of District Education Authority was found to be ineffective during audit. Internal Audit framework as set forth in terms of directives of the Provincial Cabinet to evolve mechanism for strengthening internal controls and internal audit for securing financial discipline and transparency was not pursued for implementation on the part of District Education Authorities. This laxity was despite the fact that official white paper of the Punjab Government stipulated this pre-requisite while approving the Provincial Finance Commission (PFC) Award.

Internal Controls failures come to surface on recurrent basis reflecting serious instances of breached compliance of rules and regulations.

f) The key Audit findings of the report

- i. Misappropriation of Rs 1.164 million was reported in one case¹.
- ii. Non-production of Record worth Rs 1,800.947 million was reported in eight cases².
- iii. Irregularities and non-compliance of rules amounting to Rs 19,450.004 million was reported in 106 cases³.
- iv. Internal control weakness of Rs 1,190.897 million was reported in 42 cases⁴.
- v. Performance issues amounting to Rs 387.111 million were reported in thirteen cases⁵.
- vi. Recovery of Rs 796.708 million was pointed out in 31 cases⁶.

g) Recommendations

- i. The PAOs need to take appropriate action for non-production of record.
- ii. Departments need to comply with the Public Procurement Rules for economical and rational purchases of goods and services.
- iii. Inquiries need to be held to fix responsibility for losses, unauthorized / irregular payments, and wasteful expenditure.
- iv. The management needs to make efforts for expediting the realization of various Government receipts.
- v. The management needs to have a system in place to strictly monitor resource utilization and to prevent wastage of resources.
- vi. Management need to make efforts to achieve the performance targets.

¹ Para 16.4.1.1

² Para 6.4.1.1, 18.4.1.1, 2.4.1.1, 12.4.1.1 & 17.4.1.1, 1.4.1.1,3-4.1.1-7.4.1.1-16.4.2.1

³ Para 4.4.1.1 to 4.4.1.6, 5.4.1.1-2, 6.4.2.1-3, 8.4.1.1-4, 8.4.1.7, 8.4.1.9, 8.4.1.12, 10.4.1.1-7, 10.4.1.9-13, 11.4.1.1-13, 13.4.2.1-5, 13.4.2.7, 13.4.2.9-10, 14.4.1.1 15.4.1.1-8, 18.4.2.1-3, 18.4.2.7, 18.4.2.9, 2.4.2.1, 2.4.2.3 & 17.4.2.1, 1.4.2.1-13, 3.4.2.1-10, 7.4.2.1-5, 16.4.3.1-6, 19.4.2.1-13

⁴ Para 4.4.2.1, 5.4.2.1-4, 6.4.3.1-3, 11.4.2.1-2, 14.2.2.1, 19.4.3.1 15.4.2.1-3, 15.4.2.5, 15.4.2.7, 15.4.2.9-10, 15.4.2.12, 2.4.2.2, 2.4.3.2, 9.4.1.1, 12.4.2.1, 17.4.3.1-17.4.3.4, 1.4.4.1-2, 3.4.4.1-3, 7.4.4.1-3, 16.4.4.1-3

⁵ Para 10.4.2.1, 13.4.3.1, 1.4.3.1-3, 3.4.3.1-2, 7.4.3.1-6

⁶ Para 8.4.1.5-6, 8.4.1.8, 8.4.10-11, 10.4.1.8, 13.4.2.6, 13.4.2.8, 15.4.2.4, 15.4.2.6, 15.4.2.8, 15.4.2.11, 2.4.3.1, 2.4.3.3, 2.4.3.4, 9.4.2.1-9.4.2.4, 12.4.3.1-12.4.3.3, 17.4.3.3, 17.4.3.5-17.4.3.8

SUMMARY TABLES & CHARTS

Table 1: Audit Work Statistics

Rs in million

Sr. No.	Description	No.	Budget
1	Total Entities (PAOs) under Audit Jurisdiction	19	62,123.680
2	Total formations under Audit Jurisdiction	3901	62,123.680
3	Total Entities (PAOs) Audited	19	28,305.528
4	Total formations Audited	279	28,305.528
5	Audit & Inspection Reports	279	28,305.528
6	Special Audit Reports	-	-
7	Performance Audit Reports	-	--
8	Other Reports	-	-

Table 2: Audit Observations regarding Financial Management

Rs in million

Sr. No.	Description	Amount Placed under Audit Observation
1	Asset management	-
2	Financial management	18,493.535
3	Internal controls	1,190.897
4	Others	3,942.401
TOTAL		23,626.833

Table 3: Outcome Statistics**Rs in million**

Sr. No.	Description	Expenditure on Acquiring of Physical Assets (Procurement)	Civil Works	Receipts	Others	Total current year
1	Outlays audited	91.476	682.013	286.227	27,470.250	28,529.966
2	Amount placed under audit observation / Irregularities of audit	39.064	295.464	155.508	3,136.797	23,626.833
3	Recoveries pointed out at the instance of audit	-	240.473	6.827	113.910	796.708
4	Recoveries accepted / established at the instance of audit	-	-	5.242	16.359	21.601
5	Recoveries realized at the instance of audit	-	-	-	1.402	1.402

Table 4: Irregularities Pointed Out

		Rs in million
Sr. No.	Description	Amount Placed under Audit Observation
1	Violation of Rules and regulations, principle of propriety and probity in public operations	19,568.988
2	Reported cases of fraud, embezzlement, theft and misuse of public resources	1.164
3	Accounting Errors (accounting policy departure from NAM ¹ , misclassification, over or understatement of account balances) that are significant but are not material enough to result in the qualification of Audit opinions on the financial statements	0
4	Quantification of weaknesses of internal controls systems	1,190.897
5	Recoveries and overpayments, representing cases of established overpayment or misappropriation of public money	796.708
6	Non-production of record	1,800.947
7	Others, including cases of accidents, negligence etc.	268.129
TOTAL		23,626.833

Table 5: Cost-Benefit

		Rs in million
Sr. No.	Description	Amount
1	Outlays Audited (Item1 of Table 3)	28,529.966
2	Expenditure on Audit	35.269
3	Recoveries realized at the instance of Audit	1.402
4	Cost Benefit Ratio	1:0.04

¹ The Accounting Policies and Procedures prescribed by the Auditor General.

CHAPTER 1

District Education Authority, Attock

1.1 Introduction of the Authority

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

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

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

DEA Attock manages following schools / education offices:

Description	No. of offices / schools
Primary Schools	850
Middle Schools	201
High School	116
Higher Secondary School	22
Deputy DEO (MEE)	6
Deputy DEO (WEE)	6
DEO (Elementary Education)	2

DEO (Secondary Education)	2
CEO (District Education Authority)	1

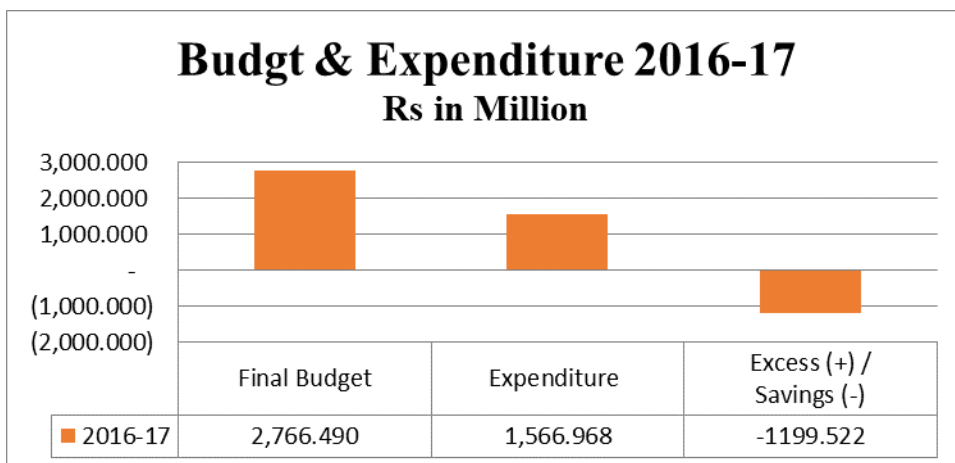
1.2 Comments on Budget and Accounts

Total budget of District Education Authority, Attock was Rs 2,766.049 million including Salary component of Rs 2,329.433 million, Non Salary component of Rs 26.277 million and Development component of Rs 410.780 million. Expenditure against Salary component was Rs 1,532.307 million, Non Salary component was Rs 22.160 million and Development component was Rs 12.501 million. Overall savings were Rs 1,199.522 million which was 43.350% of total budget.

(Rs. in million)

Financial Year 2016-17	Budget	Expenditure	Excess (+)/ Saving (-)	% Saving
Salary	2,329.433	1,532.307	-797.126	34.22
Non Salary	26.277	22.160	-4.117	15.67
Development	410.780	12.501	-398.279	96.96
Total	2,766.49	1,566.968	-1199.522	

The Salary, Non Salary and Development Expenditure comprised 97.79%, 1.41% and 0.80% respectively of the total Expenditure.



1.3 Brief Comments on the Status of Compliance with PAC Directives

This is the first Audit Report on accounts of District Education Authority, Attock which was established in January 2017. Hence, no Audit Report pertaining to preceding years was submitted to Governor of the Punjab to be laid before provincial legislature.

1.4 AUDIT PARAS

1.4.1 Non-production of Record

1.4.1.1 Non-production of record – Rs 134.06 million

According to Section 14(1)(b) of Auditor General’s (Functions, Powers and Terms and Conditions of Service), Ordinance, 2001, “The Auditor-General shall have authority to require that any accounts, books, papers and other documents which deal with, or form, the basis of or otherwise relevant to the transactions to which his duties in respect of audit extend, shall be sent to such place as he may direct for his inspection”. Further, section 115(5) & (6) of PLGO, 2001 stipulates, inter alia, that auditee organization shall provide record for audit inspection and comply with requests for information in as complete form as possible and with all reasonable expedition.

Various formations of Education Authority District Attock did not produce auditable record of Rs 134.06 million for Financial Year 2016-17. In the absence of record, authenticity, validity, accuracy and genuineness could not be verified as detailed below:

Sr No	Name of Office	AIR No.	Description	Amount (Rs)
1	CEO DEA Attock	1	Provision of missing facilities ADP 2016-17, Record Of Posting/Transfers etc.	130,621,000
2	CEO (DEA) Literacy Attock	12	Taleem Sub Kay Lye	400,000
3	Dy DEO MEE, Pindi Gheb,	1	Leave Salary, Electricity, TA etc	1,375,000
4	Do Secondary Education	1	Record of internal merit Scholarship	1,003,432
Total				134,063,662

Audit holds that due to defective financial discipline and weak internal controls, relevant record was not produced to audit by the auditee in violation of constitutional provisions.

The matter was reported to PAO in November, 2017 but neither reply was submitted nor was DAC meeting convened till finalization of this Report.

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

1.4.2 Irregularity and Non-Compliance

1.4.2.1 Overstaffing in violation of government policy - Rs 11.520 million

According to Government of the Punjab, Education Department School wing vide letter No SOS-IV/2-16/2003 dt 19.09.2005 for increase the efficiency of the teachers and to utilize surplus staff, rationalization was required to be carried out at ratio of 1:40. Where surplus in cadre found, junior most teacher be re-allocated.

Contrary to above, following schools working under the control of Dy DEO MEE, Attock has posted over-teaching staff resulting in excess expenditure of Rs 11.520 million and loss to the government. The detail is as under.

NAME OF SCHOOL	No of Student	Teachers	Required Teachers	Excess Strength	Excess Expenditure (Rs)
GBES JASSIAN	148	11	4	7	1,680,000
GES BORTHA	112	9	3	6	1,440,000
GBES URTAK PUR	228	10	6	4	960,000
GBPS Dheni kot	50	4	2	2	480,000
GBPS Attock sadder	247	8	6	2	480,000
GBPS JABA	66	4	2	2	480,000
GBES KHANDA KHOO MIRZA	322	14	8	6	1,440,000
GBPS DHOK BHURA	76	4	2	2	480,000
GBES Haji Ahmad	245	12	6	6	1,440,000
GBES Sanjwal	197	11	5	6	1,440,000
GBPS Dourdad	153	6	4	2	480,000
GBPS Dhoke Umra	48	4	1	3	720,000
Total					11,520,000

Audit holds that due to weak internal controls strength of teachers in excess of approved limit was maintained resulting in excess expenditure and loss to the government.

The matter was reported to PAO in November, 2017 but neither reply was submitted nor was DAC meeting convened till finalization of this Report.

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

(AIR Para # 1)

1.4.2.2 Non-obtaining schedule of payments & non-reconciliation of expenditure of SDA - Rs 17.675 million

According to guide lines of operation of SDA account, the SDA cheques will be drawn by authorized signatories of these accounts. The cheques of SDA shall contain a code number (cost center code or project code as per Budget). This code will be used for entry by the DAO/TO on receipt of SDA cheques for endorsement along with schedule of payment in prescribed format and on receipt of paid cheques from SBP/NBP. Separate SDA will be used for each project. The drawing authorities shall be primarily responsible for the recording and accounting of the expenditure on a daily basis. On a monthly basis (by 7th of each month), the drawing authorities will reconcile expenditure with DAO/TO and ensure its inclusion in the monthly accounts.

CEO DEA Attock made payments of Rs 17.675 million from SDA account during 2016-17 but neither the expenditure was reconciled with the DAO nor schedules of the expenditure was obtained resulting in non-obtaining of schedule of payments and non-reconciliation of expenditure worth Rs 17.675 million.

Audit was of the view that due to internal control failures and financial mismanagement the schedule of authorized expenditure was not obtained from DAO, Attock and was also not got verified.

The matter was reported to PAO in November, 2017 but neither reply was submitted nor was DAC meeting convened till finalization of this Report.

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

(AIR Para # 3)

1.4.2.3 Irregular expenditure beyond financial competency of School Council – Rs 5.99 million

As mentioned para 4.9.1 of School Council Policy 2007 revised in 2017, according to Finance Department Notification No.IT(FD)3-13/2002 dated 7th Jan 2004 and 29th Jan 2005, School council is authorized to incur maximum amount of Rs 400,000 during a financial year (From July to June)

Various schools under DEA Attock had incurred expenditure of Rs 5.99 million from NSB fund with the approval of School councils

beyond the financial competency of School council which was Rs 400,000 during one Financial Year. The detail is given below:

Sr. No.	Name of Department	AIR Para No.	Name of School	Total (Rs)
1	Dy DEO (W) Hassanabdal	3	GG E/S Pather Garh	724,528
2			GG E/S Tanda	429,720
3			GG Ps No.2	645,135
4			GG E/s Burhan	496,513
5			GGE/s Hassanabdal	413,263
6	Dy DEO (W) Hazro	4	GGES Bhangi	613,120
7	Dy DEO (W) Fathe Jang	5	GG E/s Kanial	427,909
8			GGE/s Fateh jang	414,290
9			GGES Burj	454,360
10			GGE/s Gaddah	433,328
11			GM E/s Wdhial	410,000
12			GG P/s Qutbal	531,320
Total				5,993,486

Audit holds that due to weak internal controls resulting in irregular expenditure beyond financial competency.

The matter was reported to PAO in November, 2017 but neither reply was submitted nor was DAC meeting convened till finalization of this Report.

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

1.4.2.4 Irregular payment of pay and allowances under A01270-Others - Rs 3.939 million

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

Dy DEO (W-EE) Pindi Gheb District Attock, had drawn an amount of Rs 3,939,048 on account of Pay and Allowances of the officials/ officers for different allowances under head A01270-others in violation of Govt., instructions during 2016-17. Negligence resulted in irregular payment of allowances of Rs 3,939,048 as detailed below.

Cost Center	Head	Amount (Rs)
AY 6021	A01270-Others	23,940
..do...	A01270-Others	57,324
AY 6012	A01270-Others	3,857,784
	Total	3,939,048

Audit was of the view that due to financial mismanagement, expenditure of Rs 3,939,048 was incurred under wrong head of account.

The matter was reported to PAO in November, 2017 but neither reply was submitted nor was DAC meeting convened till finalization of this Report.

Audit recommends regularization of misclassified expenditure besides fixing responsibility against the person at fault.

(AIR Para # 8)

1.4.2.5 Irregular procurement without tendering – Rs 3.313 million

According to Rule 12 (1)&(2) of PPRA Rules, 2014, procurements over one hundred thousand rupees and up to the limit of two million rupees shall be advertised on the PPRA's website in the manner and format specified by regulation by the PPRA from time to time. In case of procurements valuing above rupees 2.00 million, advertisement in two national dailies, one English and other Urdu, will appear in addition to advertisement on PPRA website.

Various formations of DEA Attock had incurred expenditure of Rs 3.313 million on account of procurement of different items during Financial Year 2016-17. The expenditure was incurred without calling tenders as required under PPRA Rules 2014 and irregular procurement as detailed below:

Sr. No.	Name of department	AIR Para No.	Item	Amount (Rs)
1	CEO (DEA) Attock	19	Stationary, Misc. Items, Uniform	2,011,014
2	Dy DEO (W) Fateh Jang	3	Repair and construction work	1,084,201
3	Dy DEO (W) Hazro	3	Construction of wash room, Repair of roof	217,982
Total				3,313,197

Audit was of the view that due to negligence, irregular procurement was made.

The matter was reported to PAO in November, 2017 but neither reply was submitted nor was DAC meeting convened till finalization of this Report.

Audit recommends regularization of expenditure.

1.4.2.6 Irregular drawl - Rs 3.107 million

According to rule 34 of Punjab Local Government (Account) Rules, 2013, payment should be made through cheques instead of cash.

Audit of the accounts of CEO (DEA) Attock for the Financial Year 2016-17, revealed that cheques drawn from treasury to payment to DGPR on account of Advertisement charges. The amount was drawn in the name of DDO instead of vendor and acknowledgement in support of payment was not available on record which is violation of NAM Detail of drawl of amount from treasury is as under: -

Cheque No. & Date	Mode of payment	Amount (Rs)
564901 dt 13.03.2017	Advertisement charges	2,512,188
689853 dt 04.05.2017	Advertisement charges	17,848
513005 dt 07.11.2016	Advertisement charges	22,290
C 0514751 dt 28.11.207	Advertisement charges	9,051
512922 dt 03.10.2016	Advertisement charges	45,592
512942 dt 14.10.2016	Advertisement charges	500,734
Total		3,107,703

Audit holds that the irregularity was occurred due to weak financial control. This resulted in violation of government rules. In response to above, no reply was submitted.

The matter was reported to PAO in November, 2017 but neither reply was submitted nor was DAC meeting convened till finalization of this Report.

Audit recommended that action be taken against the concerned.

(AIR Para # 10)

1.4.2.7 Irregular drawl of cash - Rs 2.246 million

According Finance Department Government of Punjab letter No.FD(FR)V-6/75(P) 4.49(a) payment of Rs 100,000 and above to the contractors and suppliers shall not be made in cash by the drawing & disbursing officers (DDOs).At places where pre-audit cheques are issued, sanctioning authority shall accord sanction to incur expenditure, under his own signature in favour of contractor/supplier incorporating CNIC No. of the contractor/supplier.

Various schools under CEO (DEA) Attock had drawn amounts more than Rs 100,000 out of NSB account and paid in cash instead of cheques, which resultantly violation of Finance Department instructions and expenditure of Rs 2.246 million was held irregular. The detail is given below:-

S. No.	Name of Formation	AIR No.	Amount (Rs)
1	Dy DEO (W) Fateh Jang	1	100,000
2	Dy DEO (W) Hazro	2	1,032,000
3	Dy DEO (W) Hassanabdal	2	1,114,000
Total			2,246,000

Audit was of the view that due to weak internal control, expenditures held irregular

The matter was reported to PAO in November, 2017 but neither reply was submitted nor was DAC meeting convened till finalization of this Report.

Audit recommends regularization of transactions.

1.4.2.8 Irregular procurement due to splitting without calling quotations – Rs 2.274 million

According to PPRA Rule 2014 (59)(b) a procuring agency may provide for petty purchases through at least three quotations where the cost of the procurement is more than fifty thousand rupees but less than one hundred thousand rupees and such procurement shall be exempted from the requirements of bidding procedures; the procuring agency shall, however, ensure that such procurement is in conformity with the principles of procurement.

Various formations of CEO (DEA) Attock had incurred expenditure of Rs 2.274 million on account of procurement of different items (mentioned in table against each department) during Financial Year 2016-17. The expenditure was incurred without calling tenders as required under PPRA Rules 2014 and irregular procurement as detailed below:

Sr. No.	Name Of Department	Description	AIR Para no.	Amount (Rs)
1	CEO DEA Attock	Split up the expenditure without inviting Quotations	5	829,968
2	Dy. DEO (W) Hassanabal	Split up the expenditure without inviting Quotations	1	1,204,418
3	Dy. DEO (W) Hazro	Split up the expenditure without inviting Quotations	1	239,081
Total				2,273,467

Audit was of the view that due to negligence, irregular procurement was made.

The matter was reported to PAO in November, 2017 but neither reply was submitted nor was DAC meeting convened till finalization of this Report.

Audit recommends regularization of expenditure amounting to Rs 2.27 million.

1.4.2.9 Irregular payment of leave encashment - Rs 1.844 million

The head of offices is responsible for ensuring that the funds allotted are spend on the activities for which the money was provided according to Rule 4(3)(v) of PDG and TMA Budget Rules, 2003. Rule 2.22 (1) of PFR Vol-I read with Treasury Rulee 4.3 every voucher should be supported by acknowledgement of the payment, signed by the person by whom or in whose behalf the claim is put forward. Moreover, all payments in excess of Rs 100,000 have to be made through crossed cheques.

Dy DEO W EE-Pindi Gheb, incurred an amount of Rs 1,844,228 on account of leave encashment during the year 2016-17 as per detail given below.

Year	Description	Amount (Rs)
AY6021	Leave encashment	103,800
AY6012	Leave encashment	1,740,428
Total		1,844,228

The expenditure was irregular and not justified due to the following:

- i. Approved budget allocation under leave salary was not available.
- ii. The payment was not shown to be made through crossed cheque to the actual beneficiary.
- iii. Leave account has not been prepared to ensure that no long leave was allowed in the last year.

Audit holds that due to weak internal controls expenditure was incurred in excess of approved budget resulting in irregular payments of Rs 1.844 million.

The matter was reported to PAO in November, 2017 but neither reply was submitted nor was DAC meeting convened till finalization of this Report.

Audit recommends regularization of expenditure amounting to Rs 1.844 million.

(AIR Para # 7)

1.4.2.10 Irregular / doubtful payment of financial assistance - Rs 1.80 million

According to rule 2.33 of PFR Vol-I, every government functionary shall be responsible for any loss sustained by the government due to fraud or negligence on his part.

During audit of CEO (DEA) Literacy Attock for the Financial Year 2016-17, it was observed during scrutiny of record that an amount of Rs 18,00,000 was paid to Diseased family members as Financial Assistance but complete documentation was not found attached with bills whether payment made to the family members are legally deserve to receive the said assistance, documents i.e applications from legal family members, amount transferred to concerned families, certificate of death during service, verification of department that there was no other legal claimer of the diseased employees such documents needs to be verified from audit.

Name of Diseased Employees	Designation	Name of members received assistance	Amount (Rs)
Mr. M. Ijaz O/o DEO(W)EE Attock	Junior Clerk	Mst. Ruqia Bibi W/o M. Ijaz	800,000
Mr. Zahoor Hussain Shah O/o GBES Langrial Tehsil Pindigheb	SST	Mst. Perveen Akhtar & Hafsa Gull Widows of Zahoor Hussain Shah	500,000 500,000
Total			1,800,000

Audit holds that the irregularity was occurred due to weak financial control. This resulted in violation of government rules. In response to above, no reply was submitted.

The matter was reported to PAO in November, 2017 but neither reply was submitted nor was DAC meeting convened till finalization of this Report.

Audit recommended that action be taken against the concerned.

(AIR Para # 18)

1.4.2.11 Non-accountal of items in stock registers - Rs 1.265 million

As per rule 15.4 (a) & 15.7 of PFR Volume-1, all material must be examined, counted, weighed or measured as the case may be and recorded in an appropriate stock register and signatures from the issuing persons and acknowledgement from the receiving persons be made. Further, according to Finance Department letter No. FD (M&R)/MW/I-4-/92 dated 26th September 1999, if stock register is not maintained/shown at the time of audit, the entries made and record shown afterwards would not be accepted.

Various offices/formations of CEO (DEA) Attock had paid amount of Rs 1.265 million on purchase of various items during Financial Year 2016-17. Scrutiny of record revealed that the items purchased were not account for in stock register as detailed below:

Sr. NO.	Name of department	AIR Para No.	Item	Amount (Rs)
1	Dy DEO (W)- Attock	6	Electricity Breaker, water cooler, electricity material, Purchase of Furniture, Camera and Accessories etc.	620,054
2	Dy DEO (F), Jand	3	-do-	645,718
	Total			1,265,772

Audit was of the view that due to internal control failures and financial mismanagement, stock register of fans had not been provided.

The matter was reported to PAO in November, 2017 but neither reply was submitted nor was DAC meeting convened till finalization of this Report.

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

1.4.2.12 Un authorized payment of stopped allowances - Rs 1.202 million.

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

Principal GBHSS Hassan Abdal Attock had paid Adhoc Relief Allowances 2013, 2014, 2015 as detailed below, but the same has been merged as on 01.07.2014 and in 2015 hence was not allowed to be paid

during 2016-17 resulted in overpayment of Rs 1.202 million as detailed below:

Sr No	Year	Description	Amount (Rs)
1	2016-17	ARA 2013	1,053,056
2		ARA 2014	19,200
3		ARA 2015	129,841
4		ARA	0
5		ARA	0
Total			1,202,097

Audit was of the view that due to financial mismanagement, the unauthorized expenditure of Rs 1.202 million was incurred.

The matter was reported to PAO in November, 2017 but neither reply was submitted nor was DAC meeting convened till finalization of this Report.

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

(AIR Para # 3)

1.4.2.13 Irregular expenditures on civil work - Rs 1.157 million

According to NSB Manual 3.4 (7)(8) School Based action plan that construction work will be implemented on approved design and specification of Government. Copy of construction plan and work wherein required technical assistance will be forwarded to the Dy DEO and AEO. The concerned officers is bound to implement the application.

According to PPRA Rule 2014 (59)(b) a procuring agency may provide for petty purchases through at least three quotations where the cost of the procurement is more than fifty thousand rupees but less than one hundred thousand rupees and such procurement shall be exempted from the requirements of bidding procedures; the procuring agency shall, however, ensure that such procurement is in conformity with the principles of procurement

Various formation of CEO (DEA) District Attock expended an amount Rs 1.157 million on maintenance and repair, which was done out of NSB Fund during 2016-17 but detail estimates of actual work including cost of work and labour charges was not prepared. Further payment was made to suppliers/ contractor without mentioning the cost of material and labor charges. Detail estimates was not got approved from School council and work was done in piece meal. No tender was called to achieve the

economical rates which resultantly also violation of PPRA. The detail is given below:

Sr. No.	Name of formation	AIR Para No.	Construction work	Amount (Rs)
1	Dy DEO (W) Hassanabdal	6	Repair work roof, boundary wall and stair construction	489,790
2	Dy DEO (W) Fateh Jang	2	-do-	667,685
			Total	1,157,475

Audit was of the view that due to weak internal control, expenditures held irregular

The matter was reported to PAO in November, 2017 but neither reply was submitted nor was DAC meeting convened till finalization of this Report.

Audit recommends regularization of expenditure amounting to Rs 1.157 million.

1.4.3 Performance

1.4.3.1 Non-utilization of funds – Rs 94.456 million

According to Rule 64(1)(iv) of the PDG & TMA (Budget) Rules, 2003 “Each local government shall efficiently and effectively manage the resources made available to the local government”. Further, according to rule 17.16 and 17.20 of PFR Volume-I, the anticipated saving must be surrendered by 31st March of the financial year so that the amounts surrendered might be utilized for some other purpose.

Various formations under CEO DEA Attock did not utilize funds of Rs 94.456 million that were provided under non salary and non-salary budget in District Attock. These funds were neither utilized nor surrendered well in time in violation of the criteria as detailed below:

Sr No	AIR Para No	Name of Formation	Description	Budget (Rs)	Expenditure (Rs)	Savings (Rs)
1	3	Govt., Deaf & Defective Hearing School	Salary & Non Salary	16,611,631	11,111,338	5,500,293
2	2	Dy. DEO(W-EE), Attock	Salary & Non Salary	107,470,000	19,883,862	87,586,138
3	7	Dy. DEO (W) hassanabdal	Non salary	1228492	548074	680418
4	6	Dy. DEO (W) Hazro	Non salary	2638533	689471	689471
		Total		127,948,656	32,232,745	94,456,320

Audit was of the view that due to internal control failures and financial mismanagement, development funds of Rs 94.456 million were not utilized.

The matter was reported to PAO in November, 2017 but neither reply was submitted nor was DAC meeting convened till finalization of this Report.

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

1.4.3.2 Expenditure over and above budget allocation – Rs 36.189 million

According to Rule 66(5) of (Budget) Rules 2013, Drawing and Disbursing Officer shall not authorize any payment in excess of the funds placed at his disposal.

Scrutiny of records revealed that various formations under CEO DEA Attock excess expenditures was made on account of budget allocated under the head salary in District Attock. Following formations has expended in excess of expenditure amounting to Rs 36.186 million over and above the budget allotment during Financial Year 2016-17. The detail is as under.

Sr. No.	AIR Para No	Name of Formation	Description	Budget (Rs)	Expenditure (Rs)	Excess (Rs)
1	2	Govt., Deaf & Defective Hearing School, Attock	Salary & Non Salary	478,020	968,008	489,988
2	2	Dy DEO M-EE, Attock	Salary	58,529,000	70,279,255	11,750,255
3	1	Dy DEO W-EE, Attock	Salary	11,099,000	14,540,575	3,441,575
4	2	DO Secondary Education Attock		2,334,500	8,874,989	6540489
5	1	Government Boys Higher Secondary School, Hassanabdal Attock	Salary	29,912,106	43,912,517	13,966,411
6		Total		102,352,626	138,575,344	36,188,718

Audit was of the view that due to internal control failures and financial mismanagement, an expenditure of Rs 36.189 million made in excess of budget allocation.

The matter was reported to PAO in November, 2017 but neither reply was submitted nor was DAC meeting convened till finalization of this Report.

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

1.4.3.3 Non-monitoring and reporting of non-salary budget – Rs 22.921 million

According to guideline primary and elementary Manual, AEO is responsible to fill the Annexure (H) of NSB guidelines in the prescribed performa and report to EDOs for usage of NSB Fund on monthly basis.

Audit of accounts of Dy DEO (EE-W) Hazro and Dy DEO (EE-W) Fateh Jang revealed that the utilization of funds on prescribed proforma was not reported to the CEO DEA for onward submission to the PMIU Lahore. The detail is as under.

Sr. No.	Description	Amount (Rs)	AIR Para No.
1	Dy DEO (EE-W) Hazro	9,828,653	9
2	Dy DEO (EE-W) Fateh Jang	13,092,726	7
	Total	22,921,379	

Non-implementation of NSB guideline Manual leads to lapse in the internal control system and performance of department cannot be ascertained.

The matter was reported to PAO in November, 2017 but neither reply was submitted nor was DAC meeting convened till finalization of this Report.

Audits was of the view to justify the position and proforma submitted by the AEO be shown to audit.

1.4.4 Internal Control Weakness

1.4.4.1 Irregular approval of estimates without deduction of cost dismantled material of dangerous school buildings – Rs 193.52 million

Page 207 of Book of Specification of B&R, 1967, provides for Auction/ adjustment/reuse of material available at site as well as be mentioned in T.S estimate and the same be deposited in Govt. Treasury.

CEO DEA Attock had paid an amount of Rs 193.52 million for execution of the construction works of dangerous schools buildings. Audit observed during scrutiny of record that auction/adjustment of cost of old material was not available on record. Neither adjustment of old material for reuse was shown in Estimates nor was any cost of old material deducted from cost of works.

Audit was of the view that due to internal control failures and financial mismanagement the auction money was not deposited or the same was misappropriated by the dealing hands.

The matter was reported to PAO in November, 2017 but neither reply was submitted nor was DAC meeting convened till finalization of this Report.

Audit recommends recovery of old material cost besides fixing responsibility of person(s) at fault.

(AIR Para # 4)

1.4.4.2.1 Non-recovery of overpayment and charges – Rs 1.861 million

According to Government of the Punjab Finance Department No.FD (M-I) 1-15/82-P-I dated 22.01.2000. In case of designated residence, the officer / official for which residence is meant cannot draw House Rent Allowance and will have to pay 5 % of basic pay as standard rent even if he does not avail the facility and residence remains vacant during the period. According to (XIII)(i)(b) Contract Appointment Policy in 2004 issued by Government of the Punjab S&GAD circular vide No.DS(O&M)5-3/2004/Contract/MF dated 29th December, 2004, “Social Security Benefit @ 30% of minimum of basic pay is admissible only for the persons working on contract in lieu of pension”.

Various offices under District Education Authority Attock made over payments of Rs 1.861 million on account of Pay and different Allowances during Financial Year 2016-17 to different incumbents at

beyond entitlement which resulted in overpayment. Further, payments made to the suppliers on purchases of different items and services rendered but income tax and sales tax was not deposited during Financial Year 2016-17. Detail is given in **Annexure-C**

Audit was of the view that due to weak internal control and defective management overpayment on account of pay and allowances was made.

The matter was reported to PAO in November, 2017 but neither reply was submitted nor was DAC meeting convened till finalization of this Report.

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

CHAPTER 2

District Education Authority, Bhakkar

2.1 Introduction of the Authority

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

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

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

DEA Bhakkar manages following schools / education offices:

Description	No. of offices / schools
Chief Executive Officer	1
DO (SE)	1
DEO (WEE)	1
DEO (MEE)	1
Dy. DEO (MEE)	4
Dy. DEO (WEE)	4
High and Higher Secondary	95

Schools	
Elementary & Primary Schools	1146
Any other institute	-

2.2 Comments on Budget and Accounts

Total budget of District Education Authority, Bhakkar was Rs 2,308.616 million including Salary component of Rs 1,963.809 million, Non Salary component of Rs 78.561 million and Development component of Rs 266.246 million. Expenditure against Salary component was Rs 1,179.750 million, Non Salary component was Rs 40.488 million and Development component was Rs 147.885 million. Overall savings were Rs 940.493 million which was 40% of total budget.

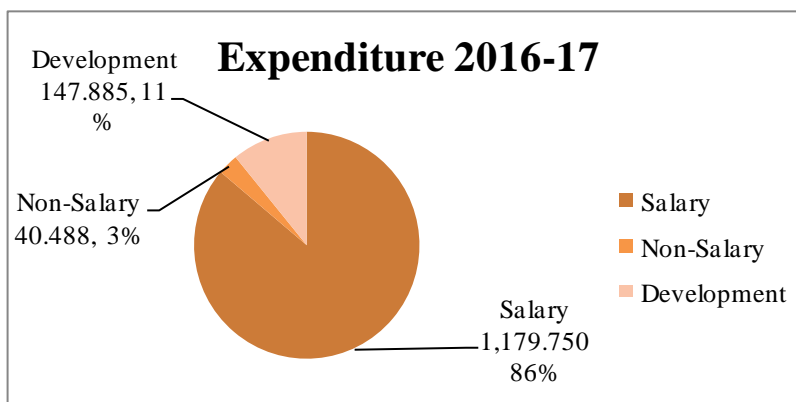
(Rs. in million)

Financial Year 2016-17	Budget	Expenditure	Excess (+)/ Saving (-)	% Saving
Salary	1,963.809	1,179.750	784.059	40
Non Salary	78.561	40.488	38.073	48
Development	266.246	147.885	118.361	44
Total	2,308.616	1,368.123	940.493	40

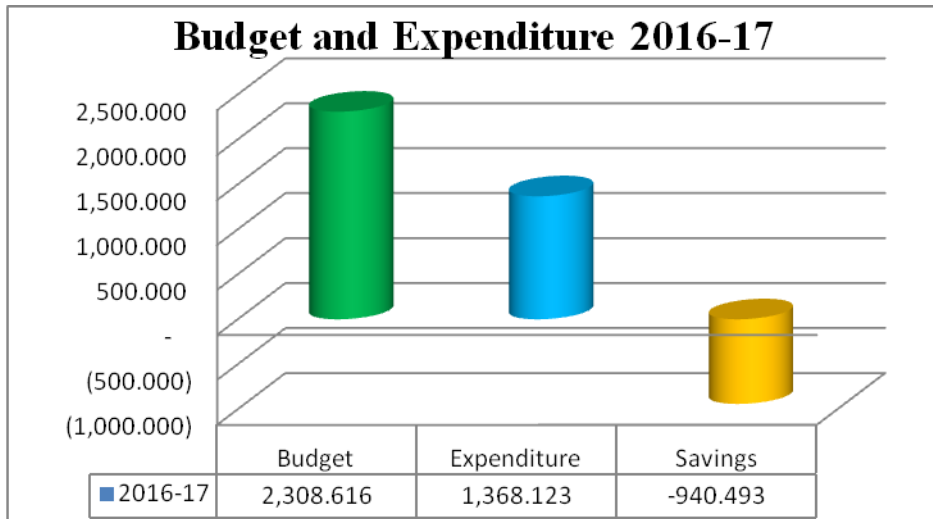
As per the Appropriation Account 2016-17 of District Education Authority Bhakkar, the original budget was Rs 2,301.453 million, supplementary grant was Rs 7.163 million and the final budget was Rs 2,308.616 million. Against the final budget, total expenditure incurred by District Education Authority during 2016-17 was Rs 1,368.123 million, as detailed at Annexure-B

The Salary, Non Salary and Development Expenditure comprised 86%, 3% and 11% respectively of the total Expenditure.

(Rs in million)



(Rs in million)



The overall saving of Rs 940.493 million was 40% of the final budget.

2.3 Brief Comments on the Status of Compliance with PAC Directives

This is the first Audit Report on accounts of District Education Authority, Bhakkar which was established in January 2017. Hence, no Audit Report pertaining to preceding years was submitted to Governor of the Punjab to be laid before provincial legislature.

2.4 AUDIT PARAS

2.4.1 Non-Production of Record

2.4.1.1 Non production of vouched account - Rs 198.201 million

As per Section 14(1,2 &3) of Auditor General's (Functions, Powers and Terms and Conditions of Service), Ordinance, 2001, the officer in-charge of any office or department shall afford all facilities hindering the auditorial functions of the Auditor General regarding inspection of accounts shall personally be responsible and dealt with under relevant Efficiency and Discipline Rules.

CEO Education transferred funds of Rs198.201million to Building Department as deposit work, account of "Provision of missing facilities& Reconstruction of Dilapidated School Building". The vouched account including all related documents was not produced to audit. In the absence of the record, authenticity, validity, accuracy and genuineness of expenditure could not be verified.

Audit was of the view that due to defective financial discipline and weak internal controls, relevant record was not produced to audit in violation of constitutional provisions.

This resulted in non-production of record of Rs 198.201 million.

The matter was reported to the CEO in December, 2017 but neither reply was furnished nor was DAC meeting convened till the finalization of this Report.

Audit recommends fixing responsibility for non-production besides production of record to audit for the fulfillment of statutory provisions.

(PDP No.14)

2.4.2 Irregularities / Non-Compliance

2.4.2.1 Irregular expenditure in violation of PPRA Rule – Rs 3.324 million

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

Drawing and Disbursing Officers of following formations incurred an expenditure of Rs 2.324 million under the different Object Code either without floating advertisement on PPRA's website or indents were splitted in order to keep amount below than Rs100,000 to avoid open competition.

Sr. No	PDP No	Name of Formation	Period	Amount (Rs)
1	23	DEO SE Bhakkar	Splitting Purchase	1,825,235
2	33	GHS Jandanwala	Works	182,519
8	36	GGHS Jandanwala	Splitting purchases	315,842
Total				2,323,596

Audit holds that purchases, hiring charges and award of contract on account of development work without advertising on the PPRA website were made to avoid fair competition.

This resulted in irregular expenditure of Rs 2.324 million.

The matter was reported to the CEO in December, 2017 but neither reply was furnished nor was DAC meeting convened till the finalization of this Report.

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

(PDP No.23,33 & 36)

2.4.2.2 Doubtful Expenditure on civil works - Rs 2.276 million

According to Para 2.4 & 4.5 of B&R Code, no development work shall be executed without TS Estimate and administrative approval and all civil works needs to be recorded in Measurement Book.

Management of various primary and elementary schools made expenditure on Civil Works. The expenditure incurred was held irregular due to the following reasons:

1. The estimate was neither prepared nor got approved from the competent authority.
2. The items of civil works, were not recorded in the measurement book.

Sr. No	PDP No	Name of Formation	Description	Amount (Rs)
1	1	Dy. DEO WEE Kalurkot	Civil Work	682,000
1	4	Dy. DEO MEE Mankera	Civil Work	1,593,844
Total				2,275,844

Audit was of the view that irregular expenditure was made due to weak internal controls.

This resulted in irregular expenditure on civil works of Rs 2.276 million.

The matter was reported to the CEO in December, 2017 but neither reply was furnished nor was DAC meeting convened till the finalization of this Report.

Audit recommends regularization of expenditure from the competent authority.

(PDP No-1& 4)

2.4.2.3 Irregular payment in cash instead of crossed cheques - Rs1.269 million

As per Rule 4.49(a) of Subsidiary Treasury Rules Punjab, all payments of Rs.100,000 and above shall not be paid in cash and the DDO shall make an endorsement on the bill asking the AG Punjab / DAO to issue cross cheque in his favour and then the DDO will endorse the cheque to the concerned against proper endorsement after its entry in his cash book.

Following formations made payments to suppliers in cash, instead of issuing cross cheque in the name of suppliers.

Sr. No.	PDP No	Name of Formation	Description	Amount (Rs)
1	3	Dy. DEO WEE Kalurkot	NSB Expenditure	435,000
2	22	Govt. Special Education Bhakkar	Purchase of Uniform	833,540
Total				1,268,540

Audit holds that cash payment was made with malafied intention by the management due to weak internal control and defective financial discipline.

This resulted in irregular cash payment instead of crossed cheque of Rs1.269 million.

The matter was reported to the CEO in December, 2017 but neither reply was furnished nor was DAC meeting convened till the finalization of this Report.

Audit recommends condemnation of irregularity from competent forum.

(PDP No-3& 22)

2.4.3 Internal Control Weaknesses

2.4.3.1 Overpayment of social security benefit Rs 2.057 million

According to clause 6 of terms and conditions of the DO (Education) (W-EE) Bhakkar Order No. Admn.2855/ dated 03-10-16 “the appointees shall not be entitled to the payment of 30% social security benefit in lieu of pension or any other pay package, being drawn by them during the contract period.

Dy. DEO WEE Darya Khan paid social security benefit allowance to the 26 teaching staff after regularization of services from contract basis, which was not admissible after regularization.

Audit holds that payment of social security benefit for regularization period was due to weak internal control and defective financial discipline.

This resulted in irregular payment on account of social security benefit of Rs2.057 million.

The matter was reported to the CEO in December, 2017 but neither reply was furnished nor was DAC meeting convened till the finalization of this Report.

Audit recommends that early recovery from the concerned.

(PDP NO-38)

2.4.3.2 Loss due to non-purchasing of item for computer labs from lowest bidder – Rs 0.509 million

According to Rule38(2)a(I to IV), 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 and the procedure for single stage two envelopes shall be: (i) the bid shall be a single package consisting of two separate envelopes, containing separately the financial and the technical proposals; (ii) the envelopes shall be marked as “Financial Proposal” and “Technical Proposal”; (iii) in the first instance, the “Technical Proposal” shall be opened and the envelope marked as “Financial Proposal” shall be retained unopened in the custody of the procuring agency; (iv) the procuring agency shall evaluate the technical proposal in the manner prescribed in advance, without reference to the price and shall reject any proposal which does not conform to the specified requirements.

CEO (Education) Bhakkar, purchased laboratory items for establishment of computer labs in different schools of Rs3,848,526 during

financial year 2016-17. The firm did not purchase computer items from the lowest bidder i.e MS Astorntech Distribution, with the plea that his equipments were not compatible with computer system. The management purchased the equipment from the 2nd lowest bidder i.e. Computer Marketing Company (Pvt) Limited and paid Rs 508,971 over and above the rates of 1st lower bidder. Audit was of the view that after the acceptance of technical bid and opening of financial bid. the department has no legal right to reject the offer of 1st lower bidder.

Audit holds that overpayment was made due to purchase of items at higher rate tendered by 2nd bidder due to weak internal controls.

This resulted in loss due to purchase at higher rate Rs508,971.

The matter was reported to the CEO in December, 2017 but neither reply was furnished nor was DAC meeting convened till the finalization of this Report.

Audit recommends recovery of overpayment from the persons at fault.

(PDP No-13)

2.4.3.3 Non deduction of conveyance allowance during leave period - Rs 0.502 million

According to Rule 1.15 of Punjab Travelling Allowance Rules, conveyance allowance is not allowed during leave.

The Drawing and Disbursing Officers of the various formations paid conveyance allowance to the officers/officials during LFP, LHP, summer vacation and winter vacation which was not admissible.

Sr. NO	PDP No	Name of Formation	Nature of Leave	Amount (Rs)
1	7	EDO Education Bhakkar	LFP, LHP etc	208,668
2	19	Dy. DEO MEE Kalurkot	LFP, LHP etc	11,362
3	26	Dy. DEO WEE Mankera	Summer Vacation	211,100
4	28	Dy. DEO WEE Mankera	LFP, LHP etc	12,790
5	31	SEC Kallurkot	Summer Vacation	12,287
6	32	GHS Jandanwala	APS School Leave	25,353
7	35	GGHS Jandanwala	APS School Leave	19,962
Total				501,522

Audit holds that overpayment of conveyance allowance was made due to weak internal control and defective financial discipline.

This resulted in overpayment due to non deduction of conveyance allowance of Rs 0.502 million.

The matter was reported to the CEO in December, 2017 but neither reply was furnished nor was DAC meeting convened till the finalization of this Report.

Audit recommends that overpayment be recovered.

(PDP No-7,19,26,28,31,32& 35)

2.4.3.4 Loss to the Govt. due to non deduction of income tax, general sales tax and provincial sales tax - Rs 0.345 million

According to Section 153 (1) of Income Tax Ordinance 2001, every prescribed person making a payment in full or part including a payment by way of advance to a resident person:

(a) For the sale of goods shall deduct tax @ 4.5% of the gross amount payable, if the person is a filer and 6.5% if the person is a non-filer.

(b) For the rendering of or providing of services shall deduct tax @ 10% of the gross amount payable, if the person is a filer and 15% if the person is a non-filer;

The Drawing and Disbursing Officers of following formations did not or less deducted Income Tax, General Sales Tax and Provincial Sales Tax from the claimant under various head of account.

Sr. No	PDP No	Name of Formation	Description	Amount (Rs)
1	2	Dy. DEO WEE Kalurkot	Income Tax	90,545
2	5	Dy. DEO MEE Mankera	PST	26,048
3	17	CEO Bhakkar	Income Tax	2,548
4	20	Dy. DEO MEE Kalurkot	Advance Income Tax	18,920
5	25	DEO SE Bhakkar	PST	104,523
6	30	SEC Kalurkot	Income Tax+PST	26,108
7	34	GHS Jandanwala	Income Tax +GST	51,574
8	37	GGHS Jandanwala	Income Tax +GST	24,451
Total				344,717

Audit holds that recovery of income tax and general sales tax etc was not made due to weak internal control and defective financial discipline.

This resulted in loss to the Govt. due Non/ Less deduction of income tax, GST and PST of Rs0.345 million

The matter was reported to the CEO in December, 2017 but neither reply was furnished nor was DAC meeting convened till the finalization of this Report.

Audit recommends that recovery of the amount of Income Tax, GST and PST from the concerned at the earliest.

(PDP NO-2,5,17,20,25,30,34&37)

CHAPTER 3

DISTRICT EDUCATION AUTHORITY CHAKWAL

3.1 Introduction of the Authority

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

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

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

DEA Chakwal manages following schools / education offices:

Description	No. of offices / schools
Primary Schools	739
Middle Schools	208
High School	227
Higher Secondary School	22
Deputy DEO (MEE)	4
Deputy DEO (WEE)	4
DEO (Elementary Education)	2

DEO (Secondary Education)	2
CEO (District Education Authority)	1

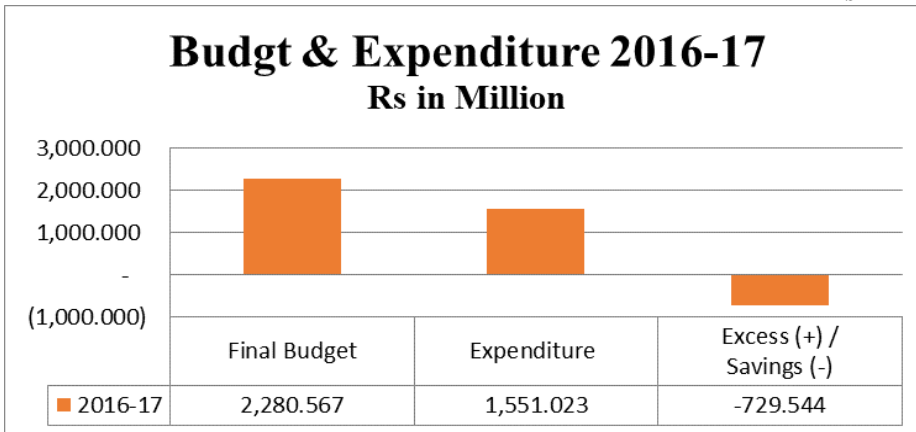
3.2 Comments on Budget and Accounts

Total budget of District Education Authority Chakwal was Rs 2,280.567 million including salary component of Rs 2,149.136 million, non-salary component of Rs 113.157 million and development component of Rs 18.274 million. Expenditure against salary component was Rs 1,508.038 million, Non salary component was Rs 25.110 million and development component was Rs 17.875 million. Overall savings were Rs 729.544 million which was 32% of total budget.

(Amount in million)

Financial year 2016-17	Budget	Expenditure	Excess (+)	% of Excess /
			/ Saving (-)	Saving
Salary	2,149.136	1,508.038	641.151	29.83
Non Salary	113.157	25.110	88.047	77.81
Development	18.274	17.875	0.399	2.18
Total	2,280.567	1,551.023	729.544	32%

Rs in million



Ineffective financial management resulted in savings to the tune of Rs 729.542 million which in term of percentage was 32% of the final budget.

3.3 Brief Comments on the Status of Compliance with PAC Directives

This is the first Audit Report on accounts of District Education Authority, Bhakkar which was established in January 2017. Hence, no Audit Report pertaining to preceding years was submitted to Governor of the Punjab to be laid before provincial legislature.

3.4 AUDIT PARAS

3.4.1 Non-Production of Record

3.4.1.1 Non-production of record – Rs 36.311 million

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

Various formations of District Education Authority Chakwal did not produce auditable record amounting to Rs 36.311 million. In the absence of record, authenticity, validity, accuracy and genuineness could not be verified as detailed below:

Sr. No.	Name of the office	Record not produced	Amount (Rs)	AIR Para No.
1.	DO (Secondary Education)	Disbursement record of internal merit Scholarship	2.112	2
2.	DO (Secondary Education)	Record regarding superannuation encashment, allotment register of residences, List of contract employee with period of services, Personal files, Stock register, Bank statement	1.363	5
3.	Dy. DEO (W) Kallar Kahar	Payroll Record	32.836	5
4.	Dy. DEO (W) Kallar Kahar	Budget Details	-	7
5.	Dy. DEO (W) Chakwal	Tree register, Unserviceable stock register, Record pertaining to verification of degrees of the contract employees.	-	13
6.	Dy. DEO (M) Chakwal	Tree register, Unserviceable stock register, Record pertaining to verification of degrees of the contract employees.	-	12
Total			36.311	

Audit holds that due to defective financial discipline and non-compliance of rules, relevant record was not produced to audit by the auditee in violation of constitutional provisions.

The matter was reported to the DCO / PAO in December, 2017 but neither any reply was furnished by DDO nor was DAC meeting held till finalization of this report.

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

3.4.2 Irregularity & Non-Compliance of Rules

3.4.2.1 Mis-classified expenditure – Rs 20.065 million

According to Rule 12 of General Financial Rules, the expenditure may be incurred for the purpose for which the budget allocation is made. Further, according to New Accounting Model (NAM), “expenditure of one classified head of account cannot be booked/ entered in another classified head of account”. Also As per Article 30 of Audit Code, all financial transactions are required to be properly recorded and allocated to proper heads of account.

DEO (Literacy) working under CEO DEA Chakwal incurred expenditure of Rs 20.065 on payment of remuneration of NFBE & ALC teachers for Development projects under head A03970 instead of proper head A03919 as detailed below,:-

Sr. No	Name of Project	Amount (Rs)
1	Remuneration Of Teachers NFBES	19,064,946
2	Remuneration Of Teachers, ALC,	999,800
	TOTAL	20,064,746

Audit holds that due to poor financial discipline and non-compliance of rules, expenditure was incurred under wrong head of classification resulting in un-authorized expenditure.

The matter was reported to the DCO/ PAO in December, 2017 but neither any reply was furnished by DDO nor was DAC meeting held till finalization of this report.

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

(AIR Para # 16)

3.4.2.2 Irregular payment on account of purchase of information technoloqh equipments - Rs 10.636 million

According to Rule 2.33 of PFR Volume-I, every Government servant should realize fully and clearly that he will be held on his part.

CEO District Education Authority Chakwal paid an amount of Rs 10.363 million against purchase of IT Equipment for establishment of IT Labs in schools without completion report from the end users i.e the Heads of the Schools. Non availability of completion reports make the delivery doubtful. Detail of expenditure is as below:

Sr. No	Name of Firm	Name of items	Amount paid (Rs)
1	4 U Trade & Serve Islamabad	Computers	8,107,200
2	Unique Trading Services Rwp	Furniture	1,025,280
3	Computer Marketing Co (Pvt) Ltd Islamabad	UPS with Batteries	505,440
4	..do..	..do..	631,800
5	Astron Tech Distributers Lahore	Lab equipment 2kva server	200,070
6	Unique Trading Services Rwp	Networking Equipments	166,500
		Total	10,636,290

Audit holds that due to poor financial discipline and non-compliance of rules, expenditure was incurred without certifying delivery in the form of completion report resulting in un authorized expenditure.

The matter was reported to the DCO/ PAO in December, 2017 but neither any reply was furnished by DDO nor was DAC meeting held till finalization of this report.

Audit recommends for regularization of expenditure besides taking action be taken against the concerned after fixing responsibility against the concerned.

(AIR Para # 7)

3.4.2.3 Expenditure in excess of budget - Rs 6.570 million

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

CEO Education Authority Chakwal incurred following expenditure Rs 6.570 million in excess of the budgetary allocation in violation of above rule.

Year	DDO Code	Budget	Expenditure (Rs)	Excess (Rs)
2016-17	CY6009	0	5,554,570	5,554,570
2016-17	CY6008	0	1,015,030	1,015,030
Total				6,569,600

Audit holds that due to non compliance of rules, expenditure was incurred in excess of budget allocation without approval from competent authority resulting in un authorized expenditure.

The matter was reported to PAO in December, 2017 but neither any reply was furnished by DDO nor was DAC meeting held till finalization of this report.

Audit recommends regularization of excess expenditure from competent authority besides fixing responsibility against the concerned.

(AIR Para # 10)

3.4.2.4 Irregular payment on account of pay and allowances to contract employees-Rs 5.883 Million

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

Following offices of District Education Authority Chakwal paid Rs 5.883 million on account of Pay and Allowances to contract employees without carrying out verification of their degrees from the concerned intitutes as given below:

Sr. No.	Name of office	Amount (Rs)	AIR Para No.
1	Dy DEO (M-EE) Lawa	4,022,620	7
2	Dy DEO (W-EE) Lawa-Schools	1,860,060	6
	Total	5,882,680	

Audit holds that due to non-compliance of rules, salaries were paid to contract employees without verification of degrees resulting in an authorized expenditure.

The matter was reported to PAO in December, 2017 but neither any reply was furnished by DDO nor was DAC meeting held till finalization of this report.

Audit recommends for regularization of expenditure besides action be taken after fixing responsibility against the concerned.

3.4.2.5 Irregular expenditure beyond financial competency of School council-Rs.3.227 million

As mentioned para 4.9.1 of School Council Policy 2007 revised in 2017 and Finance Department Notification No.IT(FD)3-13/2002 dated 7th Jan. 2004 and 29th Jan. 2005, School Council is authorized to incur maximum amount of Rs 400,000 during a financial year (From July to June)

Dy DEO (M) Chakwal incurred expenditure of Rs 3,227,362 from NSB fund without the approval of School council beyond the financial competency as detailed below.

Name of school	Expenditure (Rs)	Period
GES Muhammad Ali	1,155,041	2016-17
GES Sidhar	513,531	2016-17
GES Kalas	486,087	2016-17
GES Amir Pur Mangan	436,359	2016-17
GES Patanlian	421,944	2016-17
GES Jabair Pur (Chakwal)	214,400	2016-17
Total	3,227,362	

Audit holds that due to poor financial discipline and non-compliance of rules, expenditure was incurred beyond competency resulting in un authorized expenditure.

The matter was reported to PAO in December, 2017 but neither any reply was furnished by DDO nor was DAC meeting held till finalization of this report.

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

(AIR Para # 2)

3.4.2.6 Un-justified / irregular drawl of cash – Rs 2.905 million

According para 2.3.2.8 of Policies and Procedures Manual, “the accounting system shall include controls to minimize the risk of fraud and corruption. This objective shall be addressed through issue of payment through direct bank transfer and cheques.

During scrutiny of record it was observed that CEO DEA Chakwal had drawn Rs 2.905 million from treasury in the name of DDO instead of vender in violation of above criteria during 2016-17 as detailed below.

Sr. No.	Cheque No. & Date	To whom Issued	Amount (Rs)
1	666701 / 03-03-2017	Dr. Ghulam Murtaza Anjum, CEO/DEA Chakwal	290,568
2	666702 / 08-03-2017	Javed Mehmood Bhatti	296,316
3	666703 / 17-03-2017	DGPR, Lahore (CEO)	1,033,711
4	666704 / 17-03-2017	CEO/DEA Chakwal	14,120
5	666705 / 17-03-2017	CEO/DEA Chakwal	23,201
6	666706 / 01-04-2017	HM, Deaf & Defective School, Chakwal	79,791
7	666708 / 01-04-2017	HM, Special Education Center, C.S.Shah	87,374

8	666714 / 08-04-2017	HM, Special Education Center, Talagnag	85,720
9	666715 / 08-04-2017	Hamida Tun Nisa W/O Abdul Aziz (Tlg)	95,034
10	666716 / 08-04-2017	HM, Special Education Center, K.Kahar	129,112
11	666717 / 08-04-2017	Muhammad Waqar Malik, (K.K)	44,669
12	666718 / 08-04-2017	HM, MCC, Chakwal	51,438
13	666719 / 08-04-2017	HM, Special Education Center, Lawa	83,012
14	666720 / 08-04-2017	HM, Slow Learner, Chakwal	116,835
15	666722 / 17-04-2017	CEO/DEA Chakwal	25,279
16	666730 /24-04-2017	HM, Special Education Center, Talagang	102,939
17	666731 /24-04-2017	HM, Govt. Institute of Blind, Chakwal	119,048
18	666732 /24-04-2017	HM, Special Education Center, Lawa	9,668
19	666733 /24-04-2017	HM, Deaf & Defective School, Chakwal	216,784
Total			2,904,619

Audit holds that due to poor financial discipline and non-compliance of rules, expenditure was incurred without budget allocation resulting in un authorized expenditure.

The matter was reported to PAO in December, 2017 but neither any reply was furnished by DDO nor was DAC meeting held till finalization of this report.

Audit recommends for regularization besides action after fixing responsibility against the concerned.

(AIR Para # 1)

3.4.2.7 Irregular expenditures on maintenance and repair on account of construction work - Rs 2.845 million

According to NSB Manual 3.4 (7)(8) School Based action plan that construction work will be implemented on approved design and specification of Government. Copy of construction plan and work wherein required technical assistance will be forwarded to the Dy DEO and AEO. The concerned officers is bound to implement the application.

According to PPRA Rule 2014 (59)(b) a procuring agency may provide for petty purchases through at least three quotations where the cost of the procurement is more than fifty thousand rupees but less than one hundred thousand rupees and such procurement shall be exempted from the requirements of bidding procedures; the procuring agency shall, however, ensure that such procurement is in conformity with the principles of procurement;

Dy DEO (M) Chakwal & Dy DEP (W) Chakwal made payment of Rs 2.845 million on account of maintenance and repair, distemper and painting work out of NSB Fund by following schools but detail estimates of actual work including cost of work and labour charges was not prepared. Further payment was made to suppliers/contractor without mentioning the cost of material and labor charges. No tender was called to achieve the economical rates which resulted in violation of PPRA Rules. In the absence of detailed estimates approved by building department the expenditures held irregular and cannot be verified. The detail is as under.

Sr. No.	Name of Formation	AIR Para No.	Amount (Rs)
1	Dy. DEO (M) Chakwal	6	1,434,716
2	Dy. DEO (W) Chakwal	5	1,410,928
Total			2,845,644

Audit holds that due to poor financial discipline and non-compliance of rules, expenditure was incurred without proper tendering and estimates resulting in un authorized expenditure.

The matter was reported to PAO in December, 2017 but neither any reply was furnished by DDO nor DAC meeting held till finalization of this report.

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

3.4.2.8 Irregular expenditure beyond financial competency of School council - Rs 2.337 million

As mentioned para 4.9.1 of School Council Policy 2007 revised in 2017, according to Finance Department Notification No.IT(FD)3-13/2002 dated 7 th Jan 2004 and 29 th Jan 2005, School council is authorized to incur maximum amount of Rs 400,000 during a financial year (From July to June)

During audit of schools working under control of Dy DEO (W) Chakwal it was noticed that, the schools incurred expenditure of Rs 2,336,628 from NSB fund with the approval of School council beyond the financial competency of School council amounting to Rs 400,000 during one financial year as detailed below:

Name of school	Total expenditure (Rs)
GGES Pinwal	410,207
GGES Dhoke Ghulam	494,303

Hussanin	
MC GGES Chakwal	402,290
GGES Rabal	542,664
GGCM Dheedwal	487,164
Total	2,336,628

Audit holds that due to poor financial discipline and non-compliance of rules, income tax was paid out of NSB fund resulting in loss to the government.

The matter was reported to PAO in December, 2017 but neither any reply was furnished by DDO nor was DAC meeting held till finalization of this report.

Audit recommends for regularization of expenditure besides fixing responsibility against responsible.

(AIR Para # 6)

3.4.2.9 Unauthorized payment of income tax out of NSB Fund Rs 1.988 million

As per Section-153(1)(a) of income Tax Ordinance 2001 “the requisite deduction of Income Tax at the prescribed rate is required to be made at source while making payment on accounts of stores/ services rendered”. According to government Punjab notification no.SO(Tax)-2/97 (withholding) dated 18.07.2014 no purchases were made from non-registered firm/individual.

Dy DEO (W) Chakwal has not deducted income tax while making payment. On contrary to above rule, schools under Dy.DEO (W) Chakwal has deposited income tax out of NSB fund instead of deduction from contractor bill. The detail is given below:

Sr. No.	Name of office	Amount (Rs)	AIR No.
1	Dy DEO(W) Chakwal	1,062,366	2
2	Dy DEO(W) Chakwal	925,959	3
	Total	1,988,325	

Audit holds that due to poor financial discipline and non-compliance of rules, income tax was paid out of NSB funds resulting in loss to the government.

The matter was reported to PAO in December, 2017 but neither any reply was furnished by DDO nor was DAC meeting held till finalization of this report.

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

3.4.2.10 Irregular payment without nomenclature -Rs 1.925 million

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

Offices of Dy DEO (M-EE) Lawa & Dy DEO (W-EE) Lawa District Chakwal made payments of pay and allowances amounting to Rs 1.925 million under the head of Others without mentioning actual nomenclature of the pay or allowance paid as detailed below:

Sr. No.	Name of office	Amount	AIR Para No.
1.	Dy DEO (M-EE) Lawa Schools	1,316,893	6
2	Dy DEO (W-EE) Lawa-Admn	608,444	5
	Total	1,925,337	

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

The matter was reported to the PAO in December, 2017 but neither any reply was furnished by DDO nor was DAC meeting held till finalization of this report.

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

3.4.3 Performance

3.4.3.1 Non utilization of funds -Rs 2.324 million

According to rule 64(iv) of PDG & TMA (budget) Rule 2003 district Government shall utilize its resources effectively & efficiently.

The schools working under District Education Authority Chakwal did not utilize the funds meant for the welfare of students and improvement of school facilities detailed in **Annexure-Ckl-G**.

Sr. No.	Name of office	Un-utilized Amount	AIR Para No.
1	Dy DEO (W-EE), Lawa	512,439	3
2	Dy DEO (M-EE), Lawa	432,771	4
3	Dy DEO (M-EE), Chakwal	564,336	8
4	Dy DEO (W-EE), Chakwal	815,366	8
		2,324,912	

Audit holds that due to non utilization of NSB funds by the schools, the students could not benefit from facilities that could have been provided through these funds and ineffective use of government resources in violation of government rules.

The matter was reported to the in December, 2017 but neither any reply was furnished by DDO nor was DAC meeting held till finalization of this report.

Audit recommends that action be taken against the concerned besides efforts for utilization of funds for the benefit of the students of the school.

3.4.3.2 Non-monitoring and reporting of Non salary budget - Rs 24.801 million

According to guideline primary and elementary Manual, AEO is responsible to fill the Annexure (H) in the prescribed proforma and report to EDOs for usage of NSB Fund on monthly basis. Further According to NSB Manual 3.4 School Based action plan be prepared by all the schools. NSB Manual 3.3.1 to 3.3.7 provide guidelines comprising of seven stage for spending out of NSB which includes determination of expenditures, objectives, needs of schools on the basis of priority and preparation of head wise budgets in accordance with NSB Guideline and further approval from competent forum.

Following offices of the District Education Authority, Chakwal disbursed amount of Rs 24.801 million schools on account of NSB without implementation of NSB Manual as per Annexure:H of the manual, as detailed below:

1. Detail of utilization of funds on proforma H was not reported to the EDO by the AEO through Dy DEO (W) for onward submission to the PMIU.
2. Budget was not prepared as per SBAP.

Month of Disbursement to Schools	Amount Disbursed	A.I.R Para No.
Dy DEO M-EE, Talagang	12,132,991	1
Dy DEO W-EE, Talagang	8,092,000	2
Dy DEO M-EE, Chakwal	4576833	11
	24,801,824	

Audit holds that due to poor performance, monitoring and reporting of Non Salary Budget was not carried out due to which the funds could not be utilized / reported effectively.

The matter was reported to PAO in December, 2017 but neither any reply was furnished by DDO nor was DAC meeting held till finalization of this report.

Audit recommends regularization of expenditure besides fixing responsibility against the persons at fault.

3.4.4 Weak Internal Controls

3.4.4.1 Non-obtaining schedule of payments & Non maintenance of cash book / non-reconciliation of expenditure of SDA - Rs 229.585 Million

As per instructions issued by Government of Punjab Finance Department, the SDA cheques will be drawn by authorized signatories of these accounts. The cheques of SDA shall contain a code number (cost center code or project code as per Budget). This code will be used for entry by the DAO/TO on receipt of SDA cheques for endorsement along with schedule of payment in prescribed format and also on receipt of paid cheques from SBP/NBP. Separate SDA will be used for each project. The drawing authorities shall be primarily responsible for the recording and accounting of the expenditure on a daily basis. On a monthly basis (by 7th of each month), the drawing authorities will reconcile expenditure with DAO/TO and ensure its inclusion in the monthly accounts.

DDOs of the CEO DEA Chakwal made payments of 229.585 Million from SDA account during 2016-17. Pass Book was neither the expenditure was reconciled with the DAO nor schedules of the expenditure was obtained resulting in non-maintenance of Pass Book /non-reconciliation of expenditure worth 229.585 Million.

Audit holds that due to poor financial discipline and non-compliance of rules, expenditure was expenditure was not reconciled resulting in un authentic expenditure.

The matter was reported to PAO in December, 2017 but neither any reply was furnished by DDO nor was DAC meeting held till finalization of this report.

Audit recommends for reconciliation besides action be taken after fixing responsibility against the concerned.

(AIR Para # 6)

3.4.4.2 Non-Deposit of auction old material cost without showing cost of old material of dismantled dangerous schools – Rs 78.348 million

Page 207 of Book of Specification of B&R, 1967, provides for Auction/adjustment/reuse of material available at site as well as be mentioned in T.S estimate and the same be deposited in Govt. Treasury.

CEO DEA Chakwal had paid Rs 78.348 million for execution of the construction works of dangerous schools building. Scrutiny of record

revealed that auction/adjustment of cost of old material was not available on record. Neither adjustment of old material for reuse in sanctioned Technical Estimates was provided nor was its auction record by concerned produced to Audit. Further deposit amount on account of its auction in Account VI was not available on record.

Audit holds that due to poor financial discipline and non-compliance of rules, proceeds of auctionable material was not deposited in government treasury resulting in loss to government..

The matter was reported to PAO in December, 2017 but neither any reply was furnished by DDO nor was DAC meeting held till finalization of this report.

Audit recommends recovery after auction of material besides action be taken against the concerned.

(AIR Para # 7)

3.4.4.3 Non recovery of inadmissible advance – Rs 8.953 million

According to CBR letter No.4(47) STB/98 (Vol-I) dated 04-08-2001, all Government Departments and organizations are required to purchase taxable goods only from registered persons against prescribed sales tax invoices and forwarded an intimation to the concerned sales Tax collectorate for the purpose of Audit / verification of deposit of tax. It is the responsibility of a withholding agent, intending to make purchases of taxable goods, shall indicate in an advisement or notice for this purpose that the sales tax to the extent as provided in these rules shall be deducted from the payment to the supplier. According to Section 153 of Income Tax Ordinance, 2001, every prescribed person making a payment in full or part including a payment by way of advance to a resident person or permanent establishment in Pakistan of a non-resident person shall, at the time of making the payment, deduct tax from the gross the amount of tax due on account of supplies and services rendered. According to Sub Treasury Rules 7-A, conveyance allowance was not admissible during leave. Further according to Rule 7.12 of PFR Volume-1 the Head of an office is personally responsible for every pay drawn on a bill. According to instructions contained in Finance Department, Government of the Punjab (Monitoring Wing) Lahore's letter No.FD(M-I)1-15/82-P-I dated 15th January, 2000, the Government servant who is allotted a government residence is not allowed to draw House Rent Allowance and will have to pay House rent @ 5% of the basic pay.

Following DDOs working under the control of District Government Chakwal made un-authorized payments on account of different allowances resulting in the loss of Rs8.953 to the government as given below:

Sr. No.	Formation Name	Nature of recovery	Amount (Rs)	AIR Para No.
1	CEO (DEA) Chakwal	Non deduction of Sales Tax	1,552,522	9
2	Dy DEO MEE, Lawa	Payment of inadmissible Allowances	32,782	1
3	CEO (DEA), Chakwal	Non deduction of income tax	410,962	8
4	Dy DEO (W-EE) Lawa	Payment of inadmissible Allowances	24,798	7
5	DO Secondary Education	HRA	139,458	8
6	DO Secondary Education	Conveyance Allowance alongwih official residence	192,500	7
7	Dy DEO (W-EE) Talagang	Drawl of inadmissible advances	44,945	4
8	Dy DEO (W-EE) Lawa	CA during leave	19,825	8
	Total		2,417,792	

Audit holds that due to poor financial discipline and non-compliance of rules, recovery of un authorized allowances paid has not been made resulting in loss to government..

The matter was reported to PAO in December, 2017 but neither any reply was furnished by DDO nor was DAC meeting held till finalization of this report.

Audit recommends recovery be made besides fixing responsibility against the concerned.

CHAPTER 4

District Education Authority, Gujranwala

4.1 Introduction of Departments

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

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

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

DEA Gujranwala manages following schools / education offices:

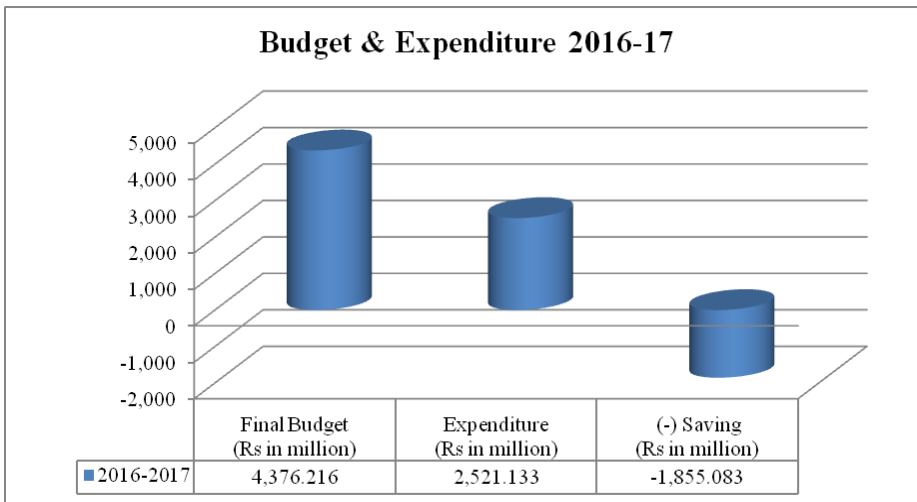
Description	No. of offices / schools
Chief Executive Officer	1
DO (SE)	1
DEO (WEE)	1
DEO (MEE)	1
Dy. DEO (MEE)	4
Dy. DEO (WEE)	4
High and Higher Secondary	269

Schools	
Elementary & Primary Schools	1263
Any other institute	12

4.2 Comments on Budget and Accounts

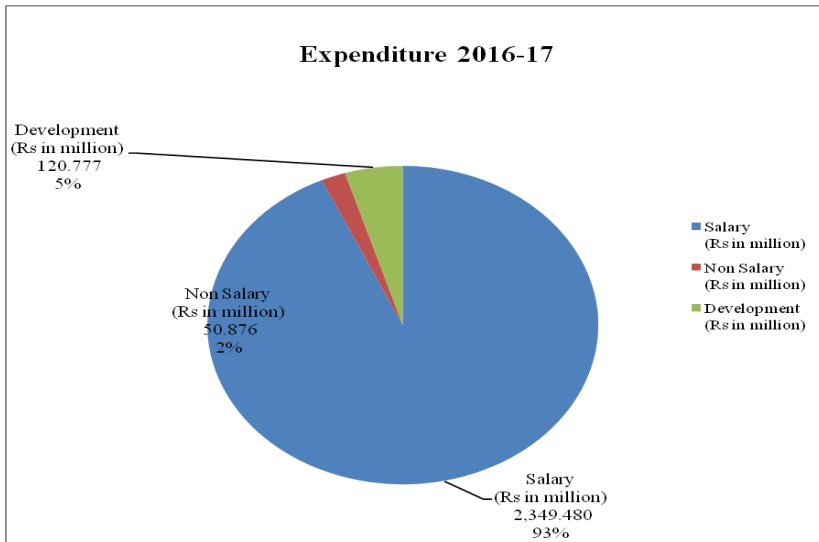
During FY 2016-17 budgetary allocation (inclusive salary, non-salary and development) for District Education Authority was Rs 4,376.216 million whereas, the expenditure incurred (inclusive salary, non-salary and development) was Rs 2,521.133 million, showing savings of Rs 1,855.083 million for the period, which in terms of percentage was 42% of the final budget as detailed below:

FY2016-17	Budget	Expenditure	(-) Savings / (+) Excess	%age of Savings
Salary	4,046.544	2,349.480	-1,697.064	42%
Non Salary	68.088	50.876	-17.212	25%
Development	261.584	120.777	-140.807	54%
TOTAL	4,376.216	2,521.133	-1,855.083	42%



As per the Appropriation Account 2016-17 of District Education Authority, Gujranwala the original budget was Rs 5,132.821 million, Supplementary Grant was Rs -756.604 million and the final budget was Rs 4,376.216 million. Against the final budget total expenditure incurred by the District Education Authority during 2016-17 was Rs 2,521.132 million as detailed in **Annexure-B**.

The salary, non-salary and development expenditure comprised 93%, 2% and 5% of the total expenditure respectively.



4.3 Brief Comments on the Status of Compliance with PAC Directives

This is the first Audit Report on accounts of District Education Authority, Gujranwala which was established in January 2017. Hence, no Audit Report pertaining to preceding years was submitted to Governor of the Punjab to be laid before provincial legislature.

4.4 AUDIT PARAS

4.4.1 Irregularity / Non-compliance

4.4.1.1 Irregular / doubtful expenditure on purchase of furniture - Rs 59.607 million

According to School Education Department letter No. SO (ADP) MISC-420/397/2011 dated 04-12-2012, following steps to be observed for immediate procurement (b) furniture is to be procured by relevant school council (C) Edo Education and DEO (SE) are responsible for expeditious transfer of funds and transparent procurement of furniture by each school council (D) 100% utilization of funds be ensured immediately and furnished the same to this department (Note) the funds shall be utilized by school council of concerned High School as per prescribed guidelines by School Education Department and Finance Department. Moreover, according to clause 5.3 of school council policy 2007 amended up to 2013, DCO will be the sanctioning authority of transfer of funds to school councils and EDO (F) will sent the sanction letter to DAO and EDO (E). EDO (E) will ensure the transfer of funds through relevant Dy. DEOs.

CEO Education Gujranwala transferred an amount of Rs 59.607 million to various High Schools for purchase of furniture in Jun-17. The funds were transferred without the sanction of DCO. No efforts were made to ensure the proper transfer of funds in SMC accounts through relevant Dy. DEOs/DOs because no evidence i.e. bank statements of schools was produced from which it could be ascertained that the amount has been transferred/ deposited in the relevant school designated account. Further no acknowledgment of transfer of funds was found. The expenditure was also held doubtful due to the following reasons.

- Criteria for selection of schools were not found on record.
- Demand from schools for purchase of furniture was not available.
- Record regarding previous purchase of furniture by schools was not produced.
- Stock registers, history sheets, dead stock register, and auction record etc. was not produced for verification of previous purchase of furniture by schools.
- Criteria of selection of members for school council, passed resolution for purchase of furniture from concerned school councils, rough cost estimates, vouchers, cash books, stock registers, delivery challans, criteria for purchase, acknowledgments, quality inspection reports, NOC from TEVTA

Wood Working Centre Gujranwala, bank statements, detail of residual balance was not found on record.

- As per procurement guidelines for school councils
 1. Each school council will prepare development project on Form No.A and approve from AEO but nothing was found on record.
 2. Each school council will prepare development project according to Govt. design, specification and technical inspection but nothing was found on record.
 3. Each school council will incur expenditure as per market or fewer rates but no proof in this regard was available.
 4. Up to purchase of Rs4.00 lac each school council will invite tenders from the contractors and intimate to the EDO Education and District Monitoring officer but nothing was found.
 5. Each school council will prepare rough cost estimate for purchase of items and quantity and in this regard a special notice will be affixed at five prominent places. Further fifteen days will be given for tenders to the contractors but no record available.
 6. Each school council will prequalified the firm regarding contractor previous record, experience, specifications, time of supply, comparative statements, recommendations, and the issuance of supply order to the successful bidders but no record in this regard was found.

Audit was of the view that due to non compliance of rules, funds were transferred without fulfilling the codal formalities.

No reply was submitted by the Management.

The matter was reported to the CEO District Education Authority Gujranwala in September, 2017 but no DAC meeting was convened till the finalization of this report.

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

[PDP No.01]

4.4.1.2 Unauthorized transfer of funds to school councils for -Rs 42.492 million

According to Finance department letter No. IT(FD)3-13/2002 dated 29.01.2005, School Council can incurred an expenditure up to Rs.400,000 during Financial year.

CEO Education Gujranwala, transferrd an amount of Rs 42.492 million to various High Schools for purchase of furniture and construction of toilet blocks in Jun-17. The funds transferred were more than 400,000 to the school councils which were un authorized because schools councils were not empowered to incur expenditure more than 400,000 during financial year.

Audit was of the view that due to non compliance of rules, funds were transferred more than the prescribed limit.

No reply was submitted by the Management.

The matter was reported to the CEO District Education Authority Gujranwala in September, 2017 but no DAC meeting was convened till the finalization of this report.

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

[PDP No.04]

4.4.1.3 Doubtful payment on account of pay to teachers- Rs 22.624 million

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

District Education Officer (Literacy) Gujranwala paid Rs 22.624 million to 299 teachers of NFBE (Non Formal Basic Education), 32 teachers of TSKL (Taleem Sab Ka Liya) and 135 teachers of ALC (Adult Learner Centre). However neither number of students nor their attendance registers were available in record. Inspection reports of Literacy Mobilizers were also not produced to audit for verification.

Audit was of the view that due to non compliance of rules, payment was made to NBFTE teachers without maintenance of requisite record which resulted into doubtful.

No reply was submitted by the Management.

The matter was reported to the CEO District Education Authority Gujranwala in September, 2017 but no DAC meeting was convened till the finalization of this report.

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

[PDP No.05]

4.4.1.4 Irregular / doubtful expenditure on construction of boundary wall - Rs-14.450 million

According to P&D Department letter No. 1(17) RO (ADP) P&D/2012-Re-app dated 15-12-12, the expenditure on provision of boundary wall may be incurred by the nominated executing agencies and issuance of Admin Approval by competent authority and completion of all other codal/ legal/ procedural authorities. According to School Education Department letter No. SO (ADP) MISC-422/423/2012 dated 16-2-13, EDO Education is responsible to arrange certificates to the effect that funds were transferred / utilized by the schools. Moreover, according to clause 5.3 of school council policy 2007 amended up to 2013, DCO will be the sanctioning authority for transfer of funds to school councils and EDO (F&P) will sent the sanction letter to DAO and EDO (E). EDO (Education) will ensure the transfer of funds through relevant DOs/Dy. DEOs.

CEO Education Gujranwala, transferred an amount of Rs 14.450 million to 78 High Schools for construction of boundary walls in Jun-17. The funds were transferred without the sanction of DCO. No efforts were made to ensure the proper transfer of funds in SMC accounts through relevant Dy. DEOs/DOs because no evidence i.e. bank statements of schools was produced from which it could be ascertained that the amount has been transferred/ deposited in the relevant school designated account. Further no acknowledgment of transfer of funds was found on record. The expenditure was also held doubtful due to the following reasons.

- Criteria for selection of schools were not found on record.
- Demand from schools for construction of boundary wall was not available.

- Criteria of selection of members for school council, passed resolution for construction of boundary wall from concerned school councils, rough cost estimates, vouchers, cash books, bank statements, detail of residual balance was not found on record.
- As per procurement guidelines for school councils
 1. Each school council will prepare development project on Form No.A and approve from AEO but nothing was found on record.
 2. Each school council will prepare development project according to Govt. design, specification and technical inspection but nothing was found on record.
 3. Each school council will incur expenditure as per market or lesser rates but no proof in this regard was available.
 4. Up to purchase of Rs 4.00 lac each school council will invite tenders from the contractors and intimate to the EDO Education and District Monitoring officer but nothing was found.

Audit was of the view that due to non compliance of rules, funds were transferred without fulfilling the codal formalities.

No reply was submitted by the Management.

The matter was reported to the CEO District Education Authority Gujranwala in September, 2017 but no DAC meeting was convened till the finalization of this report.

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

[PDP No.03]

4.4.1.5 Irregular / doubtful expenditure on construction of toilet block-Rs 12.420 million

According to P&D Department letter No. 1(17) RO (ADP) P&D/2012-Re-app dated 15-12-12, the expenditure on provision of Toilets may be incurred by the nominated executing agencies and issuance of Admin Approval by competent authority and completion of all other codal/ legal/ procedural authorities. According to School Education Department letter No. SO (ADP) MISC-422/423/2012 dated 16-2-13, EDO Education is responsible to arrange certificates to the effect that funds were transferred / utilized by the schools. Moreover, according to clause 5.3 of school council policy 2007 amended up to 2013, DCO will be

the sanctioning authority for transfer of funds to school councils and EDO (F&P) will sent the sanction letter to DAO and EDO (E). EDO (Education) will ensure the transfer of funds through relevant DOs/Dy. DEOs.

CEO Education Gujranwala, transferred an amount of Rs 12.420 million to 118 High Schools for construction of toilet blocks in Jun-17. The funds were transferred without the sanction of DCO. No efforts were made to ensure the proper transfer of funds in SMC accounts through relevant Dy. DEOs/DOs because no evidence i.e. bank statements of schools was produced from which it could be ascertained that the amount has been transferred/ deposited in the relevant school designated account. Further no acknowledgment of transfer of funds was found on record. The expenditure was also held doubtful due to the following reasons.

- Criteria for selection of schools were not found on record.
- Demand from schools for construction of boundary wall was not available.
- Criteria of selection of members for school council, passed resolution for construction of boundary wall from concerned school councils, rough cost estimates, vouchers, cash books, bank statements, detail of residual balance was not found on record.
- As per procurement guidelines for school councils
 5. Each school council will prepare development project on Form No.A and approve from AEO but nothing was found on record.
 6. Each school council will prepare development project according to Govt. design, specification and technical inspection but nothing was found on record.
 7. Each school council will incur expenditure as per market or lesser rates but no proof in this regard was available.
 8. Up to purchase of Rs 4.00 lac each school council will invite tenders from the contractors and intimate to the EDO Education and District Monitoring officer but nothing was found.

Audit was of the view that due to non compliance of rules, funds were transferred without fulfilling the codal formalities.

No reply was submitted by the Management.

The matter was reported to the CEO District Education Authority Gujranwala in September, 2017 but no DAC meeting was convened till the finalization of this report.

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

[PDP No.02]

4.4.1.6 Unauthorized drawl of pay and allowances Rs3.42 million

According to Rules 4(3)(v) of PDG & TMA (Budget) Rules 2003 the head of office is responsible for ensuring that the funds allotted are spent on the activities for which the money was provided.

During audit of DEO (SE) Gujranwala, it was observed that different staff was transferred to other offices since 01.01.2017 but pay and allowances for Rs 3.421 million were paid to them from DEO (SE) Cost Centers GY-6026 and GA-6037 unauthorizedly.

Audit was of the view that due to non compliance of rules, payment was made to the employees who have been transferred.

No reply was submitted by the Management.

The matter was reported to the CEO District Education Authority Gujranwala in September, 2017 but no DAC meeting was convened till the finalization of this report.

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

[PDP No.02]

4.4.2 Internal Control Weaknesses

4.4.2.1 Doubtful drawl of Govt. money Rs1.40 million

According to Rule 2.2 of PFR Vol-I, All cash transactions should be entered in the Cash Book as soon as they occur and attested in token of check. The Cash Book should be closed regularly and completely checked. In token of the check of the Cash Book, the last entry checked therein should be initialed (with date) by the Government servant concerned on each occasion. The entries in the Cash Book of the cheques drawn from the Audit Office or amount withdrawn from the treasuries should be compared and checked with the list of the Cheques or Treasury Schedules issued by the Audit Office/Treasury Office. A certificate to this effect be recorded in the Cash Book. According to Rule 2.31 of the PFR Vol-I, drawer of bill for pay, allowances, contingent and other expenses will be held responsible for any overcharges, frauds and misappropriation.

During scrutiny of cash book and bank statement of DDO,s A/c of DEO (SE) Gujranwala, it was observed that the following transactions of bank account no.4010938093 NBP Civil Lines Branch Gujranwala were neither entered in the cash book nor compared with the treasury schedules by the DEO (SE) Gujranwala. The amounts were drawn in cash from the treasury through fictitious billing and then misappropriated the Govt. money during financial year 2014-16. These amounts were not tallied with the financial information data as detailed below.

Dated	Cheque no.	Amount Debited (Rs)
30.06.14	8187225	395,000
18.8.14	8187295	24,000
6.11.14	9786922	27,400
7.11.14	9786923	76,355
20.11.14	8187211	9,600
26.11.14		181,688
31.12.14	9786933	15,317
6.1.15	8187293	9,600
8.1.15		67,207
9.1.15	9786935	31,768
9.1.15	8187290	9,600
12.1.15	9786937	1,727
25.2.15	9786942	12,337
6.3.15	9786947	255,000
8.5.15	9786952	29,673
7.7.15	9786953	255,000
Total		1,401,272

Audit was of the view that due to weak internal controls, fictitious payment was withdrawn from treasury.

No reply was submitted by the Management.

The matter was reported to the CEO District Education Authority Gujranwala in December, 2017 but no DAC meeting was convened till the finalization of this report.

Audit recommends that matter needs to be investigated and amount needs to be recovered besides fixing the responsibility against the person(s) at fault under intimation to Audit.

[PDPNo.03]

CHAPTER 5

District Education Authority, Gujrat

5.1 Introduction of Departments

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

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

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

DEA Gujrat manages following schools / education offices:

Description	No. of offices / schools
Chief Executive Officer	1
DO (SE)	1
DEO (WEE)	1
DEO (MEE)	1
Dy. DEO (MEE)	3
Dy. DEO (WEE)	3
High and Higher Secondary	308

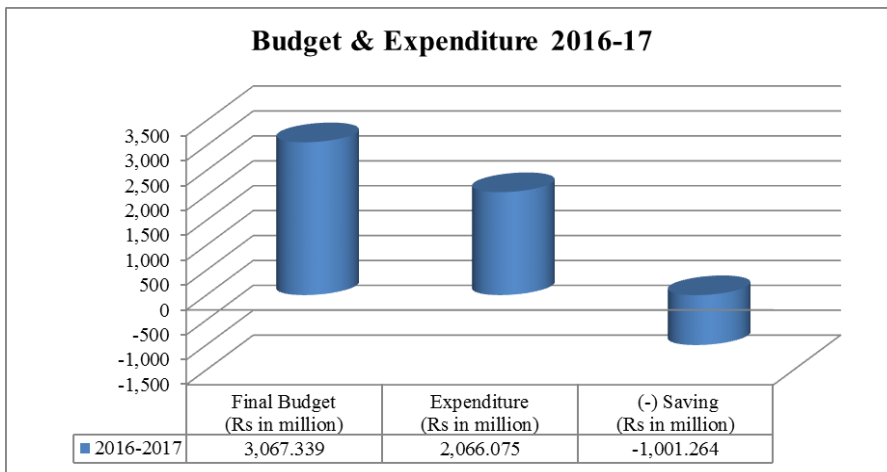
Schools	
Elementary & Primary Schools	1093
Any other institute	5

5.2 Comments on Budget and Accounts

During FY 2016-17 budgetary allocation (inclusive salary, non-salary and development) for District Education Authority was Rs 3,067.339 million whereas, the expenditure incurred (inclusive salary, non-salary and development) was Rs 2,066.075 million, showing savings of Rs 1,001.264 million for the period, which in terms of percentage was 33% of the final budget as detailed below:

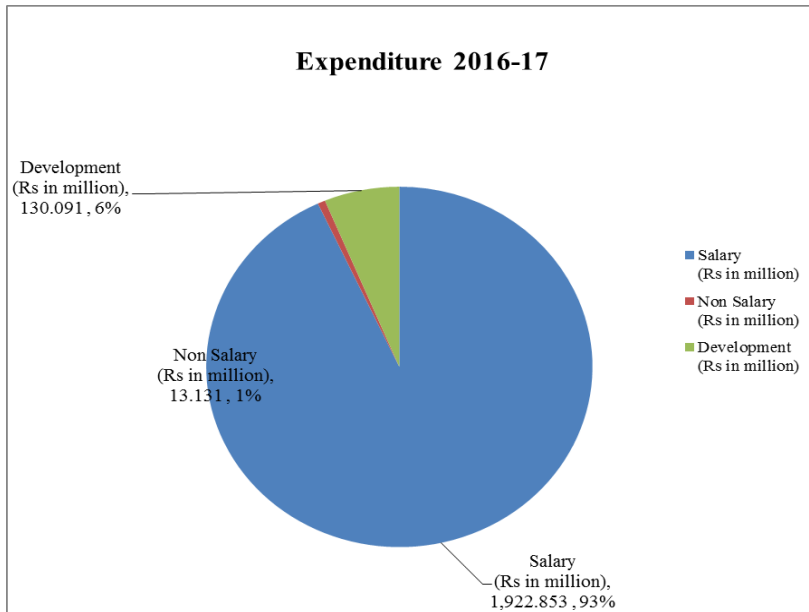
(Rs in million)

FY 2016-17	Budget	Expenditure	(-) Savings / (+) Excess	%age of Savings
Salary	2,843.640	1,922.853	-920.787	32
Non Salary	68.088	13.131	-54.957	81
Development	155.611	130.091	-25.520	16
TOTAL	3,067.339	2,066.075	-1,001.264	33



As per the Appropriation Account 2016-17 of District Education Authority, Gujrat the original budget was Rs 3,067.339 million, Supplementary Grant was Rs 0 million and the final budget was Rs 3,067.339 million. Against the final budget total expenditure incurred by the District Education Authority during 2016-17 was Rs 2,066.075 million as detailed in **Annexure-B**.

The salary, non-salary and development expenditure comprised 93%, 1% and 6% of the total expenditure respectively.



5.3 Brief Comments on the Status of Compliance with PAC Directives

This is the first Audit Report on accounts of District Education Authority, Gujrat which was established in January 2017. Hence, no Audit Report pertaining to preceding years was submitted to Governor of the Punjab to be laid before provincial legislature.

5.4 AUDIT PARAS

5.4.1 Irregularity / Non-compliance

5.4.1.1 Doubtful disbursement of scholarship – Rs 6.45 million

Section 114(1) (2) of PLGO 2001 requires that the accounts of the receipt 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 may, with the approval of the President, prescribe. According to Finance Department's letter No. FD (FR) V-6/2, dated 29th October, 1978, DDOs / Collecting Officers are not allowed to open bank accounts in commercial banks without approval of the Finance Department. Rule 78(1) of PDG & TMA Budget Rules 2003 states that the Collecting Officers shall reconcile his figures with the record maintained by the Accounts Officer by 10th day of the month following the month to which the statement relate. According to the Rule 7(1) of the Subsidiary Treasury Rules, all moneys received by Government shall without undue delay be paid in full into the treasury or into the bank and shall be included in the consolidated fund or public accounts.

Scrutiny of accounts record of CEO District Education Authority Gujrat revealed that an amount of Rs 6.45 million was drawn on account of scholarship from government treasury during the FY 2016-17. However, payee receipts/copy of crossed cheques was not produced to audit for verification. Further merit list was also not available in record. In the absence of relevant record, authenticity of the expenditure could not be verified. Detail of the expenditure is as follows;

Particulars	Document No	Doc. Date	Cost Ctr	Vendor Name	Office	Amount
Scholar Ships For 5th Class	1900086512	16.06.2017	GV 8996	CHEIF EXECUTIVE OFFICER	DEO (M) Gujrat	3,865,200
Scholar Ships For 8th Class	1900086514	16.06.2017	GV 8996	CHEIF EXECUTIVE OFFICER	DO Secondary	2,580,000
Total						6,445,200

Audit was of the view that due to non compliance of rules, scholarship was disbursed among the students without maintenance of requisite record.

No reply was submitted by the Management.

The matter was reported to the PAO in December, 2017 but no DAC meeting was convened till the finalization of this report.

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

[PDP No.02]

5.4.1.2 Unjustified expenditure - Rs 5.749 million

According to the Non Salary Budget Guidelines Clause 5 (Accounting) it is assumed that school will keep following relevant records.

1. Cash book
2. Inventory Register
3. Budget Register

Scrutiny of accounts record of Deputy District Education Officer (EE-W) Kharian District Gujrat revealed that following schools incurred an expenditure of Rs 5.749 million from NSB funds during the Financial Year 2016-17. However payment was made to the suppliers without getting invoices/bills. Further, Acknowledgment Receipts were also missing in record. Due to non maintenance of requisite record expenditure cannot be verified and chances of misappropriation cannot be ruled out.

Audit was of the view that due to non compliance of rules, payment was made to the suppliers without maintenance of requisite record.

No reply was submitted by the Management.

The matter was reported to the PAO in December, 2017 but no DAC meeting was convened till the finalization of this report.

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

[PDP No.05]

5.4.2 Internal Control Weaknesses

5.4.2.1 Doubtful payment to NBFBE teachers- Rs 3.01 million

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

CEO District Education Authority District Gujrat paid Rs 3.01 million to NFBFE (Non Formal Basic Education) teachers of literacy branch during the FY 2016-17. Number of students, attendance record and Inspection reports of Literacy Mobilizers were not available. Record relating payment of salaries to the teachers was not available in the office.

Particular	Document No.	Doc. Date	DDO Desc.	Vendor Name	Amount
278 NFBFE Teacher Salary for May-17	1900129430	20.06.2017	DEO LITERACY (DEVELOPMENT) GURJAT	CHIEF EXECUTIVE OFFICER (LITERACY)	1,390,000
271 NFB Teacher Salary for June-17	1900129433				1,355,000
34 NFB Feeder Teacher Salary For May-17	1900129431				136,000
33 NFB Feeder Teacher Salary For Jun-17	1900129434				132,000
Total					3,013,000

Audit was of the view that due to weak internal controls, record of payment to NBFBE teachers was not maintained properly.

No reply was submitted by the Management.

The matter was reported to the PAO in December, 2017 but no DAC meeting was convened till the finalization of this report.

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

[PDP No.03]

5.4.2.2 Non deduction of income tax - Rs 2.152 million

According to Section 153 of Income Tax Ordinance, 2001 duly amended vide Finance Act 2014, every prescribed person making a payment in full or part including a payment by way of advance to a resident person or permanent establishment in Pakistan of a non-resident person shall, at the time of making the payment to other than a company, deduct tax from the gross amount @ 4.5%, 10% and 7.5% on account of supplies, services and execution of contract respectively, in case of filer and 6.5%, 15% and 10% on account of supplies, services rendered and execution of contract respectively, in case of non-filer, other than company

Scrutiny of accounts record of Deputy District Education Officer (EE-W) Kharian District Gujrat revealed that incharge of the following 218 primary/elementary schools incurred an expenditure on account of purchase of furniture, repair/maintenance of building, white wash of building and purchase of other items under NSB budget allocation. The payment was made including Income Tax amounting Rs 2.152 million. Due to non deduction of Income Tax at source, overpayment was made to the contractors/suppliers.

Audit was of the view that due to weak internal controls, Income Tax @ 6.5% was not deducted from the contractors' bills being non filers.

No reply was submitted by the Management.

The matter was reported to the PAO in December, 2017 but no DAC meeting was convened till the finalization of this report.

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

[PDP No.01]

5.4.2.3 Non deduction of income tax on leave encashment - Rs 1.42 million

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

Deputy District Officer (EE-M) & (EE-W) of District Gujrat, made payment of amounting Rs 28.34 million on account of leave encashment to the retired employees during the financial year 2016-17. However Income Tax @ 5% was not deducted from the leave encashment bills. Due

to non deduction of Income Tax, overpayment of Rs 1.42 million was made to the officers/officials.

Sr. No.	Formation	Amount (Rs)
1	Dy. DEO (EE-M) Gujrat	596,483
2	Dy. DEO (EE-M) Kharian	331,662
3	Dy. DEO (EE-W) Gujrat	488,430
Total		1,416,575

Audit was of the view that due to weak internal controls, Income Tax @ 5% was not deducted from the leave encashment bills which resulted overpayment.

No reply was submitted by the Management.

The matter was reported to the PAO in December, 2017 but no DAC meeting was convened till the finalization of this report.

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

[PDP No.04, 01 & 01]

5.4.2.4 Non recovery of conveyance allowance - Rs 0.916 million

According to Rule 1.15 of Punjab Traveling Allowance Rules, no conveyance allowance is admissible during leave, or joining time. Every government servant should realize fully and clearly that he will be held personally responsible for any loss sustained through fraud, negligence on the part of the government servant up to the extent to which he has contributed towards the fraud according to Rule 2.33 of the PFR Vol-I.

Deputy District Education Officer (EE-W) Kharian District Gujrat revealed that summer vacations were announced in the month of May 2017. However, Conveyance Allowance was not deducted of the days of May 2017. Due to non deduction of Conveyance Allowance of the teaching staff, overpayment was made to the officers/officials.

Category	No. of posts	Conveyance Allowance	Recovery of summer vacation (22.05.2017 to 31.05.2017)
EST	152	2856	140,036
PST	1103	1932	687,418
SST	55	5000	88,710
Total			916,164

Audit was of the view that due to weak internal controls, conveyance allowance was not deducted which resulted overpayment to the teachers.

No reply was submitted by the management.

The matter was reported to the PAO in December, 2017 but no DAC meeting was convened till the finalization of this report.

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

[PDP No.04]

CHAPTER 6

District Education Authority, Hafizabad

6.1 Introduction of Departments

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

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

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

DEA Hafizabad manages following schools / education offices:

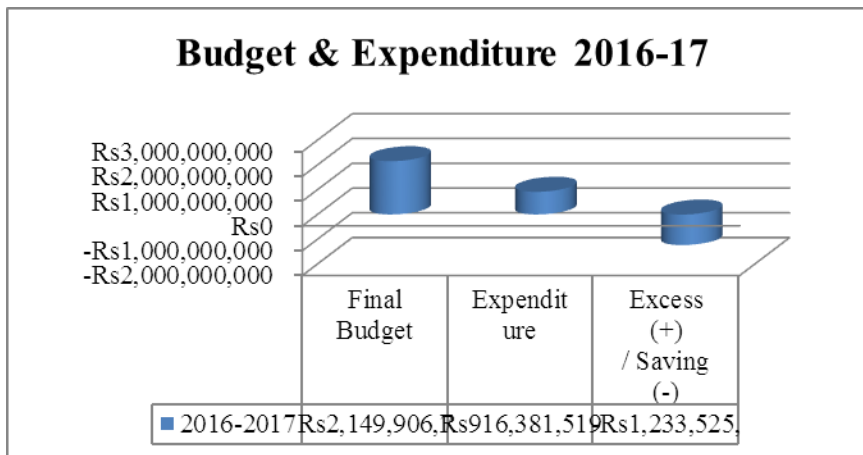
Description	No. of offices / schools
Chief Executive Officer	1
DO (SE)	1
DEO (WEE)	1
DEO (MEE)	1
Dy. DEO (MEE)	2
Dy. DEO (WEE)	2
High and Higher Secondary	81

Schools	
Elementary & Primary Schools	652
Any other institute	3

6.2 Comments on Budget and Accounts (Variance Analysis)

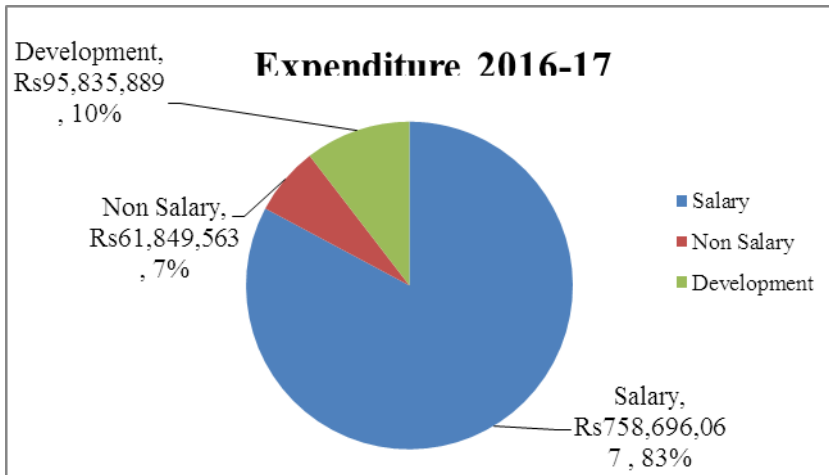
During FY 2016-17 budgetary allocation (inclusive salary, non-salary and development) for District Education Authority was Rs 2,149.906 million whereas, the expenditure incurred (inclusive salary, non-salary and development) was Rs 916.38 million, showing saving of Rs 1,233.525 million for the period, which in terms of percentage was 57.38% of the final budget as detailed below:

Financial Year 2016-17	Budget (Rs in million)	Expenditure (Rs in million)	(-) Saving (Rs in million)	%age of Savings
Salary	1,779.744	758.696	-1,021.048	57%
Non Salary	197.749	61.849	-135.899	69%
Development	172.413	95.835	-76.578	44%
TOTAL	2,149.906	916.38	-1,233.525	57.38%



As per the Appropriation Account 2016-17 of District Education Authority, Hafizabad the original and final budget was Rs 2,149.906 million. Against the final budget total expenditure incurred by the District Education Authority during 2016-17 was Rs 916.381 million as detailed in Annexure-B.

The salary, non-salary and development expenditure comprised 83% 07% and 10% of the total expenditure respectively.



6.3 Brief Comments on the Status of Compliance with PAC Directives

This is the first Audit Report on accounts of District Education Authority, Hafizabad which was established in January 2017. Hence, no Audit Report pertaining to preceding years was submitted to Governor of the Punjab to be laid before provincial legislature.

6.4 AUDIT PARAS

6.4.1 Non-production of Record

6.4.1.1 Non-production of record – Rs 8.928 million

According to Section 14(1)(b) of Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001, the Auditor-General shall have authority to require that any accounts, books, papers and other documents which deal with, or form, the basis of or otherwise relevant to the transactions to which his duties in respect of audit extend, shall be sent to such place as he may direct for his inspection. Further, according to Section-115(5) & (6) of PLGO, 2001, at the time of audit, the officials concerned shall provide all record for audit inspection and comply with any request for information in as complete a form as possible and with all reasonable expedition.

Chief Executive Officer, District Education Authority, Hafizabad paid amounting Rs 8.929 million during the period from January 2017 to June 2017 to various payees out of Special Drawing Account. But Cash Book of SDA and detail of expenditure did not produce for audit scrutiny. In absence of such record the actual expenditure could not be verified as detailed below:-

Name of Formation	Detail of expenditure	Rs in million
CEO District Education Authority	Cash Book of SDA and Detail of Expenditure	8.928

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

No reply was submitted by the Management.

The matter was reported PAO concerned in September, 2017 but neither reply was submitted nor was DAC meeting convened till finalization of this report.

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

[PDP No.06]

6.4.2 Irregularity / Non-compliance

6.4.2.1 Irregular disbursement of PEC funds - Rs 8.550 million

As per guide lines of Punjab Execution Department, CEO (DEA) will sanction the claims in the light of guidelines issued time to time by PEC for all the categories of PEC Examination 2017 and issue sanction / approval orders in respect of each claim separately. General Instructions are as follows:

11. Attested photocopies of bank cheques issued to field offices /CTSC for further disbursement to exam staff (in the field) must be attached along with the vouched accounts.
12. Bank statement (confirming debits) from CEO official bank account must be attached with the vouched account to confirm debit charge.
13. The record of claims duly supported with necessary documents i.e duty orders , attendance, etc in respect of supervisory and marking staff will be maintained separately in the respective district for audit purposes.
14. The complete vouched account including “Acquaintance Roll” containing Exam Center wise particulars of the recipients as detailed in the computer generated lists will be maintained for invigilating and marking staff separately and original lists (Acquaintance Roll) with Revenue stamps of requisite value shall be submitted to PEC with in 30 days. A copy of the same shall be retained in your office and ECC/CTSC Heads for audit and record purpose.

Chief Executive Officer, District Education Authority Hafizabad received funds of Rs 8.550 million for the financial year 2016-17 (January 2017 to June 2017) from Punjab Examination Commission to pay concerned staff who performed different duties during Primary & Middle Examination conducted by PEC. Following discrepancies were found during audit scrutiny:

- i. Claims were paid without sanction of CEO DEA Hafizabad.
- ii. Records of claim i.e duty orders, attendance etc were not on record.
- iii. Bank statement (confirming debits) from CEO official bank account was not provided / maintained.
- iv. Receipt and disbursement of cash/ funds were not entered in cash book.

- v. Rs 1.25 million was self drawn for payment to field staff instead of issuing cross cheques as required by guideline No.11

Audit was of the view that due to non compliance of prescribed procedure, and dereliction on the part of the financial management, inadmissible payment was made.

No reply was submitted by the Management.

The matter was reported PAO concerned in September, 2017 but neither reply was submitted nor was DAC meeting convened till finalization of this report.

Audit recommends fixing of responsibility for non-maintenance of record and submission of record for verification.

[PDP No.07]

6.4.2.2 Doubtful payment of pay of teachers - Rs 11.650 million

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

District Education Officer (Literacy) Hafizabad paid Rs11.650 million to 310 teachers of NFBE (Non Formal Basic Education) and 785 teachers of ALC (Adult Learner Centre) for the financial year 2016-17 (January 2017 to June 2017). Moreover, neither number of students nor their attendance registers were available in record to ascertain that either school is existing or not. Inspection reports of Literacy Mobilizers were also not produced to audit for verification. The absence of such procedural formality, leads to be doubtful payment made to teacher

Audit was of the view that due to non-compliance of rules, appropriate procedure was not adopted for incurring expenditure, which resulted in doubtful expenditure.

No reply was submitted by the Management.

The matter was reported PAO concerned in September, 2017 but neither reply was submitted nor was DAC meeting convened till finalization of this report.

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

[PDP No.10]

6.4.2.3 Doubtful payment of financial assistance - Rs 1.60 million

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

Chief Executive Officer, District Education Authority Hafizabad passed sixteen (16) financial assistance cases for the financial year 2016-17 (January 2017 to June 2017). District Accounts Office Hafizabad, passed all the submitted case. As per FI data three cases valuing Rs 1.600 million were reversed.CEO Education Hafizabad paid Rs 11.200 million as financial assistance to sixteen (16). Payment of three reversed cases of value Rs 1.600 million was doubtful.

Audit held that proper record of financial assistance claims was not maintained to fulfill their ulterior objective due to weak internal controls which resulted in irregular expenditure.

No reply was submitted by the Management.

The matter was reported PAO concerned in September, 2017 but neither reply was submitted nor was DAC meeting convened till finalization of this report.

Audit recommends investigation of the matter and fixing of responsibility against the person at fault.

[PDP No.05]

6.4.3 Internal Control Weaknesses

6.4.3.1 Unauthorized expenditure without advertisement – Rs 4.289 million

According to Rule 12(2) read with of Rule 9 Punjab Procurement Rules 2014, procurements over two million rupees should be advertised on the PPRA’s website as well as in other print media or newspapers having wide circulation. The advertisement in the newspapers shall principally appear in at least two national dailies. A procuring agency shall announce in an appropriate manner all proposed procurements for each financial year and shall proceed accordingly without any splitting of the procurements so planned. The annual requirements thus determined would be advertised in advance on the PPRA’s website.

Head of various formations paid an amount of Rs 4.289 million for the purchase of different supplies by splitting the indents through calling quotations in small orders instead of publishing advertisement on PPRA website during the period from January 2017 to June 2017. This resulted in uneconomical purchase as detail below:-

Name of Formation	Description	Amount (Rs)
HM Slow learner School Hafizabad	Purchase of Uniform	1,087,888
HM Govt. Special Education Centre Hafizabad	Purchase of Uniform	3,201,288
	Total	4,289,176

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

No reply was submitted by the Management.

The matter was reported PAO concerned in September, 2017 but neither reply was submitted nor was DAC meeting convened till finalization of this report.

Audit recommends fixing of responsibility for non compliance of govt. rules against the person at fault.

(PDP No.01,& 01)

6.4.3.2 Irregular procurement of uniform-Rs 1.198 million

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

HM Govt. Special Education Center, Pindi Bhattian incurred the expenditures for purchase of uniforms amounting Rs 1,198,560 during the period from January 2017 to June 2017. The expenditures held irregular due to following reasons: -

- i. Technical & Financial Bids Evaluation Reports were not prepared.
- ii. Stock Register containing the entries of purchase and specifications of items purchased was not found in record.
- iii. Evaluation criteria, against which bids were evaluated, was not prepared.
- iv. No evaluation reports were announced for informing justifications about acceptance or rejection of bids.
- v. No specifications of procured items were determined.
- vi. Estimated Cost / Market Value of procured items was not determined before entering into procurement process.

Audit was of the view that due to non-compliance of rules and dereliction on the part of the financial management, government rules were violated.

No reply was submitted by the Management.

The matter was reported PAO concerned in September, 2017 but neither reply was submitted nor was DAC meeting convened till finalization of this report.

Audit recommends investigation of th matter besides fixing of responsibility against the person at fault.

[PDP No 05]

6.4.3.3 Non recovery of advance increments – Rs 1.013 million

In pursuance of Supreme Court Decision, Elementary School Teachers possessing qualification of B.A/B.Sc. (2nd division) plus prescribed professional training (B.Ed.) would be placed in BS-14 in view of up gradation of their scales w.e.f. 08-05-1998 and such teachers would not be entitled to advance increments granted from time to time as same would amount to double benefit not admissible under any cannon of interpretation According to Govt. of the Punjab Education Deptt. No. PA/Asg-Mis/97 dated 27-11-97 read with Finance Department, Govt. of Punjab notification No. FD.PR/21-3/2004 dated 05-11-2004.

Principal GGHSS Sukeki, District Hafizabad paid double benefits to undermentioned teachers i.e. BPS 9 and BPS-14 as well as advance increments on account of passing F.A,B.A./B.Ed./CT examination which is violation of above said rule/decision and loss to Govt. of Rs 1,013,000 as detailed below.

Name of teacher	Order No & Date of advance increments on A/c of B.A./B.Ed.	Amount (Rs)
Aneela Dilshad. SV	Order No 1950/EII dt 20.11.94 three advance increment and award of BPS 14 vide order No Order No 1952/EII dt 20.11.94	175,000
Khalida Rehman.EST	Two advance increment of FA 41/EII 21.3.90 One increment CT vide 77/EV dated 20.4.92 and scale No 9 vide No 230/EII dated 6.4.91	248,000
Shehnaz Kousar.EST	One advance increment of CT 200/EII dated 25.1.2001 and award of BS-9 vide No 625/EI dated 27.8.99	145,000
Salma Noreen. EST	Two advance increment of FA vide No 472/EII dated 26.9.87 and award of BPS 9 vide No 240/EII Dated 9.4.91 and 3 advance increment of BA vide No 588 EII dated 23.4.99 and BPS 14 vide No 590EII dated 23.4.99	280,000
Raheela Nasreen.SV	Three advance increment vide No 1510-14 dated 3.10.95 and awarded BPS 14 vide DEO F Faisalabad order No 6794-6800 dated 27.10.91	165,000
Total recoverable		1,013,000

Audit was of the view that due to non-compliance of rules and dereliction on the part of the financial management, double benefit paid to above mentioned teachers.

No reply was submitted by the Management.

The matter was reported PAO concerned in September, 2017 but neither reply was submitted nor was DAC meeting convened till finalization of this report.

Audit recommends re-fixation of pay and allowances besides calculate actual recovery of overpayment.

[PDP No.05]

CHAPTER 7

District Education Authority, Jhelum

7.1 Introduction of the Authority

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

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

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

DEA Jhelum manages following schools / education offices:

Description	No. of offices / schools
Primary Schools	529
Middle Schools	138
High School	147
Higher Secondary School	11
Deputy DEO (MEE)	4
Deputy DEO (WEE)	4
DEO (Elementary Education)	2

DEO (Secondary Education)	2
CEO (District Education Authority)	1

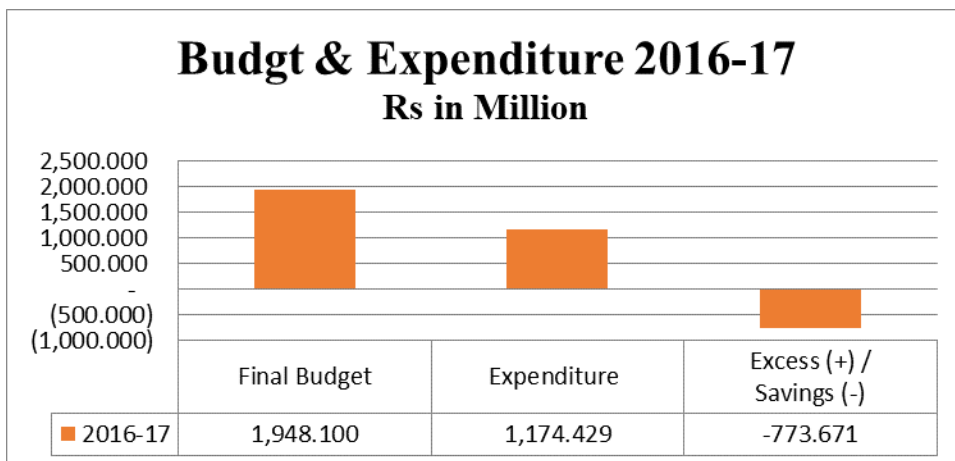
7.2 Comments on Budget and Accounts

Total budget of District Education Authority Jhelum was Rs 1,948.100 million including salary and non salary component of Rs 1,433.704 and Rs 141.795 respectively and development component of Rs 372.601 million. Expenditure against Salary component was Rs 907.653 million, Non salary component was Rs 89.768 million and Development Component was Rs 177.008 million. Overall savings were Rs 773.671 million which was 39.71% of total budget.

Financial Year 2016-17	Budget (Rs)	Expenditure (Rs)	Excess (+) / Saving (-) (Rs)	% saving
Salary	1,433.704	907.653	526.051	36.69
Non Salary	141.795	89.768	52.027	36.69
Development	372.601	177.008	195.593	52.49
Total	1,948.10	1,174.429	773.671	39.71

As per the Appropriation Account 2016-17 of District Education Authority Jhelum the original budget was Rs1948.101 million, supplementary grant was Rs 19.422 million whereas Rs 19.422 million were surrendered/ withdrawn and the final budget was Rs 1948.101 million. Against the final budget, total expenditure incurred by District Education Authority during 2016-17 was Rs 1,174.429 million, as detailed at Annexure-B

The Salary, Non Salary and Development expenditure comprised 77%, 8% and 15% of the total expenditure respectively.



The overall saving of Rs 773.67 million was 39.71% of the final budget.

7.3 Brief Comments on the Status of Compliance with PAC Directives

This is the first Audit Report on accounts of District Education Authority, Jehlum which was established in January 2017. Hence, no Audit Report pertaining to preceding years was submitted to Governor of the Punjab to be laid before provincial legislature.

7.4 AUDIT PARAS

7.4.1 Non-production of Record

7.4.1.1 Non-production of record – Rs 608.711 million

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

Various DDOs of District Education Authority Jhelum did not produce the requisite record for Audit verification. Detail of record not produced to Audit is given below.

Name of Formation	Description	Amount (Rs)
Dy DEO (W-EE) Jhelum	Payroll for the financial year 2015-17 Unserviceable stock register	251,019,005
Dy DEO (W-EE) Sohawa	Record of payroll for the year 2016-17 and unserviceable items register	180,351,530
Dy DEO (M-EE) Sohawa	GPS Aima Unserviceable stock register	177,340,493
	Total	608,711,028

Audit holds that due to defective financial discipline and non compliance of rules, relevant record was not produced to audit by the auditee in violation of Constitutional provisions.

The matter was reported to PAO in November, 2017 but neither reply was submitted nor was DAC meeting convened till finalization of this Report

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

AIR Para #11, 8, 11

7.4.2 Irregularity & Non Compliance of Rules

7.4.2.1 Misclassification of expenditure – Rs 169.571 million

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

Scrutiny of record, it was noticed that CEO(Education) Jhelum had incurred various expenditure Rs169,571,320 under development but all had been booked under head A05270-others instead of their regular head of account mentioned against each, which resulted in misclassification of expenditure as detailed in **Annexure-D**.

Audit was of the view that due to financial mismanagement, expenditure was incurred under wrong head of account.

The matter was reported to PAO in November, 2017 but neither reply was submitted nor was DAC meeting convened till finalization of this Report.

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

AIR Para # 05

7.4.2.2 Overstaffing in violation of government policy- Rs 42.28 million

Government of the Punjab, Education Department School wing vide letter No.SOS-IV/2-16/2003 dated 19.09.2005 for increase the efficiency of the teachers and to utilize surplus staff, rationalization was required to be carried out at ratio of 1:40. Where surplus in cadre found, junior most teacher be re-allocated.

Scrutiny of the record of Following DDOs revealed that Dy DEOs, of P.D. Khan had over-staffed the teaching officials resulting in excess expenditure of Rs 42.28 million resulted in loss to the Government as detailed below:

Name of Formation	AIR Para No.	Description	Rs in million
Dy DEO W EE PD Khan	1	Overstaffing in violation of government policy	14.38

Name of Formation	AIR Para No.	Description	Rs in million
Dy DEO M EE PD Khan	1	Overstaffing in violation of government policy	27.90
		Total	42.28

Audit was of the view that due to weak internal controls, teachers were hired over and above the defined criteria resulting in loss to the government.

The matter was reported to PAO in November, 2017 but neither reply was submitted nor was DAC meeting convened till finalization of this Report.

Audit recommends that action be taken against the responsible besides rationalization as per government policy.

7.4.2.3 Irregular expenditure from account-IV - Rs 5.237 million

According to Notification No.SO (TT)6.1.2013 Government of the Punjab Finance Department Dated Lahore the 29th December 2016,it is pertinent to mention here that single or jointly operated Special Drawing Accounts (SDAs), Assignment Accounts and Personal ledger Accounts (PLAs) were sanctioned by the Government of Punjab in favor of District Governments in Punjab and TMAs, were jointly operated by the District Coordination Officers (DCOs) and EDO (F&P), (Education), (Health) or any other officer of the District Government, TMAs for their fiscal operations. With the repeal of the PLGS, 2001 The new local governments i.e. District Education Authorities, District Health Authorities, will be established under PLGA, 2013 as successor to the erstwhile local Governments and District Councils. The SDAs Assignment Accounts and PLAs so sanctioned will now be operated by officers of the successor local governments

Scrutiny of record of the Following DDOs of District Jhelum, it was observed that after Dec, 2016 District Government was abolished and Account-V was created for the budget and expenditure of Education Authority but contrary to this the expenditure of amounting to Rs 5.237 million was paid from account IV which was irregular after promulgation of Local Government Act-2013.

Name of Formation	Description	Rs in million
GGHS Langer Poor	Expenditure from Account -IV after promulgation of Local Government Act-2013.	1.607
GGHS Toor	Expenditure from Account -IV after promulgation of Local Government Act-2013.	1.027

Name of Formation	Description	Rs in million
Special Education VHC Centre, Jhelum	-do-	2.603
	Total	5.237

Audit was of the view that due to defective financial discipline and weak internal controls payment was made without any admissibility.

The matter was reported to PAO in November, 2017 but neither reply was submitted nor was DAC meeting convened till finalization of this Report

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

AIR Para #4, 1 & 1

7.4.2.4 Irregular payment without nomenclature - Rs 3.056 million

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

Scrutiny of record revealed that DY DEOs of District Jhelum had drawn Rs 3.945 million on account of Pay and Allowances of the officials/ officers for different allowances under head A01270-others in violation of Govt., instructions during 2016-17. Negligence resulted in irregular payment of allowances as detailed below.

Name of Formation	Description	(Rs in million)
DY DEO W E E Jhelum	Payment without nomenclature	3.056
DY DEO M E E Sohawa	Payment without nomenclature	0.889
	Total	3.945

Audit was of the view that due to financial mismanagement, expenditure of Rs 3.945 million was incurred under wrong head of account.

The matter was reported to PAO in November, 2017 but neither reply was submitted nor was DAC meeting convened till finalization of this Report

Audit recommends regularization of misclassified expenditure besides fixing responsibility of the person at fault.

AIR Para#8, 10

7.4.2.5 Irregular expenditure without concurrence of AEO – Rs 1.845 million

According to para 3.4(1) of Booklet of guide lines for NSB (Non-salary Budget) issued by PMIU Education Department Govt., of the Punjab, School based action plan regarding needs of schools should be prepared and sent to AEO information and approval.

In violation of the above rules, following schools did not submit the “School Based Action Plans” to AEO for concurrences and information this resulted in irregular expenditure of Rs 1,844,999 as detailed below:

Sr. No	Name of School	Amount (Rs)
1	GPS MC Machine Mohhala No.3	203,803
2	GPS Bhatial	128,735
3	GPS Taleem ul islam	87,203
4	GPS Chak Mughlan	106,248
5	GMC P school Boarding Mohalla	232,000
6	GPS Suliman Paras	102,500
7	GES Pkhawal Khan	157,482
8	GPS Matial	101,520
9	GPS Poreela	148,275
10	GPS Awana	108,000
11	GES Chak Jamal	307,661
12	GPS Baigpur	100,826
13	GPS Khai Kotli	60,746
	Total	1,844,999

Audit was of the view that due to defective financial discipline and weak internal controls payment was made without concurrence of AEO.

The matter was reported to the CEO / PAO in November 2017. No tenable replies were submitted by DDOs. was DAC meeting not held, No further compliance was reported till finalization of this Report.

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

AIR Para#03

7.4.3 Performance

7.4.3.1 Non-verification of receipt deposits - Rs 143.546 million

According to Rule 16(2) of PFR Vol-I amount deposited in government treasury should be reconciled with concerned Treasury Office.

Scrutiny of record of CEO(DEA) Jhelum revealed that a cheque for Rs 143,546,378 was received from SDO Buildings on account of unspent balance of development schemes financial year 2016-17. The said amount was shown deposited. But the challan was not got verified from the treasury.

Audit holds the irregularity was occurred due to weak financial controls. This resulted in violation of government rules

The matter was reported to PAO in November, 2017 but neither reply was submitted nor was DAC meeting convened till finalization of this Report

Audit requires that appropriate action be taken.

AIR Para#7

7.4.3.2 Less-utilization of funds – Rs 12.731 million

Para 12 of the GFR Vol-1 requires that a controlling officer must see not only that the total expenditure is kept within the limits of the authorized appropriation but also that the funds allotted to spending units are expended in the public interest and upon objects for which the money was provided.

Scrutiny of record of CEO District Education Authority Jhelum it was noticed that development funds amounting to Rs 21,476,000 were allocated for purchase of IT Equipment and for provision of missing faculties out which an amount of Rs 8,745,320 was utilized for the purpose. Remaining funds amounting to Rs 12,730,680 was remained un-utilized during the year 2016-17 as detailed below:

Head	Description	Budget Allocation (Rs)	Expenditure (Rs)	Difference (Rs)
A05270	Purchase of IT Equipment	16,000,000	7,376,320	8,623,680
A05270	Provision of missing facilities	5,476,000	1,369,000	4,107,000
	Total	21,476,000	8,745,320	12,730,680

Audit holds the irregularity was occurred due to weak internal controls. This resulted in violation of government rules and inefficient use of government resource on the part of management.

The matter was reported to PAO in November, 2017 but neither reply was submitted nor was DAC meeting convened till finalization of this Report

Audit requires that action be taken against the concerned.

AIR Para#05

7.4.3.3 Non-completion of Development Schemes of Education Department Dangerous Building – Rs 8.057 million

Rule 2.115 (1) of B&R Codes states that “a detailed Completion Report or a completion statement must be prepared on the completion of works”. Further, Rule 2.115 (2)(a) of B&R Codes states that “Detailed completion report in Building and Roads Account from 44, 47 is to be submitted on completion of works, on which the outlay has been recorded by the Sub-heads. It should give a comparison and explanation of differences between quantities rates, and cost of various items of work executed and those in the estimate, and should also mention the names of the Engineers and Overseers, who supervised the work from time to time during the periods of its execution”.

Scrutiny of record of CEO (Education) Jhelum it was noticed that different development schemes regarding missing facilities in school has been executed by DO(Buildings) Jhelum against deposit work but the schemes could not be completed within stipulated time period as detailed below;

Name of scheme	Date of Start	Due Date of Completion	TS. Estimate	Expenditure	Physical Progress	Remarks
Construction of 2 Class Rooms with verandah in GHS Surgdhan, Tehsil Sohawa	22.12.16	21.05.17	3.019	0.479	16%	Class rooms F&P in progress.
Construction of Examination Hall with Verandah in GHS Pari Dervaiza, Tehsil Sohawa.	17.12.16	16.04.17	2.938	1.557	52%	Examination Hall: Brick work at roof level.
Construction of 1 class room with verandah in GPS Raitli Sohawa	22.12.16	21.05.17	3.676	2.238	57%	Class Rooms: Brickwork completed upto roof level. B/wall:

Construction of Boundary wall and 1 class room with verandah in GGPS Bhit Sher Ali Sohawa	17.12.16	16.04.17	2.613	1.112	41%	Completed Class Rooms: F&P in progress. Boundary Wall: completed.
Construction of Examination Hall in GBHS Khewra, P.D.Khan	22.12.16	21.05.17	3.738	2.671	69%	Examination Hall Plastering in progress
Total			15.984	8.057		

Audit holds the irregularity was occurred due to weak internal controls. This resulted in violation of government rules

The matter was reported to PAO in November, 2017 but neither reply was submitted nor was DAC meeting convened till finalization of this Report

Audit stresses that action be taken against the concerned.

AIR Para#02

7.4.3.4 Unjustified provision of extra funds in non-salary budget account - Rs 3.179 million

According to para 2.1 of Booklet of guide lines for NSB (Non-salary Budget) issued by Education Department Govt., of the Punjab “NSB funds is provided to fulfill the daily needs of school and to facilitate the education activities”

Scrutiny of record of Dy DEO (M-EE) Jhelum it was found that a sum of Rs 3,179,140 was found unutilized in the NSB, SMC and FTF accounts of the schools as detailed below.

Sr No.	Name of School	Funds not utilized (Rs)			
		FTF	NSB	SMC	Total
01	GPS Dhok Firdous	229,143	281,098	-	510,241
02	GES Jada	-	370,343	-	370,343
03	GPS Khawas Pur	43,156	363,352	-	406,508
04	GPS Makhdum Pur baili	117,138	250,287	-	367,425
05	GPS Khurd	48,385	206,970	-	255,355
06	GPS MirPur Khurd	74,313	265,601	48,135	388,049
07	GPS Nougran	69,351	211,562	0	280,913
08	GPS Hamwala	81,332	203,711	0	285,043
09	GES Langarpur	0	315,263	0	315,263
	Total				3,179,140

Further it was observed that schools were provided extra funds in NSB accounts beyond their needs according to the number of students enrolled. The heads of the schools were also strictly directed to utilize all these funds in any case. Provision of extra fund with directions to utilize all funds may cause misappropriation of funds or unnecessary expenditure by the schools and wastage of Govt., money.

Audit was of the view that due to weak monitoring and internal controls of the office the irregularity was occurred.

The matter was reported to PAO in November, 2017 but neither reply was submitted nor was DAC meeting convened till finalization of this Report

Audit recommends that funds should be provided according to the requirements and needs of the schools and unutilized or extra funds should be shifted from the schools to other schools where needed under intimation to Audit

AIR Para #01

7.4.3.5 Non-utilization of funds- Rs 2.43 million

Para 12 of the GFR Vol-1 requires that a controlling officer must see not only that the total expenditure is kept within the limits of the authorized appropriation but also that the funds allotted to spending units are expended in the public interest and upon objects for which the money was provided.

The schools under Dy DEO W-EE,-Pind Dadan Khan, Jhelum did not utilize the funds received under NSB Grant meant for the welfare of students and improvement of school facilities.

Name of school	Amount Rs.
GGES Sagharpur	341,170
GGES Chak Dhamyal	185,336
GGPS Khotian	248,546
GGPS Jatana	218,088
GMPS Sachota	219,597
GGES Dhudi Thal	207,928
GGPS Kaslian	518,900
GMPS Essawal	256,816
GGPS Dhudi Phapra	234,602
	2,430,983

Audit was of the view that due to weak monitoring and internal controls of the office, the funds meant for welfare of students were not properly utilized resulting in blockage of government resources.

The matter was reported to PAO in November, 2017 but neither reply was submitted nor was DAC meeting convened till finalization of this Report

Audit requires that appropriate action be taken besides efficient and timely usage of funds be ensured for the benefit of students.

AIR Para#02

7.4.3.6 Non-reconciliation of expenditure incurred from SDA - Rs 1.105 million

According to Rule 67(2) of the PDG & TMA (Budget) Rules 2003. The DDO shall reconcile the expenditure with Accounts Officer by 10th of every following month for the previous month.

Scrutiny of record of CEO (DEA) Jhelum, it was observed that expenditure amounting to Rs 1,104,593 was incurred during 01.01.2017 to 17.05.2017 from SDA but the same was not reconciled with Budget & Accounts Officer, (DEA) Jhelum. In absence of reconciliation the expenditure could not be verified.

Audit was of the view that due to weak financial control the expenditure was not reconciled with Budget & Accounts Officer, (DEA) Jhelum.

The matter was reported to PAO in November, 2017 but neither reply was submitted nor was DAC meeting convened till finalization of this Report

Audit recommends for immediate reconciliation with Budget & Accounts officer.

AIR Para#6

7.4.4 Weak Internal Control

7.4.4.1 Doubtful completion of development schemes – Rs 10.932 million

Rule 2.115 (1) of B&R Codes states that “a detailed Completion Report or a completion statement must be prepared on the completion of works”. Further, Rule 2.115 (2)(a) of B&R Codes states that “Detailed completion report in Building and Roads Account from 44, 47 is to be submitted on completion of works, on which the outlay has been recorded by the Sub-heads. It should give a comparison and explanation of differences between quantities rates, and cost of various items of work executed and those in the estimate, and should also mention the names of the Engineers and Overseers, who supervised the work from time to time during the periods of its execution”.

Scrutiny of record of CEO (District Education Authority) Jhelum it was noticed that different schemes of missing facilities in schools had been executed by DO (Buildings) Jhelum against deposited work and declared completed and handed over as detailed below:

Sr. No.	Name of Scheme.	Expenditure till 06/17	Remarks
1	Construction of 1 Class Room (24x16) with verandah in GMPS Dhok Rajju Tehsil Dina District Jhelum	0.964	Work Completed.
2	Raising of B/ wall with Razor cut wire at GES Chakoha, Tehsil Dina District Jhelum	1.250	Completed & handed Over.
3	Construction of b/ wall with Razor cut wire, in GGPS Gurrah Ahmed Tehsil Dina District Jhelum.	1.305	Completed & handed over.
4	Construction of b/ wall with Razor cut wire in GGPS Jabba Magote, Tehsil Dina District Jhelum.	1.145	Work Completed
5	Construction of 1 class room with verandah & in GGHS Rohtas Dina District Jhelum.	4.095	Work Completed
6	Construction of 2 Class Rooms with verandah in GPS Bhojo Mohra, Tehsil Sohawa District Jhelum	2.173	Work Completed
	Total	10.932	

Audit had noticed that following observations on these schemes:

1. A detailed Completion report of the work had not been prepared.
2. Vouched account including detailed estimate, bills and detailed of payment made was not obtained from the buildings department to verify the detailed estimate and actual work done.

In the absence of above record, the expenditure incurred on completed schemes held doubtful.

Audit was of the view that, the above irregularity was occurred due to weak financial controls.

The matter was reported to PAO in November, 2017 but neither reply was submitted nor was DAC meeting convened till finalization of this Report

Audit recommends recovery besides the disciplinary action against the person(s) at fault.

AIR Para#01

7.4.4.2 Non-deposit of canteen rent -Rs 5.803 million

Receipt shall be deposited with in seven (07)days from the date of actual collection.(FD(1-1)1-15/82-P-I dated 17-01-2000) 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.

Scrutiny of record of Dy DEO W EE Jhelum for 2015-17 it was observed that receipts amounting to Rs 5,803,200 were realized from canteen rent/receipt which were not deposited in to treasury. Till 11/2017

Audit was of the view that canteen rent is a Govt. receipt not FTF fund, the Principal was required to deposit the same in to treasury.

When the matter was discussed with the department authorities it was replied that the same was kept at the disposal of Head Teachers without any justification for which no proper record was maintained.

Audit holds that due to weak internal controls and negligence, receipts were not deposited which might lead to misuse of public money. The above action of the management resulted in loss to the Government.

The matter was reported to PAO in November, 2017 but neither reply was submitted nor was DAC meeting convened till finalization of this Report

Audit recommends fixing responsibility & action against person(s) at fault besides early deposit of receipts in to Government Treasury.

AIR Para#01

7.4.4.3 Irregular drawl of inadmissible allowances - Rs 1.585 million

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

Scrutiny of record of Dy DEOs of District Jhelum for the financial years 2015-17, it was pointed out from the FI data record that the following allowances were not deducted amounting to Rs 1.585 million on account of pay and allowances as the allowances were already merged as the respective financial years. This resulted in over payment. The detail is given below:

Name of Formation	Nature of Record	Amount (Rs)
Dy DEO (M-EE) Jhelum	Non Deduction of Conveyance Allowance – Rs 250,000	250,000
Dy DEO (W-EE) Sohawa	Irregular drawl of Adhoc Relief Allowances - Rs 116,713	116,713
Dy DEO (M-EE) Sohawa	Irregular drawl of Inspection Allowance - Rs 240,000	240,000
Dy DEO M EE Sohawa	Inadmissible allowance amounting to -Rs 58,477	58,477
Dy DEO M EE Sohawa	Overpayment on account of Pay and Allowances -Rs 121,554	121,554
Dy DEO M EE Sohawa	Non deduction of Allowances during leave period of -Rs 49,137	49,137
GHS PD Khan	Overpayment on account of Pay and Allowances Rs 749,076	749,076
	Total	1,584,957

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

The matter was reported to PAO in November 2017. But neither replies were submitted by DDOs. Nor was DAC meeting convened till finalization of this Report.

Audit recommends recovery of the above from the concerned.

AIR Para#10,1,13,14,15,16&1

CHAPTER 8

District Education Authority, Kasur

8.1 Introduction of Authority

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

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

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

DEA Kasur manages following schools / education offices:

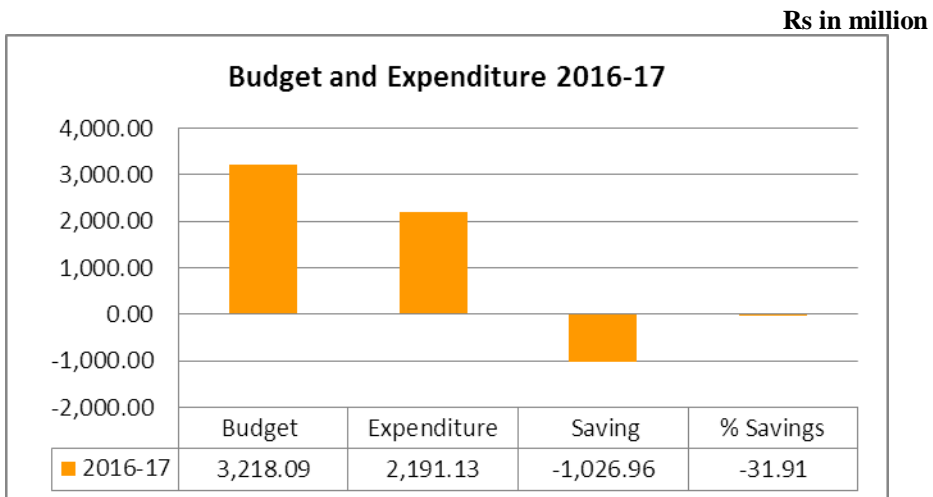
Description	No. of offices / schools
Chief Executive Officer	1
DO (SE)	1
DEO (WEE)	1
DEO (MEE)	1
Dy. DEO (MEE)	1
Dy. DEO (WEE)	1
High and Higher Secondary	117

Schools	
Elementary & Primary Schools	1188
Any other institute / health facility	2

8.2 Comments on Budget & Accounts

Total budget of District Education Authority for the Financial Year 2016-17 was Rs 3,218.092 million, against which only Rs 2,191.134 million was spent. Overall savings of Rs 1,026.957 million during the Financial Year 2016-17 which was 31.91% of budgetary allocation, showing non-utilization of funds meant for provisions of amenities in District Education Authority thus depriving the community from getting better facilities.

Rs in million				
Financial Year	Budget	Expenditure	Saving	% Savings
2016-17	3,218.092	2,191.134	-1,026.958	-31.91



8.3 Brief Comments on the Status of Compliance with PAC Directives

This is the first Audit Report on accounts of District Education Authority, Kasur which was established in January 2017. Hence, no Audit Report pertaining to preceding years was submitted to Governor of the Punjab to be laid before provincial legislature.

8.4 AUDIT PARAS

8.4.1 Irregularities / Non-compliance

8.4.1.1 Evasion of post audit for payments out of SDA - Rs 1,078.943 million

According to revised procedure for operation of SDAs circulated by the office of the Controller General of Account letter No.AC-II/1-39/08-Vol-V/632 dated September 24, 2008, the drawing authorities will submit monthly account of expenditure with copies of paid vouchers to the concerned AG/DAO for post audit purpose by 15th of each month who will carry out 100% post audit. Further Government of the Punjab Finance Department vide its letter No. SO(TT)6-1/2007 dated 16-09-2007 has since decided that the provisions contained in chapter 10 and 17 of the APPM will be implemented”.

Scrutiny of record revealed that CEO DEA Kasur received a sum of Rs 1,078.943 and disbursed to the educational institutions under the control of district education authority. Payment was held irregular because vouched account had not been presented for post audit. Payment also included a sum of Rs 434.717 spent on development works which was to be followed by an addition to the capital assets of the authority and in the absence of accounting treatment, the book value of these physical assets was not capitalized in following cases; .

Sr. No.	Release No	Date		Amount (Rs in million)
1	FD (DG-PFC)2-2/2017	19-01-2017	Non-development	109.995
2	FD (DG-PFC)2-2/2017	10-02-2017	-do-	109.995
3	SO (SNE) PMIU/2010	09-03-2017	-do-	380.238
4	FD (DG-PFC)2-2/2017	04-03-2017	-do-	21.999
5	FD (DG-PFC)2-2/2017	04-05-2017	-do-	21.999
6	SO (ADP) Release /339/2016-17	09-02-2017	development	364.555
7	SO (P) 5-13 /2016-17	09-02-2017	-do-	13
8	SO (B-D) 3-21/2016-17	01-03-2017	-do-	13
9	SO (P) 5-13/2016-17	27-04-2107	-do-	5.093
10	SO (P)-5-13/2016-17	13-03-2017	-do-	3.158
11	SO (ADP) Release /420/Kasur	06-05-2017	-do-	32.194
12	SO (ADP) Release /420/Kasur-339/2016-17		-do-	3.717
				1,078.943

Audit was of the view that funds were transferred without subscribing to pre-audit or post audit checks and resulted in transfer of amount evading audit checks.

This resulted in irregular transfer of funds without capitalization of assets proposed to be acquired.

The matter was reported to the DCO / PAO in October, 2017. The department neither submitted any reply nor DAC meeting was convened till finalization of this report.

Audit recommends holding of a detailed inquiry fixing responsibility against the officers / officials at fault.

[PDP # 5]

8.4.1.2 Irregular payment of salaries without sanctioned posts Rs 1,845.824 million

According to Rule 38 (3) of Punjab District Authorities (Accounts) Rules 2017, the drawing and disbursing officer shall maintain establishment check register on form 4T and at the beginning of each year the entries in the establishment register showing sanctioned strength of establishment and remuneration of each post will be scrutinized and verified by the DDO. Further according to rule 3 (2) of Punjab District Authorities (Accounts) Rules 2017, the pension fund of local government employees adjusted in the district authorities shall be maintained in BOP or NBP after the approval of government shall be operated by the CEO and Budget & Accounts Officer jointly.

During Audit of CEO Education Kasur for the year 2016-17, it was observed that CEO District Education Authority Kasur made payment amounting to Rs 1,845.824 million on account of pay and allowances without getting approval from the Finance Department for the No of posts admissible against each cost centre and also failing to cater to the adjustment of regular employees as well as pensioners of defunct council.

Audit was of the view that payment of salaries without approval of admissible sanctioned strength from the Finance Department to the entries of the establishment register was due to weak internal controls.

This resulted in irregular payment of salaries amounting to Rs 1,845.824 million and also caused non-maintenance of the pension fund of local government employees adjusted in the district authorities

The matter was reported to the PAO / CEO in October, 2017 but neither reply was submitted nor DAC meeting convened till finalization of this report.

Audit recommends holding of a detailed enquiry into the matter before seeking regularization of the matter in a manner prescribed besides fixing responsibility against the officers / officials at fault.

[PDP # 8]

8.4.1.3 Irregular transfer of fund to building department Rs 308.608 million

According to Rule 38 (2), (5) & (14) of Punjab District Authorities (Budget) Rules 2017, the executing agency shall execute development projects as per parameters fixed in the approved PC-I and in accordance to the rules or instructions relevant to the respective executing agency who shall follow PC-III format for monitoring development projects. In case of development project under execution, the executing agency shall send monthly progress reports in the prescribed forms BM-5 and BM-7 to CEO on 10th of each succeeding month. The PC-IV signed by the head of office and institutions shall be mandatory for all the projects and PC –V shall be prepared for mega projects.

CEO Education Kasur transferred a sum of Rs 308.608 million to building department as deposit works for execution of civil works of education department. Transfer of fund was held irregular because no estimate and scope of work was shared by the building department. Technically sanctioned estimates, inclusion of schemes in ADP of the building department and flotation of tenders were not on record. Monitoring of the progress regarding execution on ground had not been ensured either.

Audit was of the view that transfer of funds without fulfilling codal formalities was due to poor financial discipline and weak internal controls.

This resulted in unjustified transfer of funds amounting to Rs 308.608 million.

The matter was reported to the PAO / CEO in October, 2017 but neither reply was submitted nor DAC meeting convened till finalization of this report.

Audit recommends holding of a detailed enquiry into the matter before seeking regularization of the matter in a manner prescribed besides fixing responsibility against the officers / officials at fault.

[PDP # 3]

8.4.1.4 Irregular Expenditure of Rs 12.510 million

The PC-I of “Punjab Accelerated Functional Literacy and Non Formal Basic Education Project” had approved yardstick for the opening of NFBES (Non Formal Basic Education Schools) with the condition that operation of these schools will be allowed only in the areas where there is no formal Government Primary School within 01 kilometer radius or a private primary education facility nearby to cater to areas where child labour is rife such as industrial areas, brick kilns and marketplaces or any other location as approved by L&NFBE Department.

Moreover, according to Rule 2.2 of PFR Vol-I read with Rule 67(2)(i)(ii) & (3) of the PDG & TMA (Budget) Rules 2003, Receipt side of the Cash Book is required to be compared with payment side thereof on the basis of schedule of payments received from Accounts Office every month followed by reconciliations.

During audit of office of CEO Education Kasur for the year 2016-17, it was observed that Rs 12.510 million was incurred on payment of salaries to teachers of literacy program. The expenditure was held irregular because pre-requisite for the opening of centers were not fulfilled. The condition of non existence of government school within the radius of 1 KM was ignored as no report of the authority was on record to such effect.

Sr. No.	Type of School	No of Schools	Months		Amount (Rs)
1	NFBE centers under Punjab Non formal education program	360	12	5000	21,600,000
2	ALC (centers under Punjab Non formal education program)	220	3 x 4 = 12	5000	1,320,000
3	Feeder Schools under Taleem Sub Key Leye Program	35	12	4000	1,680,000
4	Adolescent centers under Taleem Sub Key Leye Program	5	3	4000	60,000
5	ALC under Taleem Sub Key Leye Program	30	3	4000	360,000
					25,020,000
					12,510,000

Audit was of the view that unjustified payment of salaries was made due to weak internal controls and poor financial discipline.

This resulted in irregular expenditure of Rs 12.510 million.

The matter was reported to the PAO / CEO in October, 2017 but neither reply was submitted nor DAC meeting convened till finalization of this report.

Audit recommends holding of a detailed enquiry into the matter before seeking regularization of the matter in a manner prescribed besides fixing responsibility against the officers / officials at fault.

[PDP # 2]

8.4.1.5 Doubtful double payment of GST and income tax - Rs 2.870 million

According to Section 153 (1)(c) of Income Tax Ordinance 2001, every prescribed person making a payment in full or part including a payment by way of advance to a resident person on the execution of a contract shall deduct tax @ 7.5% of the gross amount payable, if the person is a filer and 10% if the person is a non-filer.

During audit of three formations for the financial year 2016-17, it was observed that payment of income tax and general sales tax amounting to Rs 2.870 million was deposited in government treasury from NSB funds rather than deducting the same from the bills of suppliers which was a dispensation in the nature of an undue favour to favour to suppliers.

Sr. No.	Name of Formation	Description	PDP #	Amount (Rs)
1	Dy. DEO (MEE) Kasur	Income tax and sales tax	06	1.524
2	Dy. DEO (WEE) Pattoki	-do-	04	1.285
3	Dy. DEO (WEE) KKR	-do-		0.061
	Total			2.87

Audit was of the view that payment of GST and income tax out of the NSB funds shifting the burden of tax from suppliers to the spending unit was due to poor financial discipline and weak internal controls.

This resulted in misuse of NSB fund worth Rs 2.870 million.

The matter was reported to the PAO / CEO in October, 2017 but neither reply was submitted nor DAC meeting convened till finalization of this report.

Audit recommends recovery of the amount besides fixing responsibility against the officers / officials at fault.

8.4.1.6 Purchase of tablets and higher rates – Rs 2.034 million

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

During audit of following formations for the financial year 2016-17, it was observed that an expenditure of Rs 6.780 million was incurred on the purchase of tablets @ Rs 20,000 each by each school without mentioning specification and brand name of tablet purchased. Besides that average market rate of 8 inch tablet was around Rs 14,000 which resulted in excess payment of Rs 2.034 million.

Sr. No.	Name of Formation	Description of item	PDP #	Excess payment
1	Dy. DEO (MEE) Kasur	Purchase of tablets	02	1.200
2	Dy. DEO (WEE) Pattoki	-do-	07	0.834
	Total			2.034

Audit was of the view that purchase of tablets without mentioning any specifications and at higher rates was due to weak internal controls.

The matter was reported to the PAO / CEO in October, 2017 but neither reply was submitted nor DAC meeting convened till finalization of this report.

Audit recommends recovery of the excess payment besides fixing responsibility against the officers / officials at fault.

8.4.1.7 Cash payment instead of cross cheque - Rs 1.557 million

According to Rule 4 (b) of Punjab District Authorities Accounts Rules 2017 the payments exceeding Rs10000 shall be made through non-negotiable cross cheques.

An audit scrutiny of accounts record of Govt. Secondary School for hearing Impaired Kasur revealed that an amount of Rs1.557 million was drawn from government treasury on account of different claims by preparing cheques in the name of DDO instead of in the name of suppliers.

Audit was of the view that payment in cash was due to weak internal.

This resulted in irregular payment of Rs 1.557 million.

The matter was reported to the PAO / CEO in October, 2017 but neither reply was submitted nor DAC meeting convened till finalization of this report.

Audit recommends holding of a detailed enquiry into the matter before seeking regularization of the matter in a manner prescribed besides fixing responsibility against the officers / officials at fault.

[PDP # 1]

8.4.1.8 Non recovery from private school - Rs 887,100

According to the Punjab Private Education Institutions (Promotion & Regulation) Rules 1984.as per No. SO(A-I) 7-21/81 dated 24/08/1998 of Government of the Punjab of the Punjab Education Department, who ever continues to run an Institution without registration or after refusal or cancellation shall be punished with fine which may extend to Rs. 100/- for each day during which contravention continues and where the contravention continues for a period of 3-months the Institution shall be closed by registering authority as per Memo No. 3593/D/AB dated 18/04/2000 of Director Public Instruction (EE) Punjab Lahore. Further an amount of Rs 5000 and Rs 7000 required to be collected from the privately managed Institutions on account of Registration fee and Inspection Fee Rs. 1000/- and Rs. 500/- for annum respectively shall be collected on account of Elementary and High Schools in private Sector.

During Audit of CEO Education Kasur for the year 2016-17, it was observed that 18 private schools were running in the district in unauthorized manner but the registration fee worth Rs138,000, penalty for Rs 327,600 and renewal fee from 20 schools amounting to Rs 421,500 were not recovered from the owners of private schools.

Audit was of the view that non-collection of registration fee and penalty was due to weak internal controls.

This resulted in loss of the Rs 887,100 to the public exchequer.

The matter was reported to the PAO / CEO in October, 2017 but neither reply was submitted nor DAC meeting convened till finalization of this report.

Audit recommends recovery of the realizable dues besides fixing responsibility against the officers / officials at fault.

[PDP # 9, 11]

8.4.1.9 Unjustified expenditure on POL and TA/DA – Rs 394,291

As per Rule 2.31 (a&b) of PFR Vol-I, a drawer of bill for pay, allowances, contingent and other expenses will be held responsible for any overcharges, frauds and misappropriations.

During audit of Dy. DEO (WEE) Pattoki, it was observed that an expenditure of Rs 394,291 was incurred on POL and TA/DA during the financial year 2015-17. The expenditure was held unjustified due to the reason that POL was being drawn repeatedly by Dy. DEO on schools

visits, meetings at Kasur with DCO and EDO. However, minutes of meetings or inspection reports submitted to senior management or any instructions issued to schools as a consequence of tours were not on record. Tour program was approved by DEO (WEE) School after the tour was conducted which showed no prior permission was obtained to carry out the official tour.

Sr. No	Nature of Exp.	Amount (Rs)
1	POL	194,291
2	TA / DA	200,000
	Total	394,291

Audit was of the view that expenditure on POL and TA/DA was incurred without proper documentary evidence to substantiate its justification was due to poor financial discipline and weak internal controls.

The matter was reported to the PAO / CEO in October, 2017 but neither reply was submitted nor DAC meeting convened till finalization of this report.

Audit recommends holding of an inquiry and regularization of the matter in a manner prescribed besides fixing responsibility against the persons at fault.

[PDP # 1]

8.4.1.10 Non deduction of conveyance allowance for leave period - Rs 351,864

According to clause SR 7-A of the Sub-treasury Rules, Conveyance Allowance is not admissible during leave.

During compliance audit of six formations for the financial year 2016-17, it was observed that conveyance allowance and other pay and allowances was not deducted during the leave period or summer and winter vacations.

Sr. No.	Name of Formation	Description	PDP #	Amount (Rs)
1	Dy. DEO (MEE) Kot Radha Kishan	Conveyance allowance	01	74,496
2	Dy. DEO (WEE) Pattoki	-do	03	34,557
	Dy. DEO (WEE) Pattoki	Pay and allowances during EOL	04	10,340
	Dy. DEO (WEE) Pattoki	Conveyance allowance	05	34,458
3	Sp. Education center Chunian	Conveyance allowance	01	11,290

	Sp. Education center Chunian	Conveyance allowance	05	60,000
4	Sp. Education center Pattoki	Conveyance allowance	01	18,000
	Sp. Education center Pattoki	Conveyance allowance	02	13,458
5	CEO Education, Kasur	Conveyance allowance	13	48,333
6	Govt. School for hearing impaired	Conveyance allowance	04	46,932
	Total			351,864

Audit was of the view that payment of conveyance allowance during the leave period was due to weak internal controls and poor financial management.

This resulted in overpayment of Rs 0.304 million to employees and loss to government.

The matter was reported to the PAO / CEO in October, 2017 but neither reply was submitted nor DAC meeting convened till finalization of this report.

Audit recommends recovery from the concerned employees besides fixing responsibility against the officers / officials at fault.

8.4.1.11 Overpayment of general sales tax - Rs 176,408

According to tender notice published on PPRA website for the purchase of uniform and condition no. 7 of supply orders dated 06-12-2016 and 27-04-2017, the supplier firm will be responsible to pay Income Tax & G.S.T and rates would be inclusive of all government taxes.

During audit of two formations, it was observed that supply orders for Rs 1.081 million for procurement of winter and summer uniform were issued to M/S Sky Media, Lahore inclusive of all taxes. However, amount of bills submitted by M/S Sky Media for the supply of uniform was increased by adding sales tax @ 17% of the amount of supply orders which was inclusive of all government taxes. The management made payment of Rs 1.177 million instead of Rs 1.001 million after deducting income tax and 1/5th of sales tax from the increased amount rather than from the actual amount of supply orders resulting in overpayment of Rs 0.176 million i.e.

Date of supply order	Name of formation	Date of bill	Amount of supply order (Rs)	General Sales Tax (Rs)	Amount of bill (Rs)	Amount paid after deducting income tax and sales tax (1/5 th) (Rs)	Amount due after deducting income tax and sales tax (1/5 th) (Rs)	Overpayment (Rs)
27-04-2017	Sp. Education Center Chunian	06-06-2017	410,623	69,806	480,429	447,251	380,237	67,014
07-12-2016	Sp. Education	31-05-2017	458,536	77,951	536,487	499,437	424,604	74,833

	Center Pattoki	31-05-2017	51,850	8,815	60,665	56,475	48,013	8,462
		31-05-2017	159,915	27,186	187,101	174,180	148,081	26,099
		Total	1,080,924	183,758	1,264,682	1,177,343	1,000,935	176,408

Audit was of the view that unjustified payment of GST was due to poor financial discipline and weak internal controls.

This resulted in overpayment on account of GST and loss of Rs 0.176 million to the public exchequer.

The matter was reported to the DCO / PAO in October, 2017. The department neither submitted any reply nor was DAC meeting convened till finalization of this report.

Audit recommends recovery of the overpaid amount besides fixing responsibility against the officers / officials at fault.

[PDP # 4, 3]

8.4.1.12 Evasion of both Pre and post Audit of the vouched account against SDA disbursement - Rs 1.677 million

According to revised procedure for operation of SDAs circulated by the office of the Controller General of Account letter No.AC-II/1-39/08-Vol-V/632 dated September 24, 2008, the drawing authorities will submit monthly account of expenditure with copies of paid vouchers to the concerned AG/DAO for post audit purpose by 15th of each month who will carry out 100% post audit. Further Government of the Punjab Finance Department vide its letter No. SO(TT)6-1/2007 dated 16-09-2007 has since decided that the provisions contained in chapter 10 and 17 of the APPM will be implemented”.

CEO / DEA Kasur made payment to the tune of Rs 1,676,956 to special education centers Kasur Pattoki, Kot Radha Kishan and Govt. institute for slow learners Kasur, out of SDA. Payment was held irregular and doubtful because vouched account of the same was neither submitted for post audit nor produced for audit scrutiny. In the absence of vouched account the authenticity of payments could not be verified.

Sr. No.	Cheque No.	Date	Institute	Amount (Rs)
1	608401	02-03-17	HM GISL Kasur	182,519
2	608402	02-03-17	HM GSEC Kasur	142,813
3	608405	02-03-17	HM GSEC KRK	215,185
4	608410	02-03-17	HM GSEC Pattoki	360,859
5	608425	05-04-17	HM GSEC Pattoki	387,435
6	608438	12-04-17	HM GISL Kasur	133,455
7	608456	24-04-17	HM SEC KRK	254,690
				1,676,956

Audit was of the view that the funds were transferred without Pre-audit or the Post checks resulting in internal control failure.

This caused non-verification of SDA funds amounting to Rs 1.677 million.

The matter was reported to the PAO / CEO in October, 2017 but neither reply was submitted nor DAC meeting convened till finalization of this report.

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

[PDP # 6]

CHAPTER 9

District Education Authority, Khushab

9.1 Introduction of the Authority

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

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

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

DEA Khushab manages following schools / education offices:

Description	No. of offices / schools
Chief Executive Officer	1
DO (SE)	1
DEO (WEE)	1
DEO (MEE)	1
Dy. DEO (MEE)	4
Dy. DEO (WEE)	4
High and Higher Secondary	129

Schools	
Elementary & Primary Schools	813
Any other institute	-

9.2 Comments on Budget and Accounts

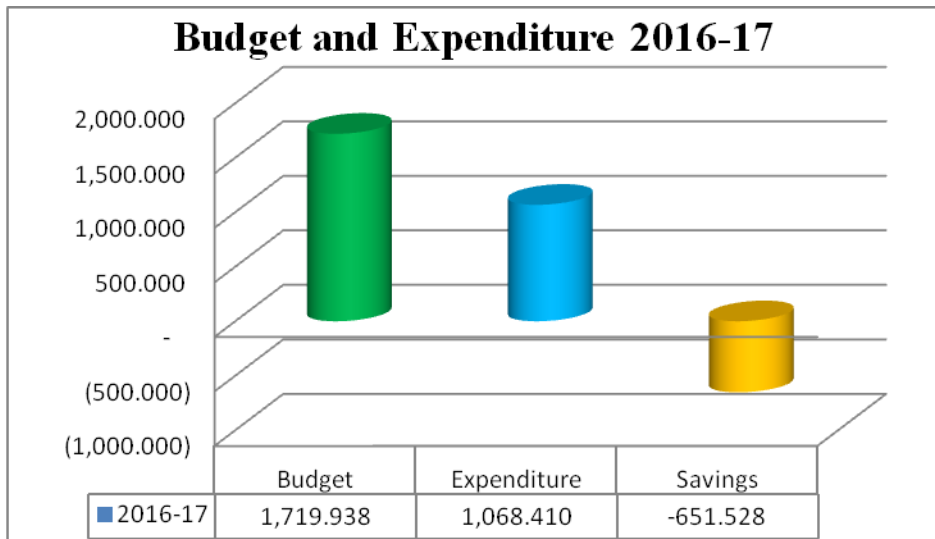
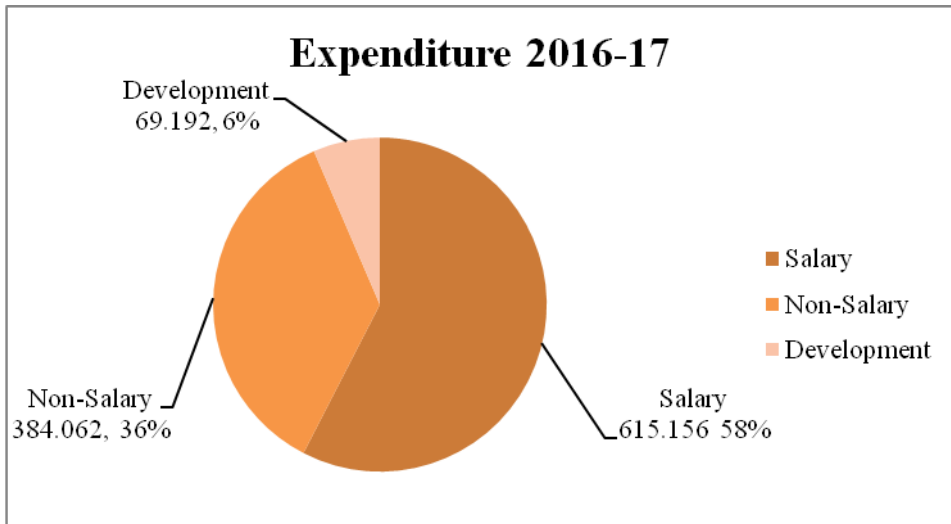
Total budget of District Education Authority, Khushab was Rs 1,719.938 million including Salary component of Rs 888.077 million, Non Salary component of Rs 581.763 million and Development component of Rs 250.098 million. Expenditure against Salary component was Rs 615.156 million, Non Salary component was Rs 384.062 million and Development component was Rs 69.192 million. Overall savings were Rs 651.528 million which was 38% of total budget.

Rs in million

FY: 2016-17	Budget	Expenditure	(-) Saving	%age of Saving
Salary	888.077	615.156	(-)272.921	31
Non Salary	581.763	384.062	(-)197.701	34
Development	250.098	69.192	(-)180.906	72
Total	1,719.938	1,068.410	(-) 651.528	38

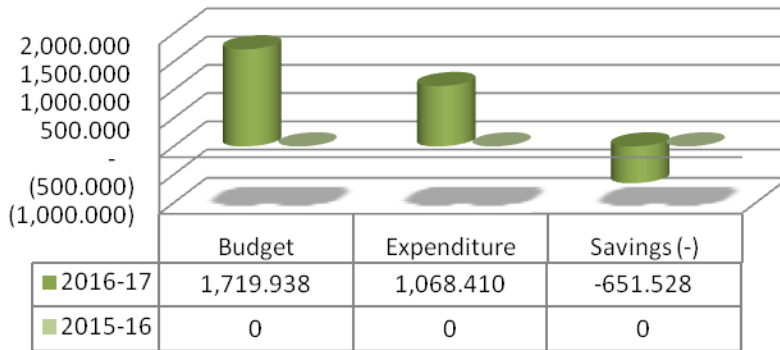
As per the Appropriation Account 2016-17 of District Education Authority Khushab, the original budget was Rs 1,719.729 million, supplementary grant was Rs 0.209 million whereas Rs 22.699 million were surrendered/ withdrawn and the final budget was Rs 1,719.938 million. Against the final budget, total expenditure incurred by District Education Authority during 2016-17 was Rs 1,068.410 million, as detailed at Annexure-B

The Salary, Non Salary and Development Expenditure comprised 58%, 36% and 6% respectively of the total Expenditure.



The overall saving of Rs 651.528 million was 38% of the final budget. The comparative analysis of the budget and expenditure of current and previous financial year is depicted as under:

Comparison of Budget & Expenditure 2015-16 & 2016-17



9.3 Brief Comments on the Status of Compliance with PAC Directives

This is the first Audit Report on accounts of District Education Authority, Khushab which was established in January 2017. Hence, no Audit Report pertaining to preceding years was submitted to Governor of the Punjab to be laid before provincial legislature.

9.4 AUDIT PARAS

9.4.1 Irregularities / Non-Compliance

9.4.1.1 Blockage of public funds - Rs. 36.867 million

Rule 17.20 of PFR Vol-I and Para 8 of Punjab Budget Manual “all anticipatory saving should be surrendered well in time in the 2nd excess & surrender statement for use by other needy office”.

Drawing and Disbursing Officers of following formations of District Khushab neither utilized nor surrendered the funds for the financial years 2014-2017 in violation of rule ibid.

Formation	PDP No	Periods	Cost centers	Budget (Rs)	Expenditure (Rs)	Savings (Rs)
DEO (W-EE) Khushab	02	7-2014 to 30-6-2015	KB-6183	10,512,000	8,264,286	2,247,714
		7-2015 to 30-6-2016	KB-6183	10,763,000	8,693,789	2,069,211
		7-2016 to 31-12-2016	KB-6183	22,585,000	4,900,367	17,684,633
		1-2017 to 30-6-2017	KY-6017	12,004,518	9,466,453	2,538,065
Govt Special Education Center Khushab	12	7-2014 to 30-6-2015	KB-6035	12,639,000	11,382,847	1,256,153
		7-2015 to 30-6-2016		13,516,000	12,788,116	727,884
		7-2016 to 31-12-2016		17,411,000	7,210,955	10,200,045
		1-2017 to 30-6-2017	KY-6001	8,771,846	8,915,408	143,562
Total				108,202,364	71,622,221	36,867,267

Audit was of the view that due to weak internal controls and financial discipline public funds were not surrendered in time to meet the need of sister departments.

This resulted in an undue blockage of Govt funds of Rs 36.867 million.

The matter was reported to the CEO DEA Khushab in September, 2017 but no reply was furnished. Despite repeated requests, DAC meeting was not convened till the finalization of this Report.

Audit recommends fixing of responsibility against the persons at fault.

9.4.2 Internal Controls Weakness

9.4.2.1 Non Recovery of social security benefit from the regularized staff - Rs 5.330 million

As per Rules 2.33 of PFR Vol-I, every Government servant should realize fully and clearly that he would be held personally responsible for any loss sustained by Government through fraud or negligence on his part or to the extent he contributed to the loss by his own action or negligence.

Drawing & Disbursing Officers of following formations did not recover Rs 5.330 million on account of Social Security Benefit @30% of basic pay of the staff of different scales / categories after regularization of their services in violation of rule ibid.

Sr. No.	Name of formation	PDP No.	Amount (Rs)
1	Dy. DEO (W-EE) Khushab (Annexure-C)	13	836,784
		15	1,513,659
		16	1,869,543
2	Dy. DEO (M-EE) Khushab (Annexure-D)	22	173,536
3	Dy. DEO (W-EE) Noor Pur Thal	29	936,463
Total			5,329,985

Audit holds that due to weak internal controls and weak financial discipline overpayment of SSB was not recovered.

This resulted in non recovery of Rs 5.330 million.

The matter was reported to the CEO DEA Khushab in September, 2017 but no reply was furnished. Despite repeated requests, DAC meeting was not convened till the finalization of this Report.

Audit recommends recovery of stated amount from concerned.

9.4.2.2 Non deduction of income tax & sales tax - Rs 0.273 million

According to Section 153 (1)(c) of Income Tax Ordinance 2001, every prescribed person making a payment in full or part including a payment by way of advance to a resident person on the execution of a contract shall deduct tax @ 7.5% of the gross amount payable, if the person is a filer and 10% if the person is a non-filer.

School Councils of Education Institutions of District Khushab did not deduct income tax / sales tax of Rs 0.273 million for the procurement of different material / items from the payment of non filer supplier.

Sr. No.	Name of formation	PDP No.	Description	Amount (Rs)
1	Dy. DEO (M-EE) Khushab	23	Income Tax	63,125

	Annexure-E			
2	Dy. DEO (W-EE) Noor Pur Thal	24	Sales Tax	169,210
	Annexure-F			
3	CEO (Edu) Khushab	26	Income Tax	40,929
Total				273,264

Audit holds that due to weak internal controls income tax at source was not deducted at the time of payment to non filer suppliers.

This resulted in non recovery of IT & Sales Tax of Rs 0.273 million

The matter was reported to the CEO DEA Khushab in September, 2017 but no reply was furnished. Despite repeated requests, DAC meeting was not convened till the finalization of this Report.

Audit recommends recovery of stated amount from concerned.

9.4.2.3 Non Recovery of conveyance allowance – Rs 0.374 million

As per clarification issued by Government of the Punjab, Finance Department letter No.FD(M-1)1-15/82-P-I dated 15.1.2000 in case a designated residence is available to the Government servant for whom it is meant, cannot draw HRA even if he does not reside in it. Moreover, Conveyance Allowance is also not admissible during earned leave.

Drawing and Disbursing Officers of following formations of District Khushab made unauthorized payment of Rs 0.374 million on account of Conveyance Allowance of the various categories of employees having accommodation within the office premises as well as those availed earned leave.

Sr. No.	Formation	Description	Nature of payment	Period	PDP No	Amount (Rs)
1	Special Education School for Deaf & Defective	Employees	CA having Govt. accommodation within office premises	2014-17	4	199,320
			CA during winter vacations	days	6	13,265
			CA during leave	days	7	11,340
2	Dy. DEO (W-EE)	Teachers	CA during leave	months	14	31,593
3	Dy. DEO (M-EE)	Teachers	CA during summer vacations	3 months	21	118,824
Total						374,342

Audit was of the view that due to weak internal controls and financial discipline, recovery of undue allowances was made.

This resulted in an unauthorized payment of conveyance allowance of Rs 0.374 million

The matter was reported to the CEO DEA Khushab in September, 2017 but no reply was furnished. Despite repeated requests, DAC meeting was not convened till the finalization of this Report.

Audit recommends recovery of stated amount.

9.4.2.4 Overpayment of pay and allowances - Rs 0.139 million

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

Headmaster Special Education School Khushab made payment of full basic pay of Rs 0.139 million to Uzma Rafique SSET BPS-17 for the period from 01.03.2017 to 28.07.2017 in pursuance of the leave order No. SO (Estt.) 10-130/2006 dated 28-10-2016 accorded by competent authority on half pay. Hence the formation made overpayment to the officer which was not admissible to her.

Audit holds that due to weak internal controls and weak financial discipline undue basic pay was made.

This resulted in an overpayment of Rs 0.139 million

The matter was reported to the CEO DEA Khushab in September, 2017 but no reply was furnished. Despite repeated requests, DAC meeting was not convened till the finalization of this Report.

Audit recommends recovery of stated amount from concerned.

CHAPTER 10

District Education Authority, Lahore

10.1 Introduction of Authority

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

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

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

DEA Lahore manages following schools / education offices:

Description	No. of offices / schools
Chief Executive Officer	1
DO (SE)	1
DEO (WEE)	1
DEO (MEE)	1
Dy. DEO (MEE)	5
Dy. DEO (WEE)	5
High and Higher Secondary	384

Schools	
Elementary & Primary Schools	850
Any other institute	-

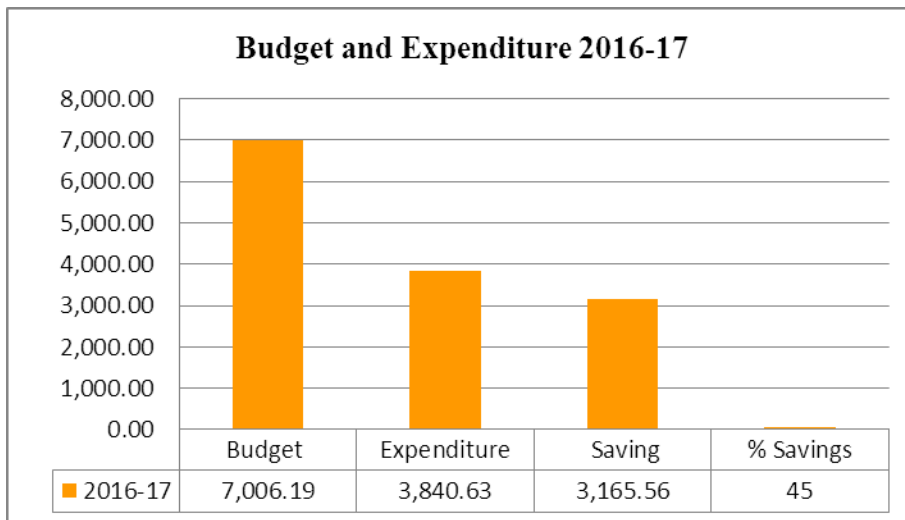
10.2 Comments on Budget and Accounts

Total budget of District Education Authority for the Financial Year 2016-17 was Rs 7006.190 million, against which only Rs 3840.633 million was spent. Overall savings of Rs 3165.557 million during the Financial Year 2016-17 which was 31.91% of budgetary allocation, showing non-utilization of funds meant for provisions of amenities in District Education Authority thus depriving the community from getting better facilities.

(Rs in millions)

Financial Year	Budget	Expenditure	Savings	% Savings
2016-17	7006.190	3840.633	3165.557	45

Rs in million



10.3 Brief Comments on the Status of Compliance with PAC Directives

This is the first Audit Report on accounts of District Education Authority, Lahore which was established in January 2017. Hence, no Audit Report pertaining to preceding years was submitted to Governor of the Punjab to be laid before provincial legislature.

10.4 AUDIT PARAS

10.4.1 Irregularity / Non-compliance

10.4.1.1 Non reconciliation of receipt - Rs 4587.770 million and non investment of surplus balance – Rs 747.140 million

According to para 2.3.2.2 of APPM “information in the accounts and in the supporting subsidiary records shall be accurate, representing actual substance of past events, without undue errors or omissions. This shall include correct and consistent classification and recognition of revenues and expenditures.” According to Rule 78 (1) of Punjab District Authorities (Budget) Rules 2017, the primary obligation of collecting officer shall be to ensure that all revenue due is claimed, realized and credited immediately into the District Authority fund, under the proper receipt head. As provided within the meaning of the Rule 11(2) (f) of the Punjab District Authorities Accounts Rules 2017, in discharge of his responsibilities, the Chief Executive Officer shall ensure that the amount credited to the Local Fund as reported by Accounts Officer are reconciled or verified with records on monthly and annual basis.

As provided under Section 109(2) of the PLGA 2013, a local government may invest surplus funds, if any, in such securities and financial institutions, as may be approved by the Government.

During audit, it was observed that as per financial statement of DEA Lahore total receipts of the DEA was Rs 4584.432 million but the reconciliation with the collecting officer and head of institutions and credit of receipt into authority’s fund was not on record. Unrealistic budget estimation even in revised estimates showed final allocation approved to the tune of Rs 7006.1 millions with receipt presenting excessive shortfall. More so, even against the reduced realization of Receipts, there was a cash closing balance available in view of the savings conceded which was available for investment to the tune of Rs 991.713 millions.

In the prevailing scenario, it is evident that due diligence was not exercised for realistic estimation of budget complicated by absence of reconciliation of receipts/recoveries also incurring inordinate delay for investing surplus funds in such securities and financial institutions, approved by the Government.

This resulted in violation of government rules and loss to the government.

Management was not able to arrange holding of DAC meeting for purpose built deliberations on the issue despite repeated reminders till finalization of this Report.

Audit recommends holding of a detailed enquiry to apportion responsibility against the delinquents for violation of government rules and causing loss to the government followed by remedial action to do away with deviation and departures from proper budgeting, reconciliation and allocation of funds.

[AIR para # 02]

**10.4.1.2 Irregular payment of salaries without sanctioned posts
Rs 3259.460 million**

According to Rule 38 (3) of Punjab District Authorities (Accounts) Rules 2017, the drawing and disbursing officer shall maintain establishment check register on form 4T and at the beginning of each year the entries in the establishment register showing sanctioned strength of establishment and remuneration of each post will be scrutinized and verified by the DDO. Further according to rule 3 (2) of Punjab District Authorities (Accounts) Rules 2017, the pension fund of local government employees adjusted in the district authorities shall be maintained in BOP of NBP of any other bank after the approval of government shall be operated by the CEO and B & AO jointly.

During Audit of CEO Education Lahore for the year 2016-17, it was observed that CEO District Education Authority Lahore made payment amounting to Rs 3,259.460 million on account of pay and allowances without getting approval from the Finance Department for the Number of posts admissible against each cost centre and also failing to cater to the adjustment of regular employees as well as pensioners of defunct council against the disbursements from the Pension fund required to be operated and maintained.

Audit was of the view that payment of salaries without approval of admissible sanctioned strength from the Finance Department corresponding to the entries of the establishment register was due to weak internal controls.

This resulted in irregular payment of salaries amounting to Rs 3,259.460 million and also complicated by non maintenance of the pension fund of local government employees adjusted in the District Education Authority.

The matter was reported to the PAO / CEO in September, 2017 but neither reply was submitted nor DAC meeting convened till finalization of this report.

Audit recommends seeking regularization of the matter in a manner prescribed besides fixing responsibility against the persons at fault.

[AIR para 1]

10.4.1.3 Payment out of SDA without post-audit - Rs 1372.656 million

According to revised procedure for operation of SDAs circulated by the office of the Controller General of Account letter No.AC-II/1-39/08-Vol-V/632 dated September 24, 2008, the drawing authorities will submit monthly account of expenditure with copies of paid vouchers to the concerned AG/DAO for post audit purpose by 15th of each month who will carry out 100% post audit. Further Government of the Punjab Finance Department vide its letter No. SO(TT)6-1/2007 dated 16-09-2007 has since decided that the provisions contained in chapter 10 and 17 of the APPM will be implemented”

An audit scrutiny of accounts record of CEO DEA Lahore revealed that Finance Department released a sum of Rs 1372.656 million in to joint SDA of DEA and Administrator on account of Development and Non development budget during 2016-17. CEO DEA Lahore made payments of Rs 736.650 million but monthly account of expenditure with copies of paid vouchers were not submitted to the AG Office to carry out 100% post audit in violation of above letter. Resultantly, the amount was not included in the Financial Statement. Further, pass books of the SDAs was not sent to Treasury Office for verification and authentication.

(Rs in million)

Sr. No.	Description	Funds received from FD	Expenditure incurred
1	Development SDA	808.895	717.133
2	Non-Development SDA	563.761	19.517
Total		1,372.656	736.650

Audit was of the view that non-compliance of the directions of the CGA was due to weak administrative control and financial indiscipline.

The matter was reported to the PAO / CEO in September, 2017 but neither reply was submitted nor DAC meeting convened till finalization of this report.

Audit recommends seeking regularization of the matter in a manner prescribed after holding a detailed inquiry into the matter besides fixing responsibility against the officers / officials at fault.

[AIR para # 1]

10.4.1.4 Transfer of development funds without obtaining adjustment account - Rs 717.133 million

Finance Department vide letter No. SO(Schools)4-40/2015-16 dated 23.02.2017 allowed DCs/Administrators DEA and CEO DEA of Punjab to transfer the funds of development schemes from newly opened joint SDA to C&W Department to carry out and complete schemes on

deposit work basis during the financial year 2016-17 subject to the conditions that adjustment account with supporting vouchers / documents will be furnished.

During audit of accounts record of CEO DEA Lahore it was revealed that Finance Department vide letter No. SO(ADP) release-420/339/2016-17 dated 09.02.2017 released a sum of Rs 785.895 million against 357 ongoing schemes of Defunct District Government Lahore as share of District Education Authority, Lahore pertaining to School Education Sector and placed the released amount into joint SDA in the name of DC/Administrator DEA and CEO DEA Lahore for execution / completion of the schemes during the said financial year. The audit scrutiny further revealed that out of 357 ongoing schemes 305 schemes related to C&W Department and remaining 52 schemes related to CEO DEA being revenue component.

The DC/Administrator DEA and CEO DEA Lahore released a sum of Rs 717.133 million against 305 schemes to XEN 1st, 4th, 5th and 6th Provincial Buildings Division Lahore without ensuring rendering of the adjustment account with supporting vouchers / documents which deviation and departures entailed the following:-

1. Contrary to the release advice, the executing agency did not ensure the utilization of allocated funds within financial year 2016-17.
2. XEN buildings was bound to provide a copy of each bill / vouchers account and details of expenditure incurred on monthly basis and send the same on 5th of each month but he did not do so.
3. No check could be exercised to the effect that unspent funds on completion of a scheme were retrieved and no adjustment of saving against a scheme could be left un-recouped for utilization on another scheme of DEA.
4. On the completion of each scheme financial statement of expenditure were to be provided to DEA duly verified from XEN Buildings Division and District Account Officer but to no avail.
5. Concerned authorities had not issued the completion certificate after satisfying themselves that the scheme had been completed and was also free from all defects.

After the release of funds, the DEA Lahore did not ensure the compliance of the above conditions.

Audit was of the view that non-compliance of the directions of the FD was occasioned by weak administrative controls and financial indiscipline.

The matter was reported to the PAO / CEO in September, 2017 but neither reply was submitted nor DAC meeting convened till finalization of this report.

Audit recommends seeking regularization of the matter in a manner prescribed after holding a detailed inquiry into the matter besides fixing responsibility against the officers / officials at fault.

[AIR para # 2]

10.4.1.5 Non issuance of cheques in favour of vendor / supplier and non-submission of vouched account of SDA - Rs 19.517 million.

Finance Department vide letter No. SO(TT)6-1/2013(036) dated 16.01.2017 stated that all payments under SDA should invariably be made through crossed cheques in the name of valid payees only. Accountant General Punjab vide para (iv) of letter No. TM-1/6-1(M)/Vol-XXXXV/Pt-1/595-596 dated 06.02.2017 addressed to Treasury Officer, Lahore stated that vouched accounts of expenditure incurred shall be provided for post audit to office of the Accountant General on monthly basis. In case, the same is not provided on or before 15th of the next month, the Finance Department shall be proposed to close the SDA and direct SDA operator to submit claims for pre-audit. Further, as per Govt. of the Punjab Finance Department Notification No FD (FR) V-6/75(P) dated 4 March 2010, the amendment has been made in Rule 4.49 (a) of Punjab Treasury Rules and "Payments of Rs.100,000/- and above to contractors and suppliers shall not be made in cash by the Drawing & Disbursing Officers (DDOs).

An audit scrutiny of accounts record of CEO, DEA Lahore revealed that payments to the tune of Rs 19.517 million was made out of the funds of SDA during 2016-17. The cheques were passed in the name of DDOs instead of vendor / supplier in violation of rule ibid. Further the vouched account was not sent to the office of AG Punjab for post audit as per summarized breakup detailed below;

Sr. No.	Description	Month	Expenditure (Rs)
1	Non development exp.	03/2017	8282,939

2	-do-	04/2017	1610,565
3	-do-	05/2017	9623,575
Total			19,517,079

Audit was of the view that non-compliance of the directions of the FD was due to weak administrative and financial controls.

The matter was reported to the PAO / CEO in September, 2017 but neither reply was submitted nor DAC meeting convened till finalization of this report.

Audit recommends seeking regularization of the matter in a manner prescribed and taking remedial action to make amends for loopholes in accounting procedure besides fixing responsibility against the officers / officials at fault.

[AIR para # 3]

10.4.1.6 Non completion of schemes pertaining to establishment of IT labs - Rs 68.762 million

School Education Department, Government of the Punjab vide letter No. SO(ADP) Release-420/2016-17 dated 19.01.2017 directed vide endorsement No.5 that all DCs are requested to execute the development schemes pertaining to procurement and establishment of IT labs and other revenue component from the SDAs.

An audit scrutiny of accounts record of CEO DEA Lahore revealed that 52 schemes costing Rs 68.762 Million pertaining to establishment of IT Labs and purchase of furniture costing Rs 68.762 million were neither executed nor got completed during 2016-17 in violation of clear directions of the administrative department as per following summarized break up;

Sr. No.	Description	Total number of schemes	Funds (Rs in million)
1	Provision of IT labs	40	56.000
2	Provision of furniture	12	12.762
	Total	52	68.762

Audit was of the view that non-compliance of the directions of the administrative department was due to weak administrative and financial controls.

The matter was reported to the PAO / CEO in September, 2017 but neither reply was submitted nor DAC meeting convened till finalization of this report.

Audit recommends seeking regularization of the matter in a manner prescribed besides fixing responsibility against the officers / officials at fault.

[AIR para # 4]

10.4.1.7 Undue transfer of pension contribution into pension contribution fund account disregarding imperatives of apportionment– Rs 259.398 million

According to Finance Department's Notification bearing No FD(DG) I/ Instructions-Act-2013/ 2016 dated 25-05-2017, it has been prescribed that Pension Fund Operations shall be under the purview of the District Education Authorities and pension fund of the erstwhile CDGL were to be apportioned.

Audit scrutiny revealed that apportionment of the pension fund of the erstwhile CDGL had not materialized contrary to TORs of succession. CEO DEA, transferred Rs 259.398 million from Account-V into pension contribution fund account on account of 40% pension contribution of the employees of Defunct Municipal Committee and CDGL adjusted at DEA during 2016-17. Funds were unduly transferred, whereas the record like total number of employees, due share of pension contribution of each employee, time period of share of pension contribution etc was not on record. The very transfer of funds was untenable.

Audit was of the view that due to weak internal and financial control pension contribution was transferred without ascertaining actual requirement.

The matter was reported to the PAO / CEO in September, 2017 but neither reply was submitted nor DAC meeting convened till finalization of this report.

Audit recommends recovery of the amount illegally transferred besides fixing responsibility against the officers / officials at fault.

[AIR para # 6]

10.4.1.8 Undue retention of public money - Rs 1.395 million

Education Department (NFBE) vide letter No. PS / SEC / LIT / 2408 / 2017 dated 17.04.2017 stated that SDA account is lapsable and directed for timely payment of remuneration to the teachers of NFBE. According to rule 2.10(b) (5) of PFR Vol-1, no money is withdrawn from the treasury unless it is required for immediate disbursement.

An audit scrutiny of accounts record of DEO (Literacy) Lahore revealed that an amount of Rs 10.195 million was drawn from government treasury on account of salary of NFBE/ALC teachers for the period from April, 2017 to June, 2017 whereas Rs 8.800 million was disbursed and remaining amount of Rs 1.395 million was not disbursed and retained outside public fund without any justification.

Audit was of the view that due to weak internal and financial control salary of the NFBE / ALC teachers were not disbursed.

The matter was reported to the PAO / CEO in September, 2017 but neither reply was submitted nor DAC meeting convened till finalization of this report.

Audit recommends regularization of the matter in a manner prescribed and taking remedial action to make amends for loopholes in accounting procedure besides fixing responsibility against the officers / officials at fault.

[AIR para # 7]

10.4.1.9 Irregular expenditure on POL without sanctioned strength of vehicles - Rs 1.374 million

According to serial No. 3 of Punjab Delegation of Financial Powers Rules, 2006, sanctioned strength of vehicles as approved by the Finance Department should be maintained in the department and no purchase of new vehicle should be made unless the strength of vehicles in the Department has been sanctioned by the Financial Department or the purchase / replacement is required for keeping up the sanctioned strength and the vehicle to be replaced has been condemned by the competent authority.

During scrutiny of record of the DEA Lahore, it was revealed that an expenditure of Rs 1.374 million was incurred out of the funds of SDA to make payment of POL bills of Special Education Department. The sanctioned strength of vehicles were not got approved from Finance Department. Moreover, Route map of each vehicles was not got approved from the competent authority. The distance of stop to stop was not prepared to control pilferage of POL and average consumption certificate of the vehicles were not on record.

Audit was of the view that due to weak internal and financial control, sanctioned strength of vehicles were not got approved from the Finance Department.

The matter was reported to the PAO / CEO in September, 2017 but neither reply was submitted nor DAC meeting convened till finalization of this report.

Audit recommends seeking regularization of the matter in a manner prescribed besides fixing responsibility against the officers / officials at fault.

[AIR para # 9]

10.4.1.10 Non-transparent purchase of literacy kit - Rs 10.906 million

According to Rule 4 of PPRA, 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.

An audit scrutiny of accounts record of DEA (Literacy) Lahore revealed that an expenditure of Rs 10.906 million was incurred for the purchase of literacy kit during 2016-17. The examination of record revealed that a technical committee was constituted for the finalization of technical bid whereas no technical member was available in the technical committee. The technical committee finalized the technical bid within a day and the evidence of physical checking of the samples was not available in record. The recommendation of the technical committee was not approved by the chairman of the purchase committee. It was further observed that as per financial bid rates were inclusive of all taxes, still GST amounting Rs 1,196,089 was added in the rates. The bill was submitted to the Accounts Office for authorization for payment and instead of deducting 1/5th of GST at source which comes to Rs 239,217 only Rs 23,938 was deducted resulting in less deduction of GST amounting to Rs 215,280.

Audit was of the view that non-transparent expenditure was incurred due to weak internal and financial management.

The matter was reported to the PAO / CEO in September, 2017 but neither reply was submitted nor DAC meeting convened till finalization of this report.

Audit recommends imposition of recovery of less deduction of sales tax and besides fixing responsibility against the officers / officials at fault.

[AIR para # 10]

10.4.1.11 Unjustified payment of qualification allowance – Rs 1.644 million

As per Rule 2.31 (a & b) of PFR Vol-I, a drawer of bill for pay, allowances, contingent and other expenses will be held responsible for any overcharges, frauds and misappropriations. Before countersigning bills for expenditure submitted by subordinate, he should see whether the expenditure was really necessary, the rates charged are not extravagant.

Management of the Dy. DEO (MEE) Tehsil Raiwind and Dy. DEO (MEE) Tehsil city Lahore paid qualification allowance amounting to Rs 1.644 million @ Rs 6,000 and Rs 5,000 to the teachers without verification of their degrees from the HEC.

Audit was of the view that payment of qualification allowance without verification of degrees was due to weak internal controls.

The matter was reported to the PAO / CEO in September, 2017 but neither reply was submitted nor DAC meeting convened till finalization of this report.

Audit recommends seeking regularization of the matter in a manner prescribed besides fixing responsibility against the officers / officials at fault.

[AIR para # 9 & 7]

10.4.1.12 Irregular expenditure - Rs 5.64 million

According to Para No. 2.5 & 2.6 of Guidelines of for Elementary & Primary Schools, Each bill of NSB should be routed through District Accounts Office and every School shall prepare Head Wise Budget in accordance with the requirements of the school at the time of preparation of Budget.

During scrutiny of record for the period from 01-01-2017 to 30-06-2017, it was revealed that the grant of non-salary budget amounting to Rs 5.642 million was expended by the schools without chart of classification, constitution of valid school council composition, issuance of completion certificates.

Audit was of the view that due to weak internal and administrative control pre-audit system was not adopted.

The matter was reported to the PAO / CEO in September, 2017 but neither reply was submitted nor DAC meeting convened till finalization of this report.

Audit recommends seeking regularization of the matter in a manner prescribed besides fixing responsibility against the officers / officials at fault.

[AIR para # 2]

10.4.1.13 Cash payment instead of cross cheque - Rs 28.531 million

Finance Department vide No. FD(FR)V-6/75(P) dated 04.03.2010 prescribed that “ payment of Rs 100,000 & above shall not be made in cash by Drawing & Disbursing Officer (DDOs).

Management of the formations under the control of the DEA Lahore charged from government treasury claims of different firms / suppliers by preparing cheques in the name of DDO instead of vendors’ name during 2016-17. The chance of misuse of funds cannot be ruled out.

Audit was of the view that cash payment instead of cheque was due to weak financial and internal controls, adding risks of wasteful pilferage also conceding breach of canons of financial propriety.

This resulted in violation of government rules and enhancing risk of loss to the government

The matter was reported to the PAO / CEO in September, 2017 but neither reply was submitted nor DAC meeting convened till finalization of this report.

Audit recommends seeking regularization of the matter in a manner prescribed besides fixing responsibility against the persons at fault.

10.4.2 Performance

10.4.2.1 Non utilization of non-salary budget – Rs 11.225 million

According to Rule 55 (1)(C) (ii) of Punjab District Authorities (Budget) Rules 2017 the head of offices or institutions or DDO is responsible for ensuring that the funds allotted are spent are in conformity with the schedule of authorized expenditure.

Management of following departments did not utilize NSB grant resulted in blockage of public resources.

Sr. No.	Name of department	Total schools	Amount (Rs in million)
1.	Dy. DEO (MEE) Tehsil Raiwind	28	1.918
2.	Dy. DEO (MEE) Tehsil City Lahore	25	3.553
3.	Dy. District Education Officer (EE-W) Teshil Shalimar		5.754
Total			11.225

Audit was of the view that due to weak internal and administrative control funds were not expended for the betterment of the students.

The matter was reported to the PAO / CEO in September, 2017 but neither reply was submitted nor DAC meeting convened till finalization of this report.

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

[AIR para # 2, 2 & 3]

10.4.2.2 Non transfer of government property on transition

As provided in terms of enacted PLGA 2013, Section 3(e) of the act *ibid* envisages an Authority shall succeed the rights, assets and liabilities of the City District Government or District Government respectively to the extent of health and education. Under sub-section 2 of the Section *ibid*, the Government or an officer designated by the Government shall divide the rights, assets and liabilities of the existing local governments amongst the successor local governments and the Government; and; the decision of the Government or the designated officer shall be final.

An audit scrutiny of accounts record of CEO DEA Lahore revealed that government property rights, assets and liabilities of the District Lahore to the extent of education were not got transferred in the name of District Education authority in violation of the rule *ibid*.

Audit was of the view that due to weak internal and administrative controls, transition process was not completed.

The matter was reported to the PAO / CEO in September, 2017 but neither reply was submitted nor DAC meeting convened till finalization of this report.

Audit recommends ensuring prompt remedial action besides fixing responsibility against the officers / officials at fault.

[AIR para # 11]

10.4.2.3 Core Functions Disregarded

As provided under Section 93. Of the PLGA 2013 captioned as Functions of District Education Authority.– A District Education Authority shall: (a) establish, manage and supervise the primary, elementary, secondary and higher secondary schools, adult literacy and non-formal basic education, special education institutions of the Government in the District; (b) implement policies and directions of the Government including achievement of key performance indicators set by the Government for education; (c) ensure free and compulsory education for children of the age from five to sixteen years as required under Article 25-A of the Constitution; (d) ensure teaching standards, infrastructure standards, student safety and hygiene standards and minimum education standards for quality education as may be prescribed; (e) undertake students' assessment and examinations, ranking of schools on terminal examination results and targets, promotion of co-curricular activities, sports, scouting, girl guide, red crescent, award of scholarships and conduct of science fairs in Government and private schools;

Audit scrutiny revealed that learning competencies , dropouts of already enrolled children and enforcement of compulsory education in consonance with the constitutional provisions had not been pursued defeating the directions of the Government including achievement of key performance indicators required to be achieved as was also evident from the dismal ranking of DEA Lahore against specific benchmarks.

Audit was of the view that due to weak internal and administrative controls, core functions were disregarded.

The matter was reported to the PAO / CEO in September, 2017 but neither reply was submitted nor DAC meeting convened till finalization of this report.

Audit recommends remedial action to improve the ranking of the DEA Lahore besides fixing responsibility against the officers / officials at fault.

CHAPTER 11

District Education Authority, Mandi Baha-u-Din

11.1 Introduction

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

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

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

DEA Mandi Baha-ud-Din manages following schools / education offices:

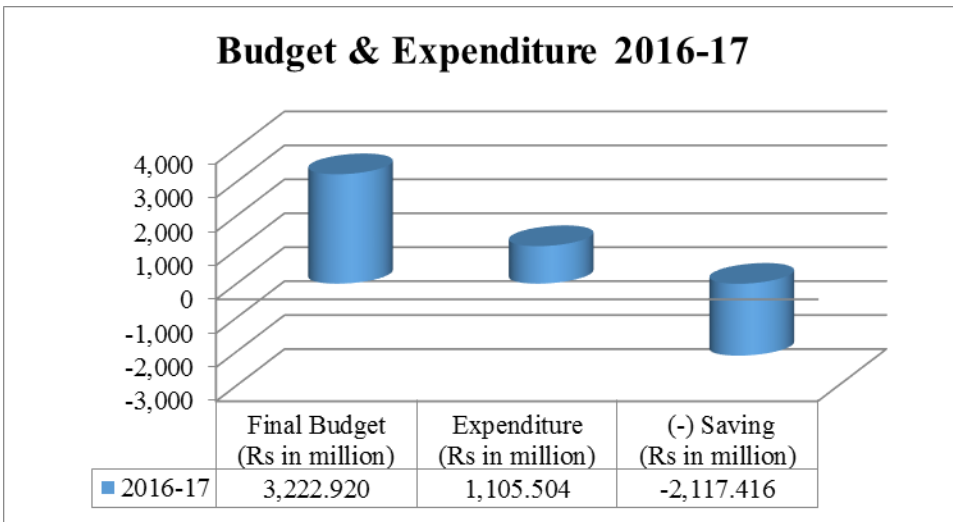
Description	No. of offices / schools
Chief Executive Officer	1
DO (SE)	1
DEO (WEE)	1
DEO (MEE)	1
Dy. DEO (MEE)	3
Dy. DEO (WEE)	3

High and Higher Secondary Schools	162
Elementary & Primary Schools	613
Any other institute	4

11.2 Comments on Budget and Accounts (Variance Analysis)

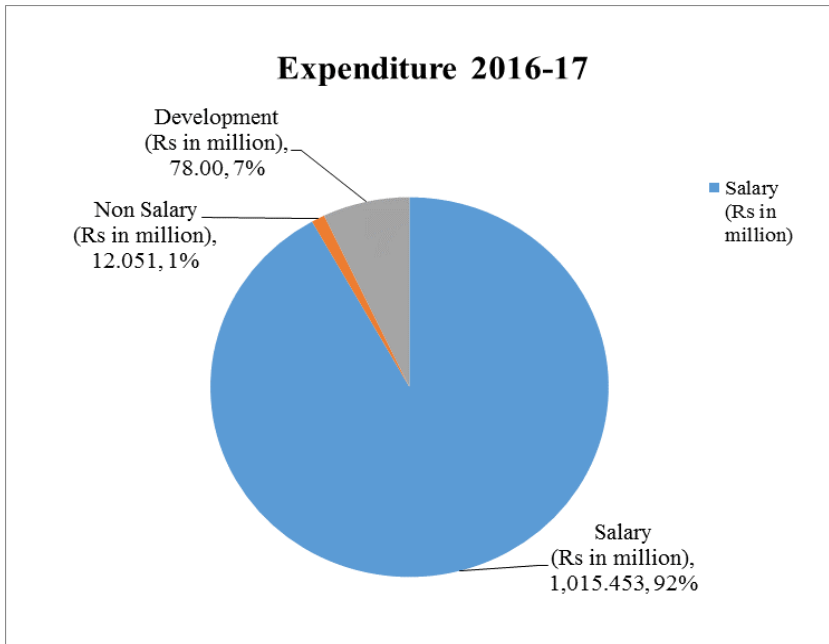
During FY 2016-17 budgetary allocation (inclusive salary, non-salary and development) for District Education Authority was Rs 3,222.920 million whereas, the expenditure incurred (inclusive salary, non-salary and development) was Rs 1,105.504 million, showing savings of Rs 2,117.416 million for the period, which in terms of percentage was 66% of the final budget as detailed below:

Description	Budget (Rs in million)	Expenditure (Rs in million)	(-) Saving / (+) Excess (Rs in million)	%age of Savings
Salary	1,927.148	1,015.453	-911.695	47%
Non Salary	1,037.695	12.051	-1,025.644	99%
Development	258.077	78.00	-180.077	70%
TOTAL	3,222.920	1,105.504	-2,117.416	66%



As per the Appropriation Account 2016-17 of District Education Authority, Mandi Baha-ud-Din the original and final budget was Rs 3,222.921 million. Against the final budget total expenditure incurred by the District Education Authority during 2016-17 was Rs 1,105.504 million as detailed in Annexure-B.

The salary, non-salary and development expenditure comprised 92%, 1% and 7% of the total expenditure respectively.



11.3 Brief Comments on the Status of Compliance with PAC Directives

This is the first Audit Report on accounts of District Education Authority, Mandi Baha-ud-Din which was established in January 2017. Hence, no Audit Report pertaining to preceding years was submitted to Governor of the Punjab to be laid before provincial legislature.

11.4 AUDIT PARAS

11.4.1 Irregularity / Non-compliance

11.4.1.1 Irregular expenditure / transfer- Rs 32.000 million.

According to FD Govt. of the Punjab, the unspent balance M&R should not be a deposit work and balance may be refunded to the DDO concern.

Audit of CEO DEA M.B.Din, revealed that an amount of Rs 32.000 million was transferred to the Building Dept. on simple receipt voucher as Deposit Work but the Audit held the expenditure irregular, on the following grounds.

1. The detail of executed scheme was not been provided for verification.
2. The Admn Approval (schemewise) was not prepared.
3. Completion certificate PC-IV has not been rendered by the Deptt. Nor any residual balance was recovered from the Building Deptt.

Audit was of the view that due to non compliance of rules and dereliction on the part of the financial management, irregular expenditure / transfer of Rs 32 million was made.

No reply was submitted by the department.

The matter was reported to the CEO Education / PAO in December, 2017 but no DAC was convened till the finalization of this report.

Audit recommends that matter needs to regularized besides fixing of responsibility against the person(s) at fault.

[PDP No.05]

11.4.1.2 Irregular expenditure on purchase of IT lab equipment - Rs 15.999 million

According to School Education Department vide letter No. SO (ADP) MISC-420/397/2011 dated 04-12-2012, following steps to be observed for immediate procurement (b) furniture is to be procured by relevant school council (C) EDO (Education and DEO(SE) are responsible for expeditious transfer of funds and transparent procurement of furniture by each school council (D) 100% utilization of funds be ensured immediately and furnished the same to this department (Note) the funds shall be utilized be school council of concerned High School as per prescribed guidelines by School Education Department and Finance Department.

During scrutiny of record of CEO (Education) MB Din, it was observed that Rs 1.5999 million were incurred on purchase of medical and laboratory equipment for schools. The expenditure was held doubtful due to the following reasons.

- Criteria for selection of high and elementary schools were not found on record.
- Demand from schools for purchase of said material was not available.
- Record regarding previous purchase by high schools was not produced.

Rough cost estimates, vouchers, delivery challans, acknowledgments, quality inspection reports was not available

Document No.	Object code	Supplier	Dated	DDO Code	Amount (Rs)
1900122325	A05270	Rozi Enterprises	17.06.2017	MX8996	4,780,000
1900122324	A05270	Rozi Enterprises	17.06.2017	MX8996	10,422,500
1900078379	A05270	Zafar Furniture	20.06.2017	MX8996	796,940
Total					15,999,440

Audit was of the view that due to non compliance of rules and dereliction on the part of the financial management, irregular expenditure Rs15.99 million on purchase of IT lab equipment was made.

No reply was submitted by the department.

The matter was reported to the CEO Education / PAO in December, 2017 but no DAC was convened till the finalization of this report.

Audit recommends that matter needs to regularize besides fixing of responsibility against the person(s).

[PDP No.10]

11.4.1.3 Irregular expenditure on purchase of furniture - Rs 14.999 million

According to School Education Department vide letter No. SO (ADP) MISC-420/397/2011 dated 04-12-2012, following steps to be observed for immediate procurement (b) furniture is to be procured by relevant school council (C) EDO (Education and DEO(SE) are responsible for expeditious transfer of funds and transparent procurement of furniture by each school council (D) 100% utilization of funds be ensured immediately and furnished the same to this department (Note) the funds shall be utilized be school council of concerned High School as per

prescribed guidelines by School Education Department and Finance Department.

During scrutiny of record of CEO (Education) MB Din, it was observed that Rs 14.999 million were incurred on purchase of furniture for schools. The expenditure was held doubtful due to the following reasons.

- Criteria for selection of high and elementary schools were not found on record.
- Demand from schools for purchase of said material was not available
- rough cost estimates, vouchers, delivery challans, acknowledgments, quality inspection reports was not available

Doc No.	G/L a/c	Supplier	Dated	DDO code	Amount (Rs)
1900102043	A05270	Zubair & Umair Furniture	22.06.2017	MX8996	854,450
1900016295	A05270	Koncept Furniture	22.06.2017	MX8996	2,592,820
1900118093	A05270	Zafar furniture House	20.06.2017	MX8996	11,552,225
Total					14,999,495

Audit was of the view that due to non compliance of rules and dereliction on the part of the financial management, irregular expenditure Rs14.999 million on purchase of furniture was made.

No reply was submitted by the department.

The matter was reported to the CEO Education / PAO in December, 2017 but no DAC was convened till the finalization of this report.

Audit recommends that matter needs to regularize besides fixing of responsibility against the person(s).

[PDP No.09]

11.4.1.4 Doubtful payment on account of pay of Litracy Teachers - Rs 8.323 milliom

As per PC-I, the centers shall be set up in all the areas where there is no formal Government Primary School within 01 kilometer radius or a private primary education facility nearby. Further inspection reports and other record shall be maintained.

During audit of Litracy wing of CEO Education Mandi Bahauddin for the financial year 2016-17, it was observed that payment was made by the DDO Rs 8.323 million on account of salary of teachers of NFBE (Non Formal Basic Education) and ALC (Adult Learner Centre). No

disbursement certificate from DDO was not available in record. Further probe revealed that NOC from DEO (M/W-EE) regarding non-existence of primary school within 01 kilometre radius was also not available in record. Moreover, number of students centres wise and their attendance, exam record of the students, performance of teachers were not available in record to ascertain that either schools were existed or not. Inspection reports of Literacy Mobilizes were also not attached with the claim for verification in violation of PC-I.

Audit was of the view that due to non compliance of rules and dereliction on the part of the financial management, doubtful payment to NFBE and ALC teachers was made.

No reply was submitted by the department.

The matter was reported to the CEO Education / PAO in December, 2017 but no DAC was convened till the finalization of this report.

Audit recommends that matter needs to regularize besides fixing of responsibility against the person(s).

[PDP No.12]

11.4.1.5 Irregular expenditure for provision of Toilet Block in schools - Rs 8.145 million

According to P&D Department letter No.1 (17) RO (ADP) P&D/2012- Re-app dated 15-12-2012, the expenditure on provision of Toilets may be incurred by the nominated executing agencies and issuance of Admin Approval by competent authority and completion of all other codal/legal/ procedural authorities. According to School Education Department letter No. SO (ADP) MISC-422/423/2012 dated 16-2-13, EDO Education is responsible to arrange certificates to the effect that funds were transferred/utilized by the schools. According to section 115(6) of PLGO 2001, the officials shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with all reasonable expedition.

During scrutiny of record of EDO Education MB Din, it was observed that an amount of Rs 8.145 million (through SDA) vide cheque No 645806 dt 11.3.17 was transferred in primary/elementary schools for provision of toilets. The expenditure was held doubtful due to the following reasons.

- Criteria for selection of schools were not found on record.

- Demand from schools for construction of toilets was not available.
- Criteria of feasibility for construction of toilets were not produced.
- No evidence i.e. bank statements of schools was produced from which it could be ascertained that the amount has been transferred/deposited in the relevant high school designated account, Further no acknowledgment of transfer of funds was found.
- Criteria of selection of members for school council, passed resolution for construction of toilets from concerned school councils, rough cost estimates, vouchers, cash books, stock registers, acknowledgments, quality inspection reports, detail of residual balance was not found on record.
- Administrative approval by the competent authority and completion certificates was not produced.No residual balance was refunded by the schools.

Voucher No. and Date	Description	Rs in million
645806 dt 11.3.17	Provision of Toilet Block	8.145

Audit was of the view that due to non compliance of rules and dereliction on the part of the financial management, irregular expenditure Rs8.145 million on provision of toilet blocks was made.

No reply was submitted by the department.

The matter was reported to the CEO Education / PAO in December, 2017 but no DAC was convened till the finalization of this report.

Audit recommends that matter needs to regularize besides fixing of responsibility against the person(s).

[PDP No.08]

11.4.1.6 Irregular transfer for clean drinkingwater-Rs 3.400 million

According to School Education Department letter No. SO (ADP) MISC-422/423/2012 dated 16-2-13, EDO Education is responsible to arrange certificates to the effect that funds were transferred/utilized by the schools. According to section 115(6) of PLGO 2001, the officials shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with all reasonable expedition.

During scrutiny of record of CEO (Education) Mandi Baha-ud-Din, it has been observed that an amount of Rs 3.400 million(2.000 million through SDA+ 1.400 million through A/C V) was transferred to various schools for the purpose of clean drinking water but the expenditure is held irregular on the following grounds

- 1 vouched account has not been provided for verification of expenditure
- 2 no residual balance was refunded to the department.

Audit was of the view that due to non compliance of rules and dereliction on the part of the financial management, irregular transfer of funds Rs 3.400 million was made.

No reply was submitted by the department.

The matter was reported to the CEO Education / PAO in December, 2017 but no DAC was convened till the finalization of this report.

Audit recommends that matter needs to regularize besides fixing of responsibility against the person(s).

[PDP No.05]

11.4.1.7 Doubtful on merit scholarship to the students - Rs 3.226 million

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

CEO (Education) MB Din, paid Rs 3.226 million against the merit scholarship to the students of the government schools. The expenditure was held doubtful on the following grounds:

1. Amounts were disbursed without acknowledgment of the recipient. Further disbursement was made through cash instead of giving cross cheques or transfer through bank advice to bank accounts of the beneficiary.
2. List of Punjab Education Commission for merit was not found in record as detailed below.

Document No.	Object code	Description	Dated	DDO code	Amount (Rs)
1900054252	A05270	To Others	16.06.2017	MX8996	3,225,600

Audit holds that due to non-compliance of rules and mismanagement, scholarship amounting Rs 3.226 million was disbursed in non transparent way.No reply was submitted by the department.

The matter was reported to the CEO Education / PAO in December, 2017 but no DAC was convened till the finalization of this report.

Audit recommends that matter needs to regularize besides fixing of responsibility against the person(s).

[PDP No.04]

11.4.1.8 Non deposit/non provision of proof of payment of sales tax retained by the supplier - Rs 2.107 million

As per Punjab Revenue Authority Finance Department instructions issued vide No.PRA/22477 dated 25-4-2014 in the light of Notification No.SO (TAX) 1-2/97 (Pt Viii) sales tax @ Rs 16% is required to be deducted from the payments made to the engineering consultants w.e.f July, 2013.

CEO DEA M.B.Din, paid an amount of Rs 2,107,236 to the supplier on account of Sales Tax against a payment of Rs 20.576 million but the deposit proof of such sales tax has not been provided by the supplier. Furthermore, no sales tax return, sales invoice summary and sales register reflecting these invoices during the the concerned period has been provided by the supplier.

Name of supplier	Item purchased	Invoice No & Date	Amount	Sales tax charged	Sales tax withheld	Sales Tax retained by the supplier
Zafar Furniture House	Furniture	108 dt 16.6.17	11,552,225	1678528	335706	1342822
Rozi Enterprizes	IT equipments	86 dt 1.6.17	4,780,000	338837	67767	271070
Koncept Furniture	Furniture	96 dt 16.6.17	2592820	376734	75347	301387
Zubair & Umair Furnitures	Furniture	28 dt 17.6.17	854450	124151	24830	99321
Zafar Furniture House	Furniture	106 dt 10.6.17	796940	115795	23159	92636
			20,576,435			2,107,236

Audit was of the view that due to non compliance of rules and dereliction on the part of the financial management, payment of sales tax could not be verified

No reply was submitted by the department.

The matter was reported to the CEO Education / PAO in December, 2017 but no DAC was convened till the finalization of this report.

Audit recommends recovery of the amount besides fixing of responsibility against the person (s).

[PDP No. 03]

11.4.1.9 Irregular exemption of general sales tax - Rs 1.514 million

According to CBR letter No.4(47) STB/98 (Vol-I) dated 04-08-2001, all Government Departments and organizations are required to purchase taxable goods only from registered persons against prescribed sales tax invoices and forwarded an intimation to the concerned sales Tax collectorate for the purpose of Audit / verification of deposit of tax.

CEO DEA M.B.Din, paid an amount of Rs. 10.422 million to M/S Rozi Enterprises for the purchase of Personal Computers but sales tax was not deducted from the bill. Supplier provided the exemption certificate of FBR that related only Income Tax (Withholding Tax) i.e u/s 153(5)(a) Clause 47A, and this exemption certificate not covers Sales Tax @ 17% and in this way an excess amount on account of Sales Tax was paid to supplier due to already included in the bid rates. Sales Tax invoice provided by supplier also shown Sales Tax. This resulted in loss to Govt. Rs 1.514 million as detailed below

Inv. No. & Date	Name of Item	Name of Supplier	Amount	Amount of GST	Total Amount of bill paid	GST Deducted
8628 dt 1.06.2017	Personal Computers	Rozi Enterprises	8,908,119	1,514,380	10,422,500	Nil

Audit was of the view that due to non compliance of rules and dereliction on the part of the financial management, an overpayment on account of sales tax was made to the supplier of Rs1.514 million.

No reply was submitted by the department.

The matter was reported to the CEO Education / PAO in December, 2017 but no DAC was convened till the finalization of this report.

Audit recommends fixing of responsibility against the person (s) at fault besides obtaining the after sale service agreement with supplier.

[PDP No.02]

11.4.1.10 Non-accountal of stock - Rs 1.6 million

According to Rule 15.4(a) of PFR Vol-I, all materials received should be examined, counted, measured and weighed, as the case may be, when delivery is taken, and they should be kept in charge of a responsible government servant. The receiving government servant should also be required to give a certificate that he has actually received the materials and recorded them in his appropriate stock registers.

Headmistress Government Girls High School Shahana Lok District Mandi Bahauddin received IT lab Equipment with furniture amounting Rs 1.6 million from the office of Chief Executive Officer, District Education Authority, Mandi Bahauddin on 28.03.2017. During the physical inspection of IT Lab it was found that precious IT Equipments were present without proper recording in the Stock Registers with the specification of equipment such as Manufacturer Name, Model Name, Serial Number, Size and Specification. The detail of IT equipments is as under:

Name of Item	Description	Qty
Server Lenovo S-510	Core i7 6 th Gen, 8 GB Ram, 1 TB HDD	01
CPU System Lenovo S-510	Core i7 6 th Gen, 8 GB Ram, 1 TB HDD	15
LED Lenovo	18.5"	16
UPS	Inverx 03-KVA	01
Batteries	Osaka	02
Electrical Wiring	Complete	01
Printer	HP Laser Jet 1102	01
AC	Orient 1.5 Ton	01
Interactive Smart Board	Interactive Smart Board with Multimedia	01
Computer Table	As per Specification	17
Chairs	As per Specification	17

Audit was of the view that due to non compliance of rules and dereliction on the part of the financial management, IT equipments were not taken on record.

No reply was submitted by the department.

The matter was reported to the the CEO Education / PAO in December, 2017 but no DAC was convened till the finalization of this report.

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

[PDP No. 06]

11.4.1.11 Doubtful expenditure on repair of building through transfer of funds to Building department – Rs 1.262 million

According to Finance Department's letter No. IT(FD)3-7-2000 dated 01.01.2001, on completion of the project, the DO Buildings will render a completion certificate and statement of accounts (i.e. complete vouched account) together with refund of residual balance of the amounts placed at his disposal, to the concerned DDO for his record.

CEO Education M.B Din paid Rs 1,262000 for renovation of various offices under the jurisdiction of education department. The payment was held unauthorized and doubtful because there was no detail of tender issued by building department, TS estimates, vouchers, measurement books, completion certification / PC-IV of works. It was doubted that repair of the amount has been misappropriated in C&W department and amount was not properly expended and value for money was not obtained. No residual balance has been refunded to the department.

1900085396	A13301	Office Buildings	20.06.2017	MX6005	15	EDUCATION	1,000,000.00
1900111138	A13302	Residential Buildings	20.06.2017	MX6005	15	EDUCATION	262,000.00

Audit was of the view that due to non compliance of rules and dereliction on the part of the financial management, doubtful transfer of funds Rs1.262 million.

No reply was submitted by the department.

The matter was reported to the CEO Education / PAO in December, 2017 but no DAC was convened till the finalization of this report.

Audit recommends that matter needs to regularize besides fixing of responsibility against the person(s) at fault.

[PDP No.01]

11.4.1.12 Unjustified payment to MASCON consultants - Rs 1.172 million

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

During scrutiny of Record of CEO (Education) Mandi Baha-ud-Din, it has been observed that M/s MASCON consultants were hired for

supervision of Reconstruction of dangerous school buildings executed by the Building department. The payment is held irregular on the following grounds,

- 1 as per clause of the contract agreement of the civil works contracts, the contractor is bound to hire a consultant engineer for the supervision of the construction hence there was no need of his agreement by the education department
- 2 steel testing and bricks testing is also the part of agreement/contract signed between the XEN building department with the contractor.
- 3 To speed up the execution of work the contractor of building department is also time bound and a penalty is imposed on him for late completion from 1% to 10%
- 4 Income tax was required to be deducted @12% instead of 8% due to non filer hence a recovery of Rs 46839/- may be recovered, as no return was available in the record

In the above scenario there was no need to hire such consultancy. Furthermore, no performance report and consumption/stock entry of reimbursables was shown to check the performance of the consultancy. This resulted in unjustified payment of Rs 1.172 million on payment to other services rendered.

Doc. No.	G/L a/c	Description	Dated	DDO code	Grant	Description	Amount
1900076225	A05270	To Others	16.06.2017	MX8996	36	Development	586,251
1900009712	A05270	To Others	19.06.2017	MX8996	36	Development	586,251
Total							1,172,502

Audit was of the view that due to non compliance of rules and dereliction on the part of the financial management, unjustified payment of Rs 1.172 million to Mascon Consultants was made.

No reply was submitted by the department.

The matter was reported to the CEO Education / PAO in December, 2017 but no DAC was convened till the finalization of this report.

Audit recommends that matter needs to be regularized besides fixing of responsibility against the person(s) at fault.

[PDP No.06]

11.4.1.13 Undue retention of Government money in bank - Rs 0.827 million

The expenditure shall not be prima facie more than the occasion demands, according to Section 32 (d) of PLG Accounts Rules, 2001.

Scrutiny of accounts record of HM Govt. Special Education Centre Malakwal District Mandi Bahauddin revealed that closing balance of Rs 827,225 was available in DDO bank account 1623-79001626-03 HBL Rana Chowk Malakwal on 30.06.2017. The funds were withdrawn from Govt. treasury without any demand, therefore the same were required to be transferred to as revenue to the receipt head of account.

Audit was of the view that due to non compliance of rules and dereliction on the part of the financial management, the funds were withdrawn and retained irregularly.

No reply was submitted by the department.

The matter was reported to the CEO Education / PAO in December, 2017 but no DAC was convened till the finalization of this report.

Audit recommends inquiry of the matter and fixing of responsibility against the person (s) at fault.

[PDP No.11,12 & 13]

11.4.2 Internal Controls Weaknesses

11.4.2.1 Irregular expenditure on uniform - Rs 1.599 million

According to Rule 15.4(a) of PFR Vol-I, all materials received should be examined, counted, measured and weighed, as the case may be, when delivery is taken, and they should be kept in charge of a responsible government servant. The receiving government servant should also be required to give a certificate that he has actually received the materials and recorded them in his appropriate stock registers. Moreover, Rule 15.17(b) of PFR Vol-I states that all discrepancies noticed must properly investigated and brought to the account immediately, so that the stores account may represent the true state of store.

Contrary to the above rule Head Mater Govt. Special Education Centre MB Dinpaid Rs 799,097 and Head Mistress Govt. Special Education Centre Malakwal paid 799,986 for the purchase of uniform without uploading the tenders on PPRA Website. CDRs, approved demand minutes of meetings and proper distribution/ issuance student wise was not shown to audit In violation of above mentioned rule payment of Rs799,685 to supplier was held unauthorized., as detailed below.

Head Mater Govt. Special Education Centre MB Din					
Document No.	Object code	Description	Dated	DDO Code	Amount (Rs)
1900048966	A03906	Uniforms and protective clothing	24.06.2017	MX6001	530,234
1900135285	A03906	Uniforms and protective clothing	24.06.2017	MX6001	268,863
Head Mistress Govt. Special Education Centre Malakwal					
Vr.No.	Date	Description			Amount
1873	19.6.2017	Exxxcel Trading & Marketing		28090	589,880
1868	19.6.2017	Exxxcel Trading & Marketing		9990	209,805
Grand Total					1,599,083

Audit was of the view that due to internal control weakness, the purchase of Uniforms was made without fulfilling the procurement rules.

No reply was submitted by the department.

The matter was reported to the CEO Education / PAO in December, 2017 but no DAC was convened till the finalization of this report.

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

[PDP No.01,12]

11.4.2.2 Doubtful payment on account of scholarship in cash – Rs 0.621 million

According to Rule 2.31(a) of PFR Vol-1, a drawer of bill will be held responsible for any over charges, fraud and misappropriation.

Audit of Govt. Special Education Centre MB Din, revealed that scholarship for students amounting to Rs 620,800 drew in cash from DAO and disbursement was made through cash instead of giving cross cheques or computerized transfer of amount into joint bank accounts of the students/ parents. Further the CNIC of the payees were not found on record to verify the signatures on the acquaintance roll. Moreover several payments were made through thumb impressions of the payees. The chance of misappropriation could not be ignored as detailed below.

Doc No.	Object code	Description	Dated	DDO Code	Amount (Rs)
1900065024	A0395 9	Stipend, Incentives, awards and allied expenditure	06.06.2017	MX600 1	620,800

Audit was of the view that due to internal control weakness, scholarships funds were withdrawn and paid in cash instead of crossed cheques thus doubting the genuiness and authenticity of the disbursed funds.

No reply was submitted by the department.

The matter was reported to the CEO Education / PAO in December, 2017 but no DAC was convened till the finalization of this report.

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

[PDP No.04]

CHAPTER 12

District Education Authority, Mianwali

12.1 Introduction of the Authority

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

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

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

DEA Mianwali manages following schools / education offices:

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

High and Higher Secondary Schools	141
Elementary & Primary Schools	1083
Any other institute	2

12.2 Comments on Budget and Accounts

Total budget of District Education Authority, Mianwali was Rs 2,888.335 million including Salary component of Rs 2,470.665 million, Non Salary component of Rs 60.120 million and Development component of Rs 357.550 million. Expenditure against Salary component was Rs 1,259.890 million, Non Salary component was Rs 18.080 million and Development component was Rs 301.036 million. Overall savings were Rs 1,309.329 million which was 45% of total budget.

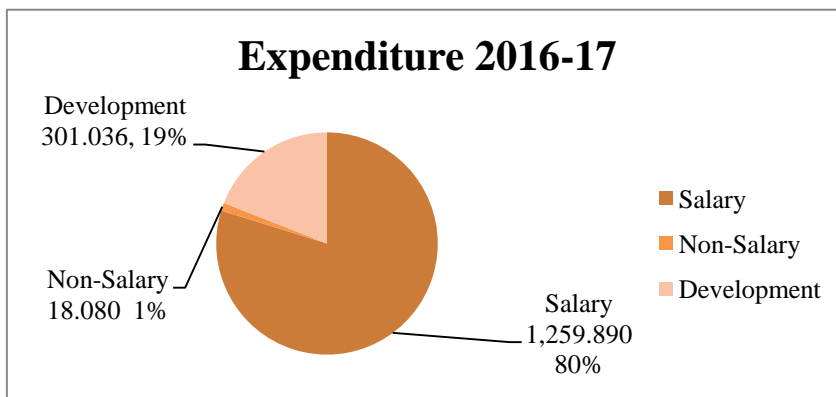
Rs in million

FY: 2015-16	Budget	Expenditure	(-) Saving	%age of Saving
Salary	2,470.665	1,259.890	1,210.775	49
Non Salary	60.120	18.080	42.040	70
Development	357.550	301.036	56.514	16
Total	2,888.335	1,579.006	1,309.329	45

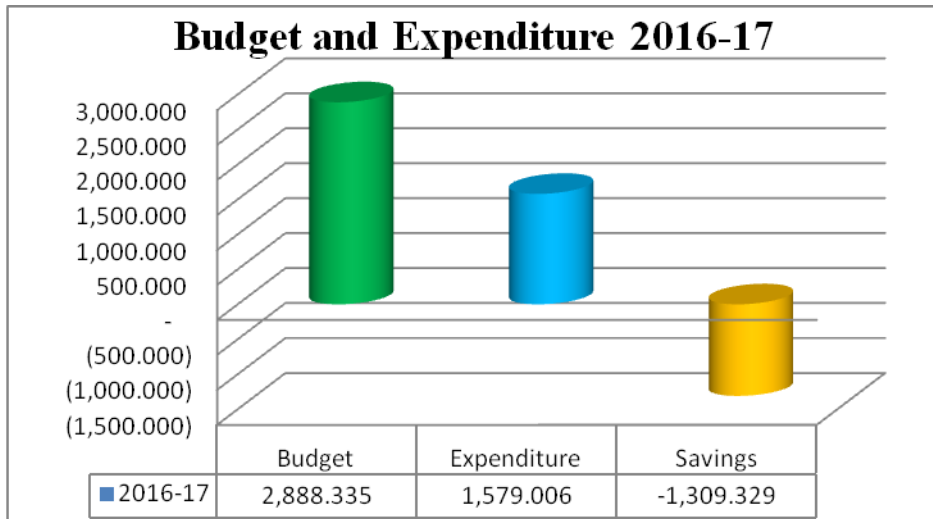
As per the Appropriation Account 2016-17 of District Education Authority Mianwali, the original and final budget was Rs 2,888.335 million, No supplementary grant was provided. Against the final budget, total expenditure incurred by District Education Authority during 2016-17 was Rs 1,579.006 million, as detailed at Annexure-B

The Salary, Non Salary and Development Expenditure comprised 80%, 1% and 19% respectively of the total Expenditure.

(Rs in million)



(Rs in million)



The overall saving of Rs 1,309.329 million was 45% of the final budget.

12.3 Brief Comments on the Status of Compliance with PAC Directives

This is the first Audit Report on accounts of District Education Authority, Mianwali which was established in January 2017. Hence, no Audit Report pertaining to preceding years was submitted to Governor of the Punjab to be laid before provincial legislature.

12.4 AUDIT PARAS

12.4.1 Non-production of Record

12.4.1.1 Non-Production of record - Rs 2.391 million

According to Section 14(1,2 & 3) of Auditor General's Functions, Powers and Terms and Conditions of Service, Ordinance, 2001, the Auditor-General conduct audit of the departments under of the control of the of Federation and of a Provincial and all authorities established there under, officer in-charge of any office or department shall afford all facilities and provide record for audit inspection. Further, any person or authority hindering the auditorial functions of the Auditor General regarding inspection of accounts shall personally be responsible and dealt with under relevant Efficiency and Discipline Rules.

Deputy DEO (M-EE) Piplan made payment of Rs 2.391 million to teachers on account of leave encashment for the period from January, 2017 to June, 2017 but vouched account was not produced to Audit. In the absence of record, authenticity, validity, accuracy and genuineness of expenditure.

Audit holds that due to defective financial discipline and weak internal controls, relevant record was not produced to audit in violation of criteria *ibid*.

This resulted in unauthorized expenditure of Rs 2.391million.

The matter was reported to CEO DEA in December, 2017 but neither reply was submitted nor was DAC meeting convened till finalization of this report.

Audit recommends fixing of responsibility for non-production besides production of record to audit for the fulfillment of statutory provisions.

PDP No.9]

12.4.2 Irregularities / Non-compliance

12.4.2.1 Doubtful expenditure incurred from SDA account for pending liabilities - Rs286,650

According to Rule 17.17(A) read with Rule 17.18 of PFR Vol-I, every disbursing officer shall maintain a register of liabilities in P.F.R form 27 in which he should enter all these items of expenditure for which payment is to be made by or through another officer, budget allotment or sanction of a higher authority is to be obtained or payment would be required partly or wholly during the next financial year or years.

CEO (Education) opened SDA account on the closing of AC-IV and promulgation of Local Government Act 2013 for interim arrangement to incur the operational expenditure of District Education authority. CEO Education made doubtful payments of pending utility bills of different school for Ra 286,650 for the financial year 2015-16 and 2016-17. Despite the fact that these schools were provided budgetary allocation by District Government separately.

Audit was of the view that due to weak administrative and financial controls, pending liabilities were made.

This resulted in a doubtful expenditure of Rs 286,650.

The matter was reported to the CEO DEA in December, 2017 but no reply was furnished. Despite repeated requests, DAC meeting was not conveyed till the finalization of this report.

Audit Recommends inquiry of the matter besides fixing of responsibility against the person (s) at fault.

[PDP No.6]

12.4.3 Internal Control Weaknesses

12.4.3.1 Loss of revenue due to non-deduction of general sales tax - Rs 1.444 million

According to Section 153 (1)(c) of Income Tax Ordinance 2001, every prescribed person making a payment in full or part including a payment by way of advance to a resident person on the execution of a contract shall deduct tax @ 7.5% of the gross amount payable, if the person is a filer and 10% if the person is a non-filer.

School Councils of the following formations of District Education Authority Mianwali did not deduct general sales tax at source from the payments made to unregistered suppliers during financial year 2016-17 in violation Sales Tax Act.

Sr. No.	Name of Formation	PDP No.	Description	Amount (Rs)
1	Dy. DEO (MEE) Isa Khel	01	Non Deduction of GST (Annexure-L)	1,044,350
2	Dy. DEO (MEE) Piplan	07	Non recovery of Sales tax from Suppliers (Annexure-M)	399,908
Total				1,444,258

Audit was of the view that due to weak administrative and financial controls, GST at source was not deducted.

This resulted in a loss of revenue of the Government for Rs 1.444 million.

The matter was reported to the CEO DEA in December, 2017 but no reply was furnished. Despite repeated requests, DAC meeting was not conveyed till the finalization of this report.

Audit Recommends recovery of the stated amount besides fixing of responsibility against the person (s) at fault.

12.4.3.2 Loss of revenue due to non-deduction of income tax - Rs 0.524 million

As Section 153 of Income Tax Ordinance 2001 the requisite deduction of Income Tax at the prescribed rate is needed to be made at source while making payments on accounts of stores / services rendered @4.5% on supply, 7.5% on payment to contractors and 10% to 12% on services rendered.

School Councils of following formations of District Education Authority Mianwali did not deduct Income tax at source from the

payments made to suppliers during financial year 2016-17 in violations of rule ibid.

Sr. No.	Name of Formation	PDP No.	Description	Amount (Rs)
1	Dy.DEO (M-EE) Isa Khel	02	Non Deduction of Income Tax	199,623
2	CEO District Education Authority	04	Non deduction of Income Tax	18,933
3	Dy.DEO (MEE) Piplan	08	Non deduction of Income Tax at Source	305,143
Total				523,699

Audit was of the view that due to weak administrative and financial controls Income Tax at source was not deducted by the school councils.

This resulted in a loss of revenue of Rs 0.524 million.

The matter was reported to the CEO DEA in December, 2017 but no reply was furnished. Despite repeated requests, DAC meeting was not conveyed till the finalization of this report.

Audit Recommends recovery of stated amount besides fixing of responsibility against the person (s) at fault.

12.4.3.3 Loss of revenue due to non deduction of PST – Rs 0.202 million

As per para 7 of Punjab Sales Tax on Services Rules, 2015, a withholding agent who receives advertisement services provided by a person bases in Pakistan or abroad shall deduct the whole amount of tax as mentioned in the invoice issue by the service provider. In case where the amount of sales tax is not indicated on the invoice the amount shall be deducted by the withholding agent at the applicable rates on the gross value of taxable services from the payment due to the service provider.

CEO (Education), Mianwali incurred an expenditure of Rs 1,262,228 for payment to DGPR on account of advertisement charges without deduction of PST on services @16% amounting to Rs 0.202 million at source in violation of instructions ibid.

Chq No.	Date	Amount	Payee	Provincial Sale Tax @ 16%
688461 (SDA)	30.03.2017	1,237,880	DGPR	
3214002 (AC-V)	15.06.2017	24,348	DGPR	
Total		1,262,228		201,956

Audit was of the view that due to weak administrative and financial controls PST was not deducted at source by the CEO (Education).

This resulted in a loss of Rs 201,956.

The matter was reported to the CEO DEA in December, 2017 but no reply was furnished. Despite repeated requests, DAC meeting was not conveyed till the finalization of this report.

Audit Recommends recovery of stated amount.

CHAPTER 13

District Education Authority, Nankana Sahib

13.1 Introduction of Authority

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

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

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

DEA Nankana Sahib manages following schools / education offices:

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

High and Higher Secondary Schools	90
Elementary & Primary Schools	654
Any other institute /	-

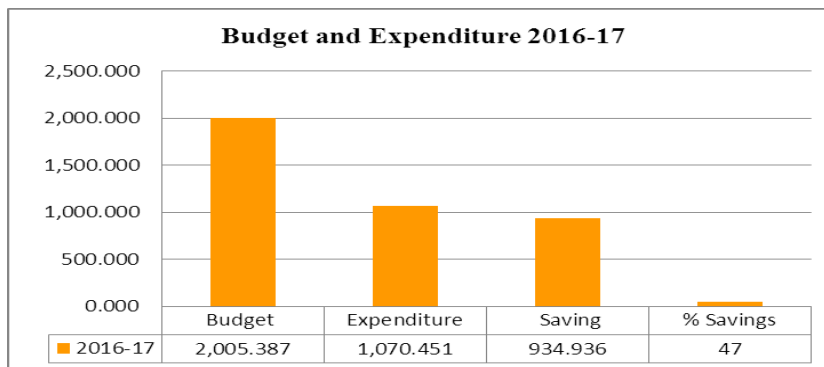
13.2 Comments on Budget and Accounts

Total budget of District Education Authority for the Financial Year 2016-17 was Rs 2005.387 million, against which only Rs 1070.451 million was spent. Overall savings of Rs 934.936 million during the Financial Year 2016-17 which was 31.91% of budgetary allocation, showing non-utilization of funds meant for provisions of amenities in District Education Authority thus depriving the community from getting better facilities.

(Rs in millions)

Financial Year	Budget	Expenditure	Savings	% Savings
2016-17	2005.387	1070.451	934.936	47

Rs in million



13.3 Brief Comments on the Status of Compliance with PAC Directives

This is the first Audit Report on accounts of District Education Authority, Nankana Sahib which was established in January 2017. Hence, no Audit Report pertaining to preceding years was submitted to Governor of the Punjab to be laid before provincial legislature.

13.4 AUDIT PARAS

13.4.1 Non Production of Record

13.4.1.1 Non Production of record

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

Management of 21 schools working under the jurisdiction of Dy. DEO (M-EE) Nankana Sahib did not provide the record of NSB spending regarding cash book entries, voucher file, bank statement, stock register for Audit scrutiny for the Financial Year 2016-17.

Audit was of the view that the relevant record of the expenditure and receipt was, not produced to Audit so as to hamper conducting of the same which may lead to likely misappropriation and misuse of public resources. In the absence of record withheld from production, authenticity, validity and accuracy of expenditure and receipts could not be verified.

The matter was reported to the PAO in January, 2018. Neither any reply was submitted by the management nor was the DAC meeting convened till finalization of this report.

Audit recommends prompt production of record by the management besides fixing responsibility against the persons at fault.

[AIR Para # 04]

13.4.2 Irregularity / Non-compliance

13.4.2.1 Irregular payment of salaries without sanctioned posts Rs 965.994 million

According to Rule 38 (3) of Punjab District Authorities (Accounts) Rules 2017, the drawing and disbursing officer shall maintain establishment check register on form 4T and at the beginning of each year the entries in the establishment register showing sanctioned strength of establishment and remuneration of each post will be scrutinized and verified by the DDO. Further according to rule 3 (2) of Punjab District Authorities (Accounts) Rules 2017, the pension fund of local government employees adjusted in the district authorities shall be maintained in BOP or NBP or any other bank after the approval of government shall be operated by the CEO and B & AO jointly.

During Audit of the District Education Authority Nankana Sahib for the year 2016-17, it was observed that CEO District Education Authority Nankana Sahib charged salary payment amounting to Rs 965.994 million from Account V, on account of pay and allowances without getting approval from the Finance Department for the number of posts admissible against each cost centre and also failing to cater to the adjustments warranted in lieu claims for employees as well as pensioners of erstwhile District council.

Audit was of the view that payment of salaries without approval of admissible sanctioned strength from the Finance Department to the entries of the establishment register was due to weak internal controls.

This resulted in irregular payment of salaries amounting to Rs 965.994 million and also caused non maintenance of the pension fund of local government employees adjusted in the district authority.

The matter was reported to the PAO in January, 2018. Neither any reply was submitted by the department, nor DAC meeting convened till finalization of this report.

Audit recommends, seeking regularization of expenditure from the competent authority besides fixing responsibility against the persons at fault.

[PDP # 1]

13.4.2.2 Post audit of SDA account - Rs 667.209 million

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

During audit of DEA Nankana Sahib for the financial year 2016-17 it was noticed that post audit of the expenditure amounting to Rs 667.209 million from funds SDA of DEA w.e.f. March to May 2017 was not carried out in contravention to the SDA policy referred above.

Audit was of the view that due to weak internal control and financial indiscipline, post audit of SDA was evaded despite a lapse of a considerable time.

This resulted in irregular expenditure of Rs 667.209 million.

The matter was reported to the PAO in January, 2018. Neither any reply was submitted by the department, nor DAC meeting convened till finalization of this report.

Audit recommends seeking regularization of expenditure from the competent authority in a manner prescribed after ensuring remedial action of post audit of the vouched account yet to be rendered besides fixing responsibility against the persons at fault.

[PDP # 2]

13.4.2.3 Transfer of funds without pre-audit - Rs 69.432 million

According to para 4.2.7.1 and 4.2.8.1 of APPM, every claim voucher (bill) must be certified by an officer in the relevant District Account Office/Accountant General Office/Accountant General Pakistan Revenue Office and who shall be deemed to be the certifying officer and Once certified (pre-audited), the claim voucher (bill) may then be authorized for payment, by an officer in the District Account office/Accountant General office/Accountant General Pakistan Revenue office and who shall be deemed to be the certifying officer.

During audit of DEA Nankana sahib, it was noticed that funds on account of Non Salary Budget (NSB) amounting to Rs 69.432 million were transferred to the schools without pre audit in violation of Para 4.2.7.1 and 4.2.8.1 of Accounting Policies and Procedures Manual.

Audit was of the view that due to weak internal controls and financial indiscipline, post audit of SDA was not carried out.

This resulted in irregular transfer of funds of Rs 667.209 million and evasion of pre- audit as well as post audit.

The matter was reported to the PAO in January, 2018. Neither any reply was submitted by the department, nor DAC meeting convened till finalization of this report.

Audit recommends seeking regularization of transfer of funds in a manner prescribed besides fixing responsibility against the officers / officials at fault.

[PDP # 3]

13.4.2.4 Expenditure without pre-audit - Rs 40.706 Million

According to Para No. 2.5 & 2.6 of Guidelines of for Elementary & Primary Schools, each bill of NSB should be routed through District Accounts Office and every School shall prepare Head Wise Budget in accordance with the requirements of the school at the time of preparation of Budget. According to para 4.2.7.1 and 4.2.8.1 of APPM, every claim voucher (bill) must be certified by an officer in the relevant District Account Office/Accountant General Office/Accountant General Pakistan Revenue Office and who shall be deemed to be the certifying officer and once certified (pre-audited), the claim voucher (bill) may then be authorized for payment, by an officer in the District Account office/Accountant General office/Accountant General Pakistan Revenue office and who shall be deemed to be the certifying officer.

During audit of DDEO(W-EE), Nankana Shaib, it was noticed that funds on account of Non Salary Budget (NSB) to the tune of Rs 40.706 million were transferred to the schools without any pre audit in violation of Para 4.2.7.1 and 4.2.8.1 of Accounting Policies and Procedures Manual during 2016-17. Further, bills were not sent to District Accounts Office and expended by the head of school. Moreover, expenditure was incurred without preparation of chart of classification.

This resulted in irregular expenditure.

Audit was of the view that due to weak internal and administrative control expenditure was incurred in disregard to the binding conditions to subscribe to chart of account in terms of classification prescribed also eventually breaching the condition of subscribing to application of certification through pre and post audit.

The matter was reported to the PAO in January, 2018. Neither any reply was submitted by the department, nor DAC meeting convened till finalization of this report.

Audit recommends seeking regularization of funds transferred in a manner prescribed besides fixing responsibility against the persons at fault.

[PDP # 2]

13.4.2.5 Irregular drawl of qualification allowance - Rs 4.467 million

According to Finance Division's O.M. bearing No.F.1(12)Imp.II/91, dated 19-8-1991, qualification allowance is admissible subject to terms & conditions including verification of testimonials from degree awarding institutions/ HEC.

Management of the Dy. DEO (MEE) and Dy. DEO (WEE) Nankana Sahib made payment of Rs 4.467 million on account of Qualification Allowance without ensuring verification of degrees from respective universities / institution..

Audit was of the view that due to weak internal and administrative controls, qualification allowance was paid without verification of educational certificate.

This resulted in irregular expenditure of Rs 4.467 on account of disbursements allowed as qualification allowance.

The matter was reported to the PAO in January, 2018. Neither any reply was submitted by the department, nor DAC meeting convened till finalization of this report.

Audit recommends seeking regularization of the matter in a manner prescribed besides fixing responsibility against the officers / officials at fault.

[PDP # 02, 06]

13.4.2.6 Non recovery of conveyance allowance during vocations – Rs 3.569 million

According to rule 1.15 of the Punjab Travelling allowance conveyance allowance was not admissible during leaves.

Management of the following formations did not deduct conveyance allowance amounting to Rs 3.569 million during winter vacations.

Sr. No	Name of Formation	Rs in million
1	DDEO(EEM) NNS	0.515
2.	DDEO (EEW) NNS	3.054
	Total	3.569

Audit was of the view that conveyance allowance was paid due to weak internal controls and negligence on the part of management.

This resulted in loss of Rs 3.569 million to public exchequer.

The matter was reported to the PAO in January, 2018. Neither any reply was submitted by the department, nor DAC meeting convened till finalization of this report.

Audit recommends imposition of recovery besides fixing responsibility against the officers / officials at fault.

[PDP # 1, 04]

13.4.2.7 Unjustified payment of charge allowance - Rs 1.179 million

According to Government of Punjab, Finance Department Notification No.FD-PR-10-71/72 dated 18-06-1973, charge allowance to the Head Masters of Government Primary Schools is admissible only where five teachers are posted in the school and enrollment is upto 150 students.

Scrutiny of payroll record of Dy.DEO (M-EE) Nankana Sahib revealed that expenditure of Rs 1.179 million was incurred on account of Charge Allowance. The expenditure was held unjustified as the same was paid without considering the above criteria.

Audit was of the view that due to weak internal and administrative control charge allowance was paid without fulfillment of criteria. This resulted in irregular payment.

The matter was reported to the PAO in January, 2018. Neither any reply was submitted by the department, nor DAC meeting convened till finalization of this report.

Audit recommends seeking regularization of the matter in a manner prescribed besides fixing responsibility against the persons at fault.

[PDP # 03]

13.4.2.8 Less / non-deduction of income / sales tax – Rs 1.831 million

Every prescribed person making a payment in full or part including a payment by way of advance to a resident person or permanent establishment in Pakistan of a non-resident person shall, at the time of making the payment to persons other than a company, deduct tax from the gross amount @ 4.5%, 10% and 7.5% on account of supplies, services and execution of contract respectively, in case of filer and 6.5%, 15% and 10% on account of supplies, services rendered and execution of contract respectively, in case of non-filer, other than company according to Section 153 of Income Tax Ordinance, 2001 duly amended vide Finance Act 2014.

Management of the different schools made payment of Rs 1.831 million on purchase of different items but Income Tax amounting to Rs 1.831 million was not deducted.

Audit was of the view that non deduction of Income Tax was due to weak internal controls and negligence on the part of administration.

This resulted in loss of Rs 1.831 million to the public exchequer

The matter was reported to the PAO in January, 2018. Neither any reply was submitted by the department, nor DAC meeting convened till finalization of this report.

Audit recommends, seeking regularization of expenditure from the competent authority besides fixing responsibility against the persons at fault.

[PDP # 1]

13.4.2.9 Non verification of GST Rs 1.314 million

According to FBR's letter No.4(47) STC/98(Vol. I) dated 4.8.2001, purchasing department / organization are required to forward intimation regarding recovery/deposit of GST to the concerned GST collectorate for verification.

During audit of DDEO (EEW), it was observed that an amount of Rs 1.314 million was paid to the supplier on account of GST for purchase of different things but its verification was not made from BR department.

Rs in million

Sr. No.	Department	Description	AIR para No.	Total Amount	GST
1.	DDEO (EEW), NNS	Purchase of misc. items	09	7.021	1.193
2	Slow learner school,	Purchase of uniform	01	0.343	0.049

	NNS	Purchase of P&M	04	0.544	0.072
Total				7.908	1.314

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

This resulted in likely pilferage of unaccounted for GST worth Rs 1.314 million.

The matter was reported to the PAO in January, 2018. Neither any reply was submitted by the department, nor DAC meeting convened till finalization of this report.

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

13.4.2.10 Irregular payment of scholarship - Rs 1.958 million

According to Rule 2(e) of Punjab District Authority Accounts Rules 2017, budget for a financial year means the statement of the estimated receipts into the local fund of District Authority and the estimated expenditure for the financial year, requires to be laid before the Committee of the Authority, before commencement of that year.

During audit of accounts record of DEA Nankana Sahib, it was observed against lapsed out tied grant of Account-IV pertaining to the financial year 2013, regarding “Merit Scholarship”. DEA Nankana Sahib paid “Merit Scholarship without availability of the budgetary cover as detailed below;

Sr. No.	Description	Period	Amount (Rs)
1.	NK-16E00139-Internal Merit Scholarship	2013-14	1,166,400
2.	NK-16E00140-Internal Merit Scholarship	2015-16	792,000
Total:-			1,958,400

Audit was of the view that due to weak internal and administrative controls, payment of merit scholarship was made without allocation in the budget estimate. This resulted in irregular expenditure of Rs 1.958 million.

The matter was reported to the PAO in January, 2018. Neither any reply was submitted by the department, nor DAC meeting convened till finalization of this report.

Audit recommends regularization of the matter in a manner prescribed besides fixing responsibility against the officers at fault.

[PDP # 4]

13.4.3 Performance

13.4.3.1 Irregular succession after closing of Account IV, Non-stock taking of moveable and immoveable properties and assets

According to Section 3(e) of PLGA, 2013, an Authority shall succeed the rights, assets and liabilities of the City District Government or District Government respectively to the extent of health and education.

Scrutiny of financial statement of DEA Nankana Sahib revealed that w.e.f. 01-07-2016 to 31-12-2016, the capital development expenditure of District Government Nankana Sahib was Rs 105.674 million but at the time of establishment of DEA and opening of account V, no physical stock taking of District Government Nankana Sahib properties and assets was carried out. It was also noticed that millions of rupees were expended during 2016-17 on purchase of new machinery & equipment and new infrastructure & buildings. Audit was unable to make appropriate comments on the condition and state of moveable & immoveable properties. Demarcation of properties were not executed.

Audit holds that due to weak internal control of the management, compliance of the rules was awaited.

This resulted in violation of statutory provisions.

The matter was reported to the PAO during December, 2017. Neither any reply was furnished nor DAC meeting was convened till finalization of this report.

Audit recommends ensuring of physical stock taking of handed over assets from District Government Nankana Sahib besides fixing responsibility against the officers at fault.

[PDP No.12]

3.4.3.2 Unauthorized budget allocation for pay & allowances

According to para 2.3.2.2 of APPM “information in the accounts and in the supporting subsidiary records shall be accurate, representing actual substance of past events, without undue errors or omissions. This shall include correct and consistent classification and recognition of revenues and expenditures.”

According to Rule 38 (3) of Punjab District Authorities (Accounts) Rules 2017, the drawing and disbursing officer shall maintain establishment check register on form 4T and at the beginning of each year

the entries in the establishment register showing sanctioned strength of establishment and remuneration of each post will be scrutinized and verified by the DDO. Further according to rule 3 (2) of Punjab District Authorities (Accounts) Rules 2017, the pension fund of local government employees adjusted in the district authorities shall be maintained in BOP or NBP after the approval of government.

During Audit of the accounts of District Education Authority Nankana Sahib for the year 2016-17, it was observed that CEO District Education Authority Nankana Sahib charged against Account V payment amounting to Rs1273.508 million on account of pay and allowances without getting approval from the Finance Department for the number of posts admissible against each cost centre. DEA also failed to cater to distinct account of the adjustments to be given effect to the extent of employees of erstwhile District Council as well as pensioners of erstwhile District Council with respect to the discharge of pension liabilities.

Audit was of the view that payment of salaries without approval of admissible sanctioned strength of posts from the Finance Department to the entries of the establishment register was due to weak internal controls.

This resulted in irregular payment of salaries amounting to Rs1273.508 million and also unfolded non maintenance of the pension fund of local government employees adjusted in the district authorities.

The matter was reported to the PAO during December, 2017. Neither any reply was furnished nor DAC meeting convened till finalization of this report.

Audit recommends seeking regularization of the matter in a manner prescribed besides fixing responsibility against the person(s) at fault.

[PDP No.13]

13.4.3.3 Non transparent, doubtful and un-reconciled expenditure on stipends

According to para 2.3.2.2 of APPM “information in the accounts and in the supporting subsidiary records shall be accurate, representing actual substance of past events, without undue errors or omissions. This shall include correct and consistent classification and recognition of revenues and expenditures.”

During Audit of the accounts of District Education Authority Nankana Sahib for the year 2016-17, it was observed that CEO District

Education Authority Nankana Sahib charged against Account V payment amounting Rs12.916 million as stipend to the female students of the government schools. Expenditure was held non-transparent and doubtful due to the following reasons:

1. The list of students for whom stipend was drawn was not available on record. EDO Education received amount without any detail of payees and their entitlements before submission of bill in the treasury
2. The record regarding the acknowledgements of the students on the money orders was neither handed over to EDO school wise nor segregated by the EDO Education making the reconciliation impossible.
3. General Post Office never returned the un-disbursed stipend and no reconciliation was available with the Education department.
4. Certificate in regard of receipt of stipends by the school students was not received from the head of institution and no weekly reports about disbursement were issued.
5. The education office could not produce the pass book against the stipend account maintained at GPO for the period.

Audit holds that due to weak internal control of the management compliance of the rules was awaited.

This resulted in non-transparent and doubtful expenditure on account of stipend charged from public exchequer.

The matter was reported to the PAO during December, 2017. Neither any reply was furnished nor DAC meeting convened till finalization of this report.

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

[PDP No.14]

13.4.3.4 Non utilization of SDA funds – Rs667.209 million

According to Rule 55 (1)(C) (ii) of Punjab District Authorities (Budget) Rules 2017 the head of offices or institutions or DDO is responsible for ensuring that the funds allotted are spent in conformity with the schedule of authorized expenditure.

During Audit of the accounts of District Education Authority Nankana Sahib for the year 2016-17, it was observed that CEO District

Education Authority Nankana Sahib charged against Account V payment from SDA funds amounting to Rs667.209 million but the same were not utilized during the financial year 2016-17.

Period	Description	Expenditure
01.01.2017 to 30.06.2017	Special Drawing Account	667.209

Audit was of the view that due to weak internal and administrative control funds were not expended for the betterment of the students.

The matter was reported to the PAO / CEO in December 2017 but neither reply was submitted nor DAC meeting convened till finalization of this report.

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

[PDP No.15]

13.4.3.5 Un-reasonable selection of NFBE schools, irregular payment

The PC-I of “Punjab Accelerated Functional Literacy and Non Formal Basic Education Project” has approved yardstick for the opening of NFBES with the condition that there is no formal Government Primary School within 01 kilometer radius or a private primary education facility nearby.

CEO, DEA Nankana Saib established NFBES and TSKL at District Nankana Sahib during 2016-17 and an amount of Rs12.916 million was paid on account of remuneration / scholarship to the teachers of literacy program. Certificate that there was no formal Government Primary School within a radius of 01 kilometer or a private primary education facility etc., was not on record. Payment of remuneration was held irregular because the corresponding recommendations of the Village / Town Education Committee to choose the particular sites in question was not on record. Further, number of potential NFBE learners, potential teachers in the target villages / town and BISP household survey data reports was not on record in the absence of which the chance of misappropriation of government funds cannot be eliminated.

Audit was of the view that due to weak internal and administrative control centers were established and payment was drawn. This resulted in irregular expenditure amounting to Rs 12.916 million.

The matter was reported to the PAO during December, 2017. Neither any reply was furnished nor DAC meeting convened till finalization of this report.

Audit recommends seeking regularization of the matter in a manner prescribed besides fixing responsibility against the person(s) at fault.

[PDP No. 16]

13.4.3.6 Non reconciliation of receipt - and non-investment of surplus balance

According to para 2.3.2.2 of APPM “information in the accounts and in the supporting subsidiary records shall be accurate, representing actual substance of past events, without undue errors or omissions. This shall include correct and consistent classification and recognition of revenues and expenditures.” According to Rule 78 (1) of Punjab District Authorities (Budget) Rules 2017, the primary obligation of collecting officer shall be to ensure that all revenue due is claimed, realized and credited immediately into the District Authority fund, under the proper receipt head. As provided within the meaning of the Rule 11(2) (f) of the Punjab District Authorities Accounts Rules 2017, in discharge of his responsibilities, the Chief Executive Officer shall ensure that the amount credited to the Local Fund as reported by Accounts Officer are reconciled or verified with records on monthly and annual basis.

As provided under Section 109(2) of the PLGA 2013, a local government may invest surplus funds, if any, in such securities and financial institutions, as may be approved by the Government.

During audit, it was observed that as per financial statement of DEA Nankana Sahib total receipts of the DEA was Rs 1699.445 million but the reconciliation with the collecting officer and head of institutions and credit of receipt into authorities fund was not on record. Unrealistic budget estimation even in revised estimates showed final allocation approved to the tune of Rs2005.387 million with receipt presenting excessive shortfall in terms of finally compiled figures which only amounted to Rs305.942 million. More so, even against the reduced realization of Receipts there was a cash reserve available in view of the savings conceded which was available for investment to the tune of Rs645.472 million.

In the prevailing scenario, it is evident that due diligence was not exercised for realistic estimation of budget complicated by absence of

reconciliation of receipts/recoveries also incurring inordinate delay for investing surplus funds in such securities and financial institutions, approved by the Government. This resulted in violation of government rules and loss to the government.

Management was not able to arrange holding of DAC meeting for purpose built deliberations on the issue despite repeated reminders till finalization of this Report.

Audit recommends holding of a detailed enquiry to apportion responsibility against the delinquents for violation of government rules and causing loss to the government followed by remedial action to do away with deviation and departures from proper budgeting, reconciliation and allocation of funds.

[PDP No.17]

13.4.3.7 Non verification of pass book – Rs667.209 million

As per para 2.2 (b) of Treasury Rules (Budget and reconciliation) stated that monthly reconciliation statements duly signed by PAO/DDO/Operator of SDA along with photo copies of pass book by 7th of each month to the Treasury Officer for verification and authentication. Further vouched account against these payments prior to disbursement of new releases is conspicuous by absence contrary to provisions set forth in term of para 2.3(a) of Treasury Rules be submitted to the concerned AG/DAG/TO for post audit by 15th of each month. Further, a passbook should be kept for each Personal Deposit Account PLA / SDA. It should be the duty of the administrator of the fund to see that the passbook is sent to the treasury officer at least once a month and balanced according to provisions of Rule 12.19 of PFR Form 25 read with Rule 12.20 of PFR which provides that the Treasury Officer is responsible for seeing that the entries are correctly made and at the end of the each month the entries on each side of the pass books are totaled and the balance struck and agreed with the treasury account. The Treasury Officer should then sign the book.

Scrutiny of record of Executive District Officer Education Nankana Sahib for the financial year 2016-2017, it was observed that Finance Department released funds to the tune of Rs667.209 million in to the joint SDA of DC/Administrator and CEO DEA Nankana Sahib during 2016-17. The pass books of the SDAs (Development and Non Development) valuing Rs667.209 million was not sent to Treasury Office on monthly basis for verification and authentication in violation of rule *ibid*. The examination of record revealed that only a plain register was

maintained, and each and every transaction was not verified by the Administrator / operator of the account as detailed below:

Period	Description	Rs in million
01.01.2017 to 30.06.2017	Special Drawing Account	667.209

Audit was of the view that non-verification of pass book was due to poor performance and weak internal controls.

This resulted in irregular expenditure amounting to Rs 667.209 million.

The matter was reported to the management in December 2017. Neither reply was submitted by the department nor DAC meeting convened till finalization of this report.

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

[PDP No. 18]

13.4.3.8 Non-conducting of survey census of private schools and irregular award of registration without fulfillment formalities

School Education Department, Govt. of the Punjab, vide letter No. PS Spl.SS/2016 dated 07.10.2016 directed for the conduct of Private School Census in the Punjab.

An audit scrutiny of accounts record of EDO / CEO DEA Nankana Sahib revealed that survey census of Private Schools in District Lahore was not conducted during 2016-17. In the absence of which the registration of private schools and realization of annual fee cannot be verified as accurate and actual. The reliability of the record of registration of schools was held doubtful.

Audit was of the view that non-conducting of survey of schools was due to poor performance and weak internal controls.

The matter was reported to the PAO in December 2017. Neither reply was submitted nor DAC meeting convened till the finalization of this report.

Audit recommends conducting of school survey in order to verify the annual fee collected from the private schools besides fixing responsibility against the officers / officials.

[PDP No.19]

CHAPTER 14

District Education Authority, Narowal

14.1 Introduction of Departments

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

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

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

- plan and finance maintenance of school, support enrolment and retention, arrange donation and finances, plan development and may perform any other role as may be prescribed; and
- perform any other function assigned by the Government, a Commission or a body established by law in the prescribed manner.

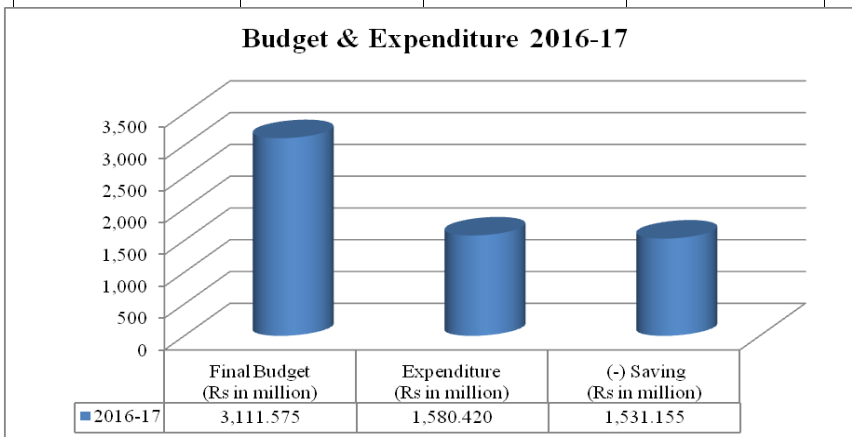
DEA Narowal manages following offices / schools:

Description	No. of offices /schools
District Education officer (Secondary Education)	01
District Education Officer (EE-M)	01
District Education Officer (EE-W)	01
Deputy DEO (M-EE)	04
Deputy DEO (W-EE)	04
Secondary / Higher Secondary School	197

14.2 Comments on Budget and Accounts (Variance Analysis)

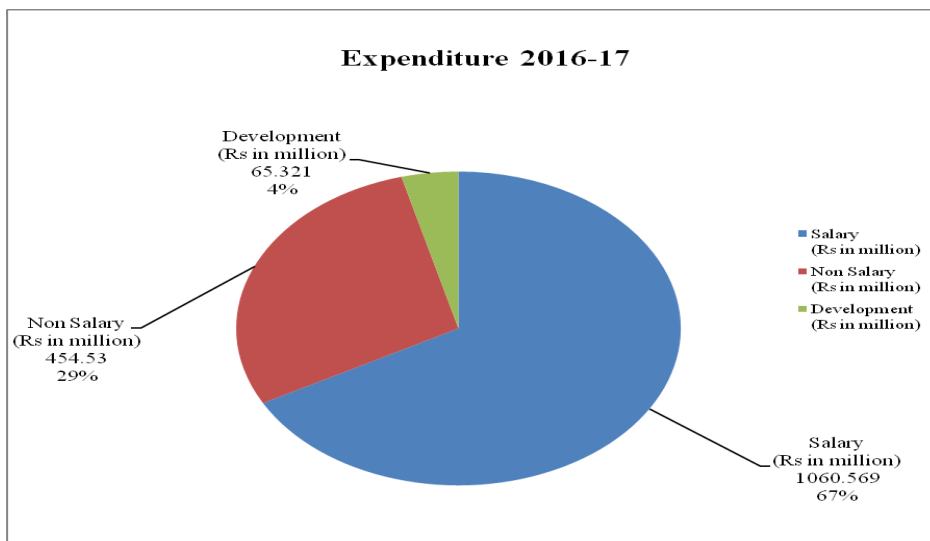
During Financial Year 2016-17 budgetary allocation (inclusive of salary, non-salary and development) for District Education Authority was Rs 3111.575 million whereas, the expenditure incurred (inclusive of salary, non-salary and development) was Rs 1580.420 million, showing saving of Rs 1531.155 million for the period, which in terms of percentage was 49% of the final budget as detailed below:

Description	Budget (Rs in million)	Expenditure (Rs in million)	(-) Saving / (+) Excess (Rs in million)	%age of Savings
Salary	2047.87	1060.569	-987.301	48
Non-Salary	877.666	454.530	-423.136	48
Development	186.039	65.321	-120.718	65
TOTAL	3111.575	1580.420	-1531.155	49



As per the Appropriation Account 2016-17 of District Education Authority, Narowal the original budget was Rs 3111.575 million, supplementary grant was Rs 0 million and the final budget was Rs3111.575 million. Against the final budget total expenditure incurred by the District Education Authority during financial year 2016-17 was Rs 1580.420 million as detailed in Annex-B.

The salary, non-salary and development expenditure comprised 67%, 29% and 4% of the total expenditure respectively.



14.3 Brief Comments on the Status of Compliance with PAC Directives

This is the first Audit Report on accounts of District Education Authority, Narowal which was established in January 2017. Hence, no Audit Report pertaining to preceding years was submitted to Governor of the Punjab to be laid before provincial legislature.

14.4 AUDIT PARAS

14.4.1 Irregularity / Non-compliance of Rules

14.4.1.1 Doubtful expenditure on construction of boundary walls, toilet blocks and drinking water- Rs 12.10 million

According to School Education Department letter No. SO (ADP) MISC-420/397/2011 dated 04-12-2012, following steps to be observed for immediate procurement (b) furniture is to be procured by relevant school council (C) Edo Education and DEO (SE) are responsible for expeditious transfer of funds and transparent procurement of furniture by each school council (D) 100% utilization of funds be ensured immediately and furnished the same to this department (Note) the funds shall be utilized by school council of concerned High School as per prescribed guidelines by School Education Department and Finance Department. Moreover, according to clause 5.3 of school council policy 2007 amended up to 2013, DCO will be the sanctioning authority of transfer of funds to school councils and EDO (F) will sent the sanction letter to DAO and EDO (E). EDO (E) will ensure the transfer of funds through relevant Dy. DEOs.

During scrutiny of record of CEO Education Narowal, it was observed that Rs12.10 million were transferred to High Schools for construction of boundary walls, toilet blocks and drinking water without sanction of DCO. Further probe revealed that no efforts were made to ensure the proper transfer of funds in SMC accounts through relevant Dy. DEOs/DOs because no evidence i.e. bank statements of schools was produced from which it could be ascertained that the amount had been transferred/ deposited in the relevant schools designated accounts and no acknowledgment of transfer of funds was found on record. The expenditure was also held doubtful due to the following reasons.

- Criteria for selection of schools was not found on record.
- Demand from schools for construction of boundary wall was not available.
- Criteria of selection of members for school council, passed resolution for construction of boundary wall from concerned school councils, rough cost estimates, vouchers, cash books, bank statements, detail of residual balance was not found on record.
- As per procurement guidelines for school councils
- Each school council will prepare development project on Form No.A and approve from AEO but nothing was found on record.

- Each school council will prepare development project according to Govt. design, specification and technical inspection but nothing was found on record.
- Each school council will incur expenditure as per market or lesser rates but no proof in this regard was available on record.

Audit was of the view that due to non-compliance of rules and weak financial discipline, CEO (Education) Narowal doubtful transferred and expenditure of funds Rs 12.10 million during Financial Year 2016-17.

In DAC meeting held on 11-01-2018, Department replied that funds were transferred to DO Building but vouched accounts were not obtained. DAC directed for provision of vouched account.

Audit recommends production of vouched account besides fixing responsibility against the person(s) at fault.

[PDP No.01,02 & 03]

14.2.2 Internal Controls Weaknesses

14.2.2.1 Non-deduction of income tax - Rs 1.423 million

As required under Section-153 of Income Tax Ordinance, 2001, the requisite deduction of Income Tax at the prescribed rate is needed to be made at source while making payments on accounts of stores / services rendered. Further, according to Sales Tax Directorate Letter and Finance Deptt Notification, if the purchases are made from the non-registered Firms then the Sales Tax @ 17% would be deducted from the suppliers payment and deposited into Govt. treasury.

CEO (Education) Narowal, Deputy DEO (M-EE) Narowal and Deputy DEO (M-EE) Zafarwal made payments to the suppliers and contractors on purchase of furniture, other store items / building material for different schools and execution of development works but the income tax of Rs1.423 million was less / not deducted from the contractors. It is pertinent to mention here that some of the schools had deposited the taxes from the NSB funds unauthoroizedly instead of deduction from the supplier's payment as detailed below.

Sr. No.	Name of Formation	Amount (Rs in million)	PDP No.
1	CEO (Education) Narowal	0.806	06
2	Dy. DEO (M-EE) Narowal	0.398	03
3	Dy. DEO (M-EE) Zafawal	0.219	04
Total		1.423	

Audit was of the view that due to non compliance of rules and dereliction on the part of the financial management, CEO (Education) Narowal and Dy. DEO (M-EE) Narowal and Zafarwal did not deduct income tax at source amounting to Rs1.423 million.

In DAC meeting held on 11-01-2018, Department replied that concerned school heads were directed to deposit outstanding tax amount. DAC directed to deposit outstanding tax amount.

Audit recommends recovery of Rs 1.423 million from contractor(s) concerned and be deposited in Govt. treasury.

CHAPTER 15

District Education Authority, Okara

15.1 Introduction of Authority

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

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

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

DEA Okara manages following schools / education offices:

Description	No. of offices / schools
Chief Executive Officer	1
DO (SE)	1
DEO (WEE)	1
DEO (MEE)	1
Dy. DEO (MEE)	3
Dy. DEO (WEE)	3
High and Higher Secondary	197

Schools	
Elementary & Primary Schools	1209
Any other institute /	-

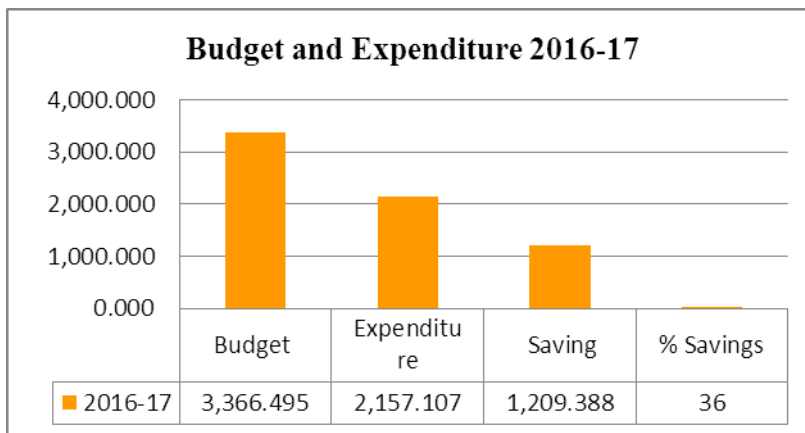
15.2 Comments on Budget and Accounts

Total budget of District Education Authority for the Financial Year 2016-17 was Rs 3,366.495 million, against which only Rs 2157.107 million was spent. Overall savings of Rs 1,209.388 million during the Financial Year 2016-17 which was 35.92% of budgetary allocation, showing non-utilization of funds meant for provisions of amenities in District Education Authority thus depriving the community from getting better facilities

(Rs. in million)

Financial Year	Budget	Expenditure	Saving	% Saving
2016-17	3,366.495	2,157.107	-1,209.39	-35.92

(Rs in million)



15.3 Brief Comments on the Status of Compliance with PAC Directives

This is the first Audit Report on accounts of District Education Authority, Okara which was established in January 2017. Hence, no Audit Report pertaining to preceding years was submitted to Governor of the Punjab to be laid before provincial legislature.

15.4 AUDIT PARAS

15.4.1 Irregularities / Non-compliance

15.4.1.1 Irregular transfer of fund to building department - Rs 369.951 million

According to Rule 38 (2), (5) & (14) of Punjab District Authorities (Budget) Rules 2017, the executing agency shall execute development projects as per parameters fixed in the approved PC-I and in accordance to the rules or instructions relevant to the respective executing agency who shall follow PC-III format for monitoring development projects. In case of development project under execution, the executing agency shall send monthly progress reports in the prescribed forms BM-5 and BM-7 to CEO 10th of each succeeding month. The PC-IV signed by the head of office and institutions shall be mandatory for all the projects. According to Rule 3 of Punjab District Authorities (Accounts) Rules 2017, the cash amount of local fund and public account of the authority shall be kept in a separate bank account.

Chief Executive Officer, DEA Okara transferred a sum of Rs 369.951 million to building department for works to the buildings of education department. Transfer of fund was held irregular because no estimate and scope of work was shared by the building department. Technically sanctioned estimates, inclusion of schemes in ADP and flotation of tenders were not on record. In the absence of requisite record and non-availability of vouched accounts, the authenticity of payment and timely completion of work could not be verified. The record of securities retained and forfeited and settlement of unspent funds against the schemes executed on ground was not retrieved from the Buildings Department.

Audit held that without adherence to the provisions of the planning Manual, B & R code and rendering of the vouched account, the funds transferred were expenditures in the nature of breach of canons of financial propriety.

This resulted in irregular transfer of funds to the tune of Rs 369.951 million.

The matter was reported to the PAO during November, 2017. Neither any reply was furnished nor DAC meeting convened till finalization of this report.

Audit recommends seeking regularization of the matter in a manner prescribed besides fixing responsibility against the person(s) at fault.

[Para No 12]

15.4.1.2 Payment out of SDA without post-audit - Rs 149.238 million

According to revised procedure for operation of SDAs circulated by the office of the Controller General of Account letter No.AC-II/1-39/08-Vol-V/632 dated September 24, 2008 applicable w.e.f.01-10-2008 “The drawing authorities will submit monthly account of expenditure with copies of paid vouchers to the concerned AG/DAO for post audit purpose by 15th of each month who will carry out 100% post audit. Further Government of the Punjab Finance Department vide its letter No. SO(TT)6-1/2007 dated 16-09-2007 has since decided to adopt the policy for the operation of SDAs circulated by CGA vide letter No.AC-II/6-23/99/Vol-XIV/160 dated 14-07-2007 “to overcome the existing accounting problems relating to SDAs, the provisions contained in chapter 10 and 17 of the APPM will be implemented”.

Scrutiny of record of CEO DEA Okara expenditure of Rs 149.238 million was incurred out of the funds of SDA but monthly account of expenditure with copies of paid vouchers were not submitted to the concerned DAO Okara for post audit purpose to carry out 100% post audit in violation of above letter. Further cheques were issued in the name of DDO instead of vender in violation of Rule 4.49 (a) of Punjab Treasury Rules also violating DHA specific restriction for not allowing DDOs to pay cash t vendors beyond the ceiling amount of Rs.10,000.

Sr. No.	Description	Funds received	Expenditure incurred	Balance funds
1	Development SDA	483,139,000	145,144,477	337,994,523
2	Non-Development SDA	308,569,165	4,094,075	304,475,090
Total		791,708,165	149,238,552	642,469,613

Audit was of the view that due to weak internal and administrative control, post-audit of the account was not carried out and DDO turned out to be payee for these disbursements. This resulted in irregular expenditure.

The matter was reported to the PAO during November, 2017. Neither any reply was furnished nor DAC meeting convened till finalization of this report.

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

[Para No 5]

15.4.1.3 Transfer of NSB funds worth Rs 144.376 without pre-audit - Loss to the Govt. due to non-deduction of Income Tax and GST Rs 31.040 million.

According to revised procedure for operation of SDAs circulated by the office of the Controller General of Account letter No.AC-II/1-39/08-Vol-V/632 dated September 24, 2008, the drawing authorities will submit monthly account of expenditure with copies of paid vouchers to the concerned AG/DAO for post audit purpose by 15th of each month who will carry out 100% post audit. Further Government of the Punjab Finance Department vide its letter No. SO(TT)6-1/2007 dated 16-09-2007 has since decided that the provisions contained in chapter 10 and 17 of the APPM will be implemented". Further, according to rule 3.4 of Non Salary Budget Guide Lines, every school will prepare School Based Action Plan for the utilization of funds. According to Rule 16 read with Rule 33 of Punjab District Authorities (Accounts) Rules 2017, the accounts officer shall perform pre-audit of all payments of local fund and public account before authorizing its disbursement

During audit of CEO Education Okara, it was revealed that Rs 144.376 million were transferred to schools under NSB. Payment was held irregular because pre-audit checks were bye-passed and payments were released without pre-audit. Schools did not seek budgeted appropriation for the amount released. Cash books and vouched account in lieu of the payments were not available on record. CEO office did not ensure the collection of Income Tax amounting to Rs 6.497 million and GST amounting to Rs 25.544 million resulting in total loss of Rs 31.040 million to the public exchequer.

Audit was of the view that due to weak internal and administrative controls pre-audit system was not adopted while incurring expenditure.

The matter was reported to the PAO during November, 2017. Neither any reply was furnished nor DAC meeting convened till finalization of this report.

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

[Para No 6]

15.4.1.4 Irregular expenditure through unauthorized school management councils - Rs 46.406 million

According to para 3.3.1 of the School Council Policy 2007, the Assistant Education Officer (AEO) shall record the proceedings of the

General Body Meeting. The AEO shall notify the School Council on the prescribed 'Form No.1'. The notification is to be issued on the spot in the general body meeting on the same date. Para 3.3.2 states that the School Council shall be constituted for a period of two years from the date of above mentioned notification.

An audit scrutiny of accounts record of Dy. DEO (MEE) Okara revealed that the AEOs of Tehsil Okara did not comply with the provision of para 3.3.1, 3.3.2 and 3.3.3 of the School Council Policy 2007. Non-compliance with the legitimate duties on the part of the concerned AEOs was serious irregularity. The heads of the schools incurred expenditure amounting to Rs 46.406 million on the purchase of different items without adherence to the court of forum of the members of the SMC.

Audit was of the view that due to non compliance of rules was not ensured. This resulted in irregular expenditure out of SMC funds amounting to Rs 46.406 million.

The matter was reported to the PAO during November, 2017. Neither any reply was furnished nor DAC meeting convened till finalization of this report.

Audit recommends seeking regularization of the matter in a manner prescribed besides fixing responsibility against the officers / officials at fault.

[Para No 5]

15.4.1.5 Irregular Purchase of IT equipments Rs 15.999 million

According to Rule 31 of PPR 2014, a procuring agency shall formulate an appropriate evaluation criterion listing all the relevant information against which a bid is to be evaluated and such evaluation criteria shall form an integral part of the bidding documents." Further according to Rule 28(2)(h) of PPR 2014, a procuring agency must prepare bidding document mentioning therein delivery time and complete schedule for supply of goods and list of items to be purchased.

CEO DEA Education Okara paid Rs 15.999 million for purchase of IT equipments for school, purchase was held irregular because Performance guarantee @10% was not received from the suppliers which made the contract void ab-initio. No specifications of the computers and equipments were predetermined. Specifications of the equipments were not vetted. No criteria for technical evaluation were circulated along with bid document. Technical bids of the bidder, technical evaluation announcement of technical evaluation and grievance meeting minutes

were not part of the officially retained procurement record. Inspection of the items received / IT equipments were not made by the independent technical committee required to be assigned a duty to check the equipments. There was no verification about the hardware equipments that the items were imported by the suppliers as new machinery and equipment or even used IT equipments were imported in bulk. No bill of entry was attached with the invoices and the serial numbers of the equipments were not got verified during the course of stock verification with no confirmation of EMEI code from the manufacturer being the genuine product.

Document No	Date of Posting	Cost center	Amount (Rs)
5100004010	24.06.2017	OY8996	1,428,800
5100010009	24.06.2017	OY8996	1,638,000
5100031008	24.06.2017	OY8996	12,932,050
			15,998,850

Audit was of the view that value for money principle were violated in premeditated manner.

This resulted in mis-procurement and audit holds that the value for money was not achieved.

The matter was reported to the PAO during November, 2017. Neither any reply was furnished nor DAC meeting was convened till finalization of this report.

Audit recommends seeking regularization of the matter in a manner prescribed besides fixing responsibility against the person(s) at fault.

[Para No 15]

15.4.1.6 Irregular expenditure on account of purchases out of NSB– Rs 15.785 million

According to Rule 15.4(a) and 15.5 of the PFR, Vol-I, all materials received should be examined, counted, measured and weighed, when delivery is taken and they should be kept in charge of a responsible Government servant. The receiving Government servant should also be required to give a certificate that he has actually received the materials and recorded them in his appropriate stock registers. When materials are issued a written acknowledgement should be obtained from the person to whom they are ordered to be delivered or dispatched and when materials are issued from stock for departmental use, manufacture or sale, etc., the

Government servant in charge of the stores should see that an indent in PFR Form 26 has been made by a properly authorized person.

Scrutiny of record in the office of Dy. DEO (MEE) Okara revealed that non-salary budget was released to the primary and elementary schools under the administrative control of this office. Payment amounting to Rs 15.785 million out of NSB, was held irregular because no Stock / Inventory Register related to purchase of store items was prepared by the schools. In the absence of account of government money expended the authenticity, accuracy, valuation and existence of the expenditure could not be termed as legitimate.

Audit was of the view that due to weak internal and financial control compliance of rules was not ensured.

This resulted in irregular and non-verifiable expenditure out of public exchequer to the tune of Rs15.75 million.

The matter was reported to the PAO during November, 2017. Neither any reply was furnished nor was DAC meeting convened till finalization of this report.

Audit recommends seeking regularization of the matter in a manner prescribed besides fixing responsibility against the officers / officials at fault.

[Para No 7]

15.4.1.7 Irregular and doubtful payment for construction of civil works - Rs 9.557 million

According to the clause 4 of Administrative Approval, payment for construction of boundary wall and toilet block was to be made by the SMC after the recommendation of the committee comprising of DMO, DO Planning and DDO Building of the concerned Tehsil.

Management of schools under the control of Dy DEO MEE Okara made payment amounting to Rs 9.557 million for the construction of the development works out of NSB. Payments were held irregular because no administrative approval was issued by the competent authority. No technical estimate was prepared and sanctioned by the competent authority. There was no report about the scope of work of the toilet blocks and boundary walls. At the time of allocation of funds, the condition about existing boundary wall and required BOQ of wall was also required to be reported. No comparison of market rates was made. There was no liaison of building department and school councils/education department to cross

match the entries of the building register and repair history thereof which drastically enhanced the risks that building department had already charged the same works for construction of toilet blocks or boundary walls in the same schools. Annexure-C

Audit was of the view that expenditure on account of civil works characterized by poor financial discipline and weak internal controls.

This resulted in irregular expenditure on civil works.

The matter was reported to the PAO during November, 2017. Neither any reply was furnished nor DAC meeting was convened till finalization of this report.

Audit recommends holding of a detailed enquiry into the matter apportioning responsibility against the officers / officials at fault, followed by remedial action to make amends for the lapsed before seeking regularization of the matter in a manner prescribed.

[Para No 05]

15.4.1.8 Irregular purchase of furniture out of NSB Rs 5.222 million

According to Rule 10 of PPR 2014, the procuring agency should not split the indent into small orders and the bid should be advertised after planning the need of the department. According to Rule 12 of PPR 2014, the bid over Rs 100,000 must be published on PPRA website.

Management of thirteen schools under the control of Dy. DEO WEE Okara incurred an expenditure of Rs 5.222 million on purchase of furniture at government schools out of NSB funds. Payments were held irregular and doubtful because no tender was called for purchase after drafting widest and generic specifications of the furniture.

Sr. No.	Name of School	Expenditure Special NSB Furniture (Rs)
1	GGES Ghazia Abad	422,777
2	GGPS 29-30	400,000
3	GGES 30/2-RA	400,000
4	GGPS 34/2RA	400,000
5	GMPS 29/ 4.L	400,000
6	GGPS 13/4.L	400,000
7	GGPS 31/ 4.L	400,000
8	GGES 36-A/4.L	400,000
9	GGES 38/4.L	400,000
10	GMPS 33/ 4.L	400,000
11	GGPS 32/ 4.L	400,000
12	GGES 49 A/ 3R	400,000

13	GGPS 9/4.L	400,000
	Total	5,222,777

Audit was of the view that the value for money was not achieved due to irregularities in the process.

This resulted in uneconomical purchase of furniture without competitive bidding.

The matter was reported to the PAO during November, 2017. Neither any reply was furnished nor DAC meeting was convened till finalization of this report.

Audit recommends seeking regularization of the matter in a manner prescribed besides fixing responsibility against the officers / officials at fault under intimation to Audit

[Para No 07]

15.4.1.9 Irregular succession after closing of Account IV, Non-stock taking of moveable and immoveable properties and assets

According to Section 3(e) of PLGA, 2013, an Authority shall succeed the rights, assets and liabilities of the City District Government or District Government respectively to the extent of health and education.

Scrutiny of financial statement of DEA Okara revealed that w.e.f. 01-07-2016 to 31-12-2016, the capital development expenditure of District Government Okara was Rs 265.618 million but at the time of establishment of DEA and opening of account V, no physical stock taking of District Government Okara properties and assets was carried out. It was also noticed that millions of rupees were expended during 2001-17 on purchase of new machinery & equipments and new infrastructure & buildings. Audit was unable to make appropriate comments on the condition and state of moveable & immoveable properties. Demarcation of properties were not executed which doubted the existence, free from encroachment of government land.

The matter was reported to the PAO during November, 2017. Neither any reply was furnished nor DAC meeting was convened till finalization of this report.

Audit recommends ensuring of physical stock taking of handing over of the assets from District Government Okara besides fixing responsibility against the officers at fault.

[Para No 9]

15.4.2 Internal Control Weaknesses

15.4.2.1 Unauthorized budget allocation for pay & allowances Rs 1,898.297 million

According to para 2.3.2.2 of APPM “information in the accounts and in the supporting subsidiary records shall be accurate, representing actual substance of past events, without undue errors or omissions. This shall include correct and consistent classification and recognition of revenues and expenditures.”

According to Rule 38 (3) of Punjab District Authorities (Accounts) Rules 2017, the drawing and disbursing officer shall maintain establishment check register on form 4T and at the beginning of each year the entries in the establishment register showing sanctioned strength of establishment and remuneration of each post will be scrutinized and verified by the DDO. Further according to rule 3 (2) of Punjab District Authorities (Accounts) Rules 2017, the pension fund of local government employees adjusted in the district authorities shall be maintained in BOP or NBP after the approval of government.

During Audit of CEO Education Okara for the year 2016-17, it was observed that CEO District Education Authority Okara made payment amounting to Rs 1,898.297 million on account of pay and allowances without getting approval from the Finance Department for the number of posts admissible against each cost centre and also failing to cater to distinct account of the adjustments to be given effect to the extent of employees of erstwhile District Council as well as pensioners of erstwhile District Council with respect to the discharge of pension liabilities.

Audit was of the view that payment of salaries without approval of admissible sanctioned strength of posts from the Finance Department to the entries of the establishment register was due to weak internal controls.

This resulted in irregular payment of salaries amounting to Rs 1,898.297 million and also unfolded non maintenance of the pension fund of local government employees adjusted in the district authorities.

The matter was reported to the PAO during November, 2017. Neither any reply was furnished nor DAC meeting convened till finalization of this report.

Audit recommends seeking regularization of the matter in a manner prescribed besides fixing responsibility against the person(s) at fault.

[Para No 11]

15.4.2.2 Unauthorized payments to DDOs instead of vendors – Rs 199.646 million

According to Rule 4 (b) of Punjab District Authorities Accounts Rules 2017 the payments exceeding Rs10000 shall be made through non-negotiable cross cheques

During audit, it was observed that during financial year 2016-17, CEO District Education Authority drew from government treasury payments worth Rs 195.934 million and Dy DEO MEE Okara drew Rs 3.712 million in the name of DDO instead of vendors. Payment was held irregular due to violation of the rule *ibid*. Besides this irregularity in case of third party payments, specially utility bills, purchase of machinery and equipment, Purchase of IT equipments and payment on account of repair of building, diversion of cash to the DDO account was quiet unjustified and doubtful.

Audit holds that the amount was drawn as a deliberate violation of rules which resulted in irregular and doubtful expenditure to the tune of Rs 199.646. Annexure-D

The matter was reported to the PAO during November, 2017. Neither any reply was furnished nor was DAC meeting convened till finalization of this report.

Audit recommends holding of a detailed inquiry into the matter to determine apportionment of responsibility against the persons at fault followed by seeking regularization of the matter in the manner prescribed.

[Para No 16, 01]

15.4.2.3 Non transparent, doubtful and un reconciled expenditure on stipends - Rs 32.056 million

According to para 2.3.2.2 of APPM “information in the accounts and in the supporting subsidiary records shall be accurate, representing actual substance of past events, without undue errors or omissions. This shall include correct and consistent classification and recognition of revenues and expenditures.”

During audit of CEO DEA Okara, it was observed that department paid Rs 32.056 million as stipend to the female students of the government schools. Expenditure was held non-transparent and doubtful due to the following reasons:

6. The list of students for whom stipend was drawn was not available on record. EDO Education received amount without any detail of

payees and their entitlements before submission of bill in the treasury

7. The record regarding the acknowledgements of the students on the money orders was neither handed over to EDO school wise nor segregated by the EDO Education making the reconciliation impossible.
8. General Post Office never returned the un disbursed stipend and no reconciliation was available with the Education department.
9. Certificate in regard of receipt of stipends by the school students was not received from the head of institution and no weekly reports about disbursement were issued.
10. The education office could not produce the pass book against the stipend account maintained at GPO for the period.

Audit holds that due to weak internal control of the management compliance of the rules was awaited.

This resulted in non transparent and doubtful expenditure on account of stipend charged from public exchequer.

The matter was reported to the PAO during November, 2017. Neither any reply was furnished nor DAC meeting convened till finalization of this report.

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

[Para No 13]

15.4.2.4 Non-deduction of PST-Rs 24.528 million

As per Section 3(1) of Punjab Sales Tax Act 2012, a taxable service is a service listed in Second Schedule, which is provided by a person from his office or place of business in the Punjab in the course of an economic activity, including the commencement or termination of the activity. Punjab Revenue Authority vide para 13 of the notification NO. PRA/Orders.06/2012 dated 20.02.2015 states that subject to sub-rule (2) all amounts of the sales tax on services deducted or withheld under the rules shall be paid or deposited with the Government under head of account B-02385-Punjab Sales Tax on Services (withholding) in the prescribed form and manner, further section 14 of the ibid Punjab Sales Tax Act stated that construction services and services provided by contractors of building (including water supply, gas supply and sanitary

works) roads & bridges, electrical and mechanical work (including air conditioning), horticulture works, multi discipline work and similar other work.

During Audit of DEA Okara, it was observed that executing agencies incurred an expenditure of Rs 153.3 million on construction / repair & maintenance of Buildings but PST was not deducted to the tune of Rs 24.528 million

Audit was of the view that non deduction of sales tax was due to weak internal control controls.

This resulted in overpayment to the vendors and loss of to Rs 24.528 million to the public exchequer.

The matter was reported to the PAO during November, 2017. Neither any reply was furnished nor DAC meeting convened till finalization of this report.

Audit recommends imposition of recovery of provincial sales tax from the suppliers besides fixing responsibility against the officers / officials at fault.

[Para No 10]

15.4.2.5 Un-reasonable selection of NFBE Schools, irregular payment of remuneration - Rs 20.552 million

The PC-I of “Punjab Accelerated Functional Literacy and Non Formal Basic Education Project” has approved yardstick for the opening of NFBES with the condition that there is no formal Government Primary School within 01 kilometer radius or a private primary education facility nearby

CEO, DEA Okara established 350 NFBES 35 TSKL at District Okara during 2016-17 and an amount of Rs 20.552 million was paid on account of remuneration / scholarship to the teachers of literacy program. Certificate that there was no formal Government Primary School within a radius of 01 kilometer or a private primary education facility etc., was not on record. Payment of remuneration was held irregular because the corresponding recommendations of the Village / Town Education Committee to choose the particular sites in question were not on record. Further, number of potential NFBE learners, potential teachers in the target villages / town and BISP household survey data reports was not on record in the absence of which the chance of misappropriation of government funds cannot be eliminated.

Audit was of the view that due to weak internal and administrative control centers were established and payment was drawn. This resulted in irregular expenditure amounting to Rs20.552 million.

The matter was reported to the PAO during November, 2017. Neither any reply was furnished nor DAC meeting convened till finalization of this report.

Audit recommends seeking regularization of the matter in a manner prescribed besides fixing responsibility against the person(s) at fault.

[Para No 3]

15.4.2.6 Loss to government due to non-credit of receipt - Rs 15.918 million

According to Rule 78 (1) of Punjab District Authorities (Budget) Rules 2017, the primary obligation of collecting officer shall be to ensure that all revenue due is claimed, realized and credited immediately into the District Authority fund, under the proper receipt head.

During audit it was observed that the receipt of DEA Okara was not credited to authority's account in violation of the above rule. Recoveries of overpayment were not credit to Account- V. Further the reconciliation of fund with collecting officers and head of institutes were not on record. There was no demand and collection register of the authority regarding receipts.

Audit was of the view that due to weak internal and administrative control receipt of Account-V was credited into Account-I.

This resulted in loss of authority's fund to the tune of Rs 15.918 million.

The matter was reported to the PAO during November, 2017. Neither any reply was furnished nor DAC meeting was convened till finalization of this report.

Audit recommends reimbursement of receipt from the provincial government besides fixing responsibility against the officers at fault.

[Para No 4]

15.4.2.7 Irregular transfer of funds to SMC Rs 6.136 million and loss to the Govt. due to non deduction of income tax and GST Rs 1.258 million.

According to Para 3.4 of Non Salary Budget Guide Lines, every school will prepare School Based Action Plan for the utilization of funds.

According to Rule 16 read with Rule 33 of Punjab District Authorities (Accounts) Rules 2017, the accounts officer shall perform pre-audit of all payments of local fund and public account before authorizing its disbursement

During audit of CEO DEA Okara It was revealed that Rs 6.136 million were transferred to schools councils. Payment was held irregular because pre-audit checks were by-passed and payments were released without pre-audit. SMCs of Schools were not approved by the competent authority. Cash book and vouched account of the payments were not submitted for post audit as well. School wise detail was not provided with the bills and cheque was issued in the name of EDO education instead of direct transfer to SMC accounts. Recovery of income tax Rs 276,120 sales tax / PST Rs 981,760 was not ensured.

Document No	G/L	Payment Date	Cost Center	Amount (Rs)
1900076583	A03975	24.06.2017	OY8996	800,000
1900106325	A03975	24.06.2017	OY8996	1,000,000
1900117648	A03975	24.06.2017	OY8996	2,107,000
1900119435	A03975	24.06.2017	OY8996	2,229,000
		Total		6,136,000

Audit was of the view that the funds were transferred without pre-audit checks and resulted in doubtful transfer of amount.

This resulted in irregular transfer of funds and loss of Rs 1.258 million due to non recovery of income tax and provincial sales tax.

The matter was reported to the PAO during November, 2017. Neither any reply was furnished nor DAC meeting convened till finalization of this report.

Audit recommends recovery of government taxes and regularization of the matter in a manner prescribed besides fixing responsibility against the person(s) at fault.

[Para No 14]

15.4.2.8 Less deduction of GST - Rs 5.605 million

According to Government letter No.103-D (vi) PD/2005/51 dated:17-10-2006 public sector organizations are required to procure supplies only from registered firms however purchases could be made from un-registered firm under unavoidable circumstances with the deduction of sales tax at the permissible rates.

An audit scrutiny of accounts record of Dy. DEO (MEE) Okara revealed that an expenditure of Rs 40.323 million was incurred by the Primary & Elementary Schools under the jurisdiction of Dy. DEO during 2016-17. An amount of Rs 1.249 million was deducted on account of GST against the deductible amount of Rs 6.854 million.

Audit was of the view that due to weak internal and financial control GST was not deducted as per actual.

This resulted in loss of Rs 5.605 million to treasury.

The matter was reported to the PAO during November, 2017. Neither any reply was furnished nor DAC meeting convened till finalization of this report.

Audit recommends recovery of the government taxes and regularization of the matter in a manner prescribed besides fixing responsibility against the officers / officials at fault.

[Para No 3]

15.4.2.9 Unauthorized retention of amount in bank account of DDO - Rs 2.269 million

As per para 9 of letter No.212/CGA/FM&E/4-1/2016-17 dated 27-03-2017 issued by the Controller General of Accounts, the difference in the “Book” and “Bank” balance of cash should be worked out, analyzed and identified. Efforts should be made to minimize the difference between “Book” and “Bank” balance appearing in the Financial Statements for 2016-17.

An audit scrutiny of bank statement of Dy DEO (MEE) Okara revealed that balance Rs 2.268 million was available as on 30-06-2017 in bank account of DDO being maintained in National Bank of Paksitan main branch Okara whereas cash book showed complete disbursement for the amount drawn from government treasury.

Audit was of the view difference between bank statement and cash book was due to weak internal controls and poor financial management.

This resulted in unauthentic expenditure and likely embezzlement of public fund to the tune of Rs 2.269 million.

The matter was reported to the PAO during November, 2017. Neither any reply was furnished nor DAC meeting was convened till finalization of this report.

Audit recommends holding of an inquiry into the matter and regularization in a manner prescribed besides fixing responsibility against the officers at fault.

[Para No 2]

15.4.2.10 Doubtful Payment of GST - Rs 2.260 million

According to para 06 of the supply order for the purchase of IT equipment, the contractor was to provide paid copy of GST invoice to the purchasing department.

CEO DEA, Okara made payment amounting to Rs 2.259 million on account of GST on IT equipment during 2016-17. Payment of GST was held doubtful because withholding proportion of 1/5th of the tax was not deducted at the time of payment and GST returns of the supplier were not collected to ensure that the supplier had deposited the collected amount of GST into government treasury.

Sr. No.	Description	Firm	Billing date	Total cost	GST
1	Purchase of interactive whiteboard with accessories	Astrontech	15.06.2017	1,638,000	238,000
2	Purchase of server, Dell system	-do-	15.06.2017	12,932,050	1,879,016
3	Computer chairs & tables	Salman furniture	Nil	1,428,800	142,880
Total				15,998,850	2,259,896

Audit was of the view that due to weak internal and administrative controls, GST was paid to the supplier and the deposit of government revenue was not adequately ensured.

This resulted in doubtful payment of GST amounting to Rs 2.260 million.

The matter was reported to the PAO during November, 2017. Neither any reply was furnished nor DAC meeting was convened till finalization of this report.

Audit recommends seeking regularization of the matter in a manner prescribed besides fixing responsibility against the officers at fault.

[Para No 7]

15.4.2.11 Less / Non deduction of Income Tax - Rs 1.730 million

According to Section 153 of Income Tax Ordinance 2001, every prescribed person making a payment in full or part including a payment by way of advance to a resident person or permanent establishment in Pakistan of a non-resident person shall, at the time of making the payment, deduct tax from the gross amount @ 4.5% on account of supplies and services rendered.

An audit scrutiny of accounts record of Dy. DEO (M-EE) Okara revealed that different schools purchased taxable goods and executed development works during 2016-17. It was observed that deductible amount of income tax at source was Rs 2.566 million but only Rs 0.836 million was deducted. This resulted in less deduction of Income Tax to the tune of Rs 1.730 million and loss to the government.

Audit was of the view that due to weak internal and financial control Income Tax was not deducted as per actually leviable rate. This resulted in loss of public exchequer due to less recovery of income tax.

The matter was reported to the PAO during November, 2017. Neither any reply was furnished nor DAC meeting convened till finalization of this report.

Audits recommends imposition of recovery of government taxes and prompt depositing of the same into government treasury besides fixing responsibility against the officers at fault.

[Para No 4]

15.4.2.12 Un-authorized payment of charge allowance - Rs 1.036 million

According to the instructions issued vide Govt. of the Punjab Notification No. FD-PR-10-71/72 dated 18-06-1973, "Charge allowance to the Head Masters of Govt. Primary Schools is admissible only where five teachers are posted in the school and enrollment is up to 150 students."

Management of the following offices of District Education Authority released charge allowance amounting to Rs 1.036 million to the

headmasters /headmistress without observing the admissibility of the allowance. Detail of payment is as under.

Sr. No	Name of Office	Amount (Rs in million)
1	Dy DEO WEE Depalpur	0.567
2	Dy DEO WEE Okara	0.388
3	Dy DEO WEE Okara	0.081
	Total	1.036

Audit holds that payment of charge allowance was made without observing the above criteria was in-admissible and released due to weak internal control.

This resulted in unauthorized payment of charge allowance amounting to Rs 1.036 million.

The matter was reported to the PAO during November, 2017. Neither any reply was furnished nor DAC meeting was convened till finalization of this report.

Audit recommends seeking regularization of the matter in a manner prescribed besides fixing responsibility against the officers / officials at fault.

[Para No 01, 01, 02]

CHAPTER 16

DISTRICT EDUCATION AUTHORITY, RAWALPINDI

16.1 Introduction of the Authority

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

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

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

DEA Rawalpindi manages following schools / education offices:

Description	No. of offices / schools
Primary Schools	1203
Middle Schools	314
High School	370
Higher Secondary School	40
Deputy DEO (MEE)	7
Deputy DEO (WEE)	7
DEO (Elementary Education)	2

DEO (Secondary Education)	2
CEO (District Education Authority)	1

16.2 Comments on Budget and Accounts

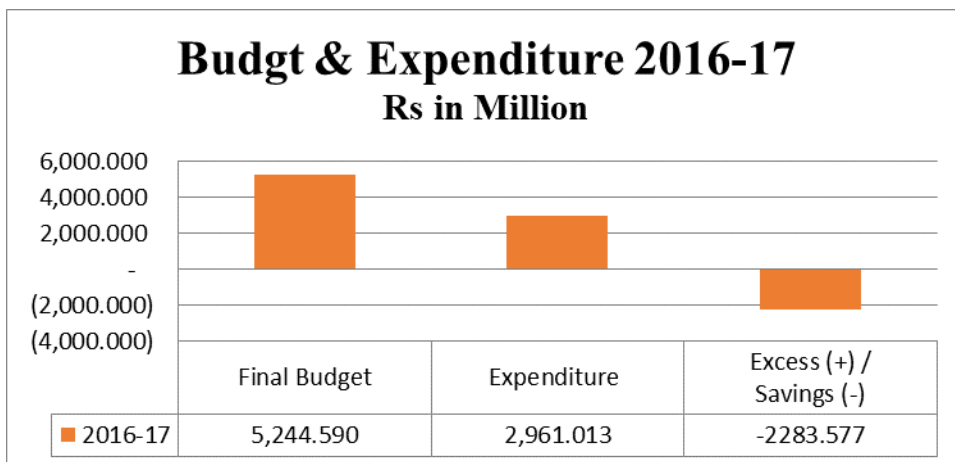
Total Budget of District Education Authority Rawalpindi was Rs 5,244.591 million including salary component of Rs 4,278.661 million, non-salary component of Rs 475.406 million and development component of Rs 490.523 million. Expenditure against salary component was Rs 2,785.610 million, Non salary component was Rs 120.174 million and development component was Rs 55.229 million. Overall savings were Rs 2,283.576 million which was 43.54% of total budget.

Amount in million

Financial year 2016-17	Budget	Expenditure	Excess (+)	% of Excess /
			/ Saving (-)	Saving
Salary	4,278.661	2,785.610	-1,493.051	34.89
Non Salary	475.406	120.174	-355.232	74.72
Development	490.523	55.229	-435.294	88.74
Total	5,244.590	2,961.013	-2,283.577	43.54

As per Appropriation Account 2016-17 of District Education Authority Rawalpindi the original budget was Rs 5,244.590 million, no supplementary grant was given whereas no amount was surrendered/withdrawn and the final budget was Rs 5,244.590 million. Against the final budget, total expenditure incurred by District Education Authority Rawalpindi during 2016-17 was Rs 2,961.014 million, as detailed in **Annexure-B**.

The Salary, Non Salary and Development expenditure comprised 94%, 4% and 2 % of the total expenditure respectively.



Ineffective financial management resulted in savings to the tune of Rs 2,283.577 million which in term of percentage was 43.54% of the final budget.

16.3 Brief Comments on the Status of Compliance with PAC Directives

This is the first Audit Report on accounts of District Education Authority, Rawalpindi which was established in January 2017. Hence, no Audit Report pertaining to preceding years was submitted to Governor of the Punjab to be laid before provincial legislature.

16.4 AUDIT PARAS

16.4.1 Misappropriation

16.4.1.1 Misappropriation of Funds – Rs 1.164 million

According to rule 2.32(a) of PFR volume-I, “it is not sufficient that a Government servant accounts should be correct to his own satisfaction. He has to satisfy not only himself but also the Accountant-General that a claim which has been accepted is valid, that a voucher is a complete proof of the payment which it supports, and that an amount is correct in all respects”.

During audit of schools working under control of Dy DEOs (EE-W & F) Rawalpindi it was noticed that amount mentioned against each was drawn from the NSB Bank account during the period under audit but they did not have the vouchers in support of these drawl amounting to Rs 1.164 million as detailed below:

Name of office	AIR Para No.	School Name	Amount (Rs)	Remarks
Dy DEO (EE-W) Rawalpindi	6	GGPS Kalam Mughal	149,000	Vouchers not available
		GMPS Sagri	199,778	Vouchers not available
		GGPS Gohra Bharta	63,500	Vouchers not available
		GGES Hoshial	20,314	Bill of Rs 356,000 provided out of Rs 376,314
		GGPS Banian	34,000	vouchers of Rs 34,000 not provided out of Rs 362,000
		GMPS Dk Cher	-	Record not provided
Dy DEO (EE-M) Rawalpindi	4	GPS Jhangir Abad RWP	450,000	NSB Cash book not maintained
		GPS papin	247,144	NSB Cash book not maintained
Grand Total			1,163,736	

Audit holds that due to defective financial and managerial controls, amount was drawn from NSB accounts but vouchers not available.

The matter was reported to PAO in August, 2017 but neither reply was submitted nor was DAC meeting convened till finalization of this report.

Audit desired that vouchers in supports of amount drawn be provided otherwise amount be recovered from the responsible.

16.4.2 Non-production of Record

16.4.2.1 Non-production of Record – Rs 466.91 million

According to Section 14 (2) of Auditor General's (Functions, Powers and Terms and Conditions of Service), Ordinance, 2001, the Auditor-General shall have authority to require that any accounts, books, papers and other documents which deal with, or form, the basis of or otherwise relevant to the transactions to which his duties in respect of audit extend, shall be sent to such place as he may direct for his inspection.

Various formations of District Education Authority Rawalpindi did not produce auditable record of Rs 466.91 million. In the absence of record, authenticity, validity, accuracy and genuineness could not be verified. Detail is given at **Annexure-E**.

Audit holds that due to defective financial discipline and non-compliance of rules, relevant record was not produced to audit by the auditee in violation of constitutional provisions.

The matter was reported to the management in September.. Neither DAC was convened nor was compliance submitted till finalization of this Report.

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

16.4.3 Irregularity & Non-compliance

16.4.3.1 Irregular incurrence of expenditure from NSB – Rs 116.500 million

During audit of various Dy DEOs of Rawalpindi it was noticed that expenditure of Rs 116.500 million was incurred by various schools from NSB funds during financial year 2016-17 through following firms at ration mentioned at **Annexure-F**.

Audit has noticed the following general observations:

- i. Major portion of the purchases or construction work was made by schools from same supplier.
- ii. Amount of expenditure in each case was more than Rs 100,000 but the expenditure was incurred by splitting up amount upto Rs 50,000 and by obtaining three quotations instead of tendering as required under PPRA Rules 2014.
- iii. 17% General Sales Tax, 16% tax of services and 4.5% income tax was paid to supplier. As per SRO of FBR 1/5th GST and 4.5% income tax is required to be deducted at source and should be deposited by the purchasing department.
- iv. Under section 153(1)(b) of income tax ordinance, rate of income tax for services is 8% but income tax on all types of bills including supply and labour was deposited @ 4.5% by the suppliers.
- v. Challans for deposit of 17% General Sales Tax, 16% tax on services and 4.5% income tax was provided by supplier but verification of deposit was not obtained from the FBR
- vi. Challans for deposit of General Sales Tax, tax on services and income tax was provided by supplier but it was clear that the supplier declared all these amount/sales in his annual return.
- vii. The said firms were not register as contractor with Engineering Council of Pakistan.
- viii. The said firms were also not registered as contractor with public works department, provincial highway and provincial building, local government and TMA etc.

The above irregularity occurred due to weak financial controls and mismanagement of officers of Education Department.

The matter was reported to PAO in August, 2017 but neither reply was submitted nor was DAC meeting convened till finalization of this report.

Audit desired that the case should be referred to FBR of detailed investigation of the suppliers besides regularization of expenditure.

16.4.3.2 Unjustified provision of extra funds in NSB Account – Rs 23.802 million

According to para 2.1 of Booklet of guide lines for NSB (Non-salary Budget) issued by Education Department Govt., of the Punjab “NSB funds is provided to fulfill the daily needs of school and to facilitate the education activities”

During audit of various Dy DEOs (EE-W & M) of District Rawalpindi it was found that a sum of Rs 23,801,618 was found unutilized in the NSB accounts of the schools as detail given at **Annexure-G**.

Scrutiny of record revealed that schools were provided extra funds in NSB accounts beyond their needs according to the number of students enrolled. The heads of the schools were also strictly directed to utilize all these funds in any case. Provision of extra fund with directions to utilize all funds may cause misappropriation of funds or unnecessary expenditure by the schools and wastage of Govt., money.

Audit was of the view that due to defective managerial controls, funds were provided to schools without planning.

The matter was reported to PAO in August, 2017 but neither reply was submitted nor was DAC meeting convened till finalization of this report.

Audit recommends that funds should be provided according to the requirements and needs of the schools and unutilized or extra funds should be shifted from the schools to other schools where needed.

16.4.3.3 Irregular expenditure due to misclassification - Rs 18.767 million

As per Article 30 of Audit Code, all financial transactions are required to be recorded and allocated to proper heads of account. Further according to Rule 64(1)(ii) & (2)(i)(ii) of PDG & TMA (Budget) Rules 2003, each Local Government shall ensure that authorized budget allocations are expended in conformity with the Schedule of Authorized Expenditure and that there must be an appropriation of funds for the

purpose besides sanction of an authority competent to sanction expenditure.

Scrutiny of record of various offices under District Education Authority Rawalpindi for the period 01.01.2017 to 30.06.2017, it was observed that that DDOs incurred expenditures amounting to Rs 18,766,598 which were charged to wrong heads of account instead of actual heads of account as detail given at **Annexure-H**. This resulted in irregular expenditure of Rs 18.767 million.

Audit holds that due to weak financial management and poor budgeting resulted in wrong classification of expenditure.

The matter was reported to PAO in August, 2017 but neither reply was submitted nor was DAC meeting convened till finalization of this report.

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

16.4.3.4 Irregular expenditure on purchase of furniture – Rs 7.00 million

According to rule 9 read with rule 12(1) of PPRA 2014, “procurements over one hundred thousand rupees and up to the limit of two million rupees shall be advertised on the PPRA’S website in the manner and format specified by regulation by the PPRA’S from time to time. Further, according to Rule 17.19 of PFR Volume-I, it is not permissible to Draw Advances from Government Treasury to prevent the lapse of Appropriation. Further Rule 2.10 (b)(5) stipulates that no money is withdrawn from Government Treasury unless it is required for immediate disbursement and it is to permissible to draw advances from the treasury for the execution of works the completion of which is likely to take a considerable time.

During audit of Dy DEOs (EE-W & M) of Tehsil Rawalpindi it was found that various schools were provided an amount of Rs 1,000,000 each for purchase of furniture. Supply order was given to TEVTA Rawalpindi without tendering as required under PPRA rules along with advance payment of Rs 900,000 each without approval of Finance Department. This resulted in irregular expenditure of Rs 7.00 million and advance payment of Rs 6.30 million as detailed below:

Name of Office	Name of School	Inv No	Dated	Amount (Rs)	Advance payment
Dy DEO(EE-W) Rawalpindi	GGPS Kurar	085/006	13.05.2017	1,000,000	900,000
	GGPS Gangawala	085/007	13.05.2017	1,000,000	900,000
Para – 7	GGPS Mujahid	085/009	13.05.2017	1,000,000	900,000
	GGES Thallian		13.05.2017	1,000,000	900,000
	GMPS Dk Budhal	085/005	13.05.2017	1,000,000	900,000
Dy DEO(EE-M) Rawalpindi	GES khalri	2016- 17/085/007	09.06.2017	1,000,000	900,000
Para – 8	GES Haraka	2016- 17/085/004	18.05.2017	1,000,000	900,000
	Grand Total				6,300,000

Audit was of the view that due to poor financial control, purchase of furniture was made without observing PPRA Rules.

The matter was reported to PAO in August, 2017 but neither reply was submitted nor was DAC meeting convened till finalization of this report.

Audit recommends that action be taken against the concerned along with regularization.

16.4.3.5 Splitting of job orders to avoid tendering through PPRA - Rs 3.148 million

According to Rule 59(b) of Punjab Procurement Rules 2014, petty purchases through quotation a procuring agency may provide for petty purchases through at least three quotations where the cost of the procurement is more than fifty thousand rupees but less than one hundred thousand rupees and such procurement shall be exempted from the requirements of bidding procedures; the procuring agency shall, however, ensure that such procurement is in conformity with the principles of procurement. Further, according to Rule 12(1) of Punjab Procurement Rules 2014, procurements over one hundred thousand rupees and up to the limit of two million rupees shall be advertised on the PPRA's website in the manner and format specified by regulation by the PPRA from time to time. A procuring agency shall announce in an appropriate manner all proposed procurements for each financial year and shall proceed accordingly without any splitting of the procurements so planned. The annual requirements thus determined would be advertised in advance on the PPRA website.

Scrutiny of record of various offices of District Education Authority Rawalpindi for the period 01.07.2016 to 31.12.2016, it was observed that DDOs incurred Rs 3.147 million on different head of accounts by splitting the indents in violation of above rules as detail below. Neither quotation was found on record nor advertised in print media. This resulted in irregular and un-economical expenditure cannot be ruled out as open competition was discouraged. It leads to chances of misappropriation / embezzlement. PPRA rules for more than one lac were not followed for same nature of expenditure. The estimate was neither prepared nor got approved from the competent authority. The annual plan was also neither prepared nor got approved from competent authority.

Name of office	AIR Para No	Head of Account	Amount (Rs)
Dy DEO (M-EE) Kotli Sattian	13	NSB	172,000
Dy DEO (W) Kotly Sattian	4	NSB	239,570
Dy DEO (W) Kotly Sattian	9	NSB	407,999
School SS Qandeel blind Rawalpindi	6	Contingency	97,624
District Officer (SE) Rawalpindi	2	Contingency	817,592
CEO DEA Rawalpindi	7	Contingency	569,309
Dy DEO MEE kallar Syedan	4	Contingency	354,580
Dy DEO(W E E) Gujar Khan	3	Contingency	489,162
Total			3,147,836

Audit holds that splitting of indents to avoid quotations for non-compliance of rule was due to defective financial discipline and weak internal controls. This resulted in irregular expenditure of Rs 3.147 million out of Government exchequer.

The matter was reported to PAO in August, 2017 but neither reply was submitted nor was DAC meeting convened till finalization of this report.

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

16.4.3.6 Irregular expenditure without concurrence of assistant education officer – Rs 1.258 million

According to para 3.4(1) of Booklet of guide lines for NSB (Non-salary Budget) issued by PMIU Education Department Govt., of the Punjab, School based action plan regarding needs of schools should be prepared and sent to AEO information and approval.

In violation of the above rules, following schools under Dy DEO (EE-W) Rawalpindi did not submit the “School Based Action Plans” to

AEO for concurrences and information this resulted in irregular expenditure of Rs 1,258,400 as detailed below:

Sr. No.	EMIS Code	Name of School	Expenditure Incurred (Rs)
1	37330300	GGMPS BARWALA	190,000
2	37330581	GMPS MANDWAL	165,000
3	37330612	GGES PIND HAPTAL	125,000
4	37330580	GMPS MALUKAL	154,000
5	37330256	GMPS BAGRA SYEDAN	184,000
6	37330613	GMPS JADA	134,500
7	37330362	GMPS GHELA KHURD	170,000
8	37330327	GGMPS GANG	135,900
		Total	1,258,400

Audit was of the view that due to weak administrative and defective internal controls, expenditure were incurred without concurrence of AEO.

The matter was reported to PAO in August, 2017 but neither reply was submitted nor was DAC meeting convened till finalization of this report.

Audit recommends that matter to be regularized.

(AIR Para # 4)

16.4.4 Weak Internal Controls

16.4.4.1 Non-accountal of stores items - Rs 6.329 million

As per rule 15.4 (a) & 15.7 of PFR Volume-1, all material must be examined, counted, weighed or measured as the case may be and recorded in an appropriate stock register and signatures from the issuing persons and acknowledgement from the receiving persons be made.

Schools working under the office of Dy DEOs (EE-M & F) of District Rawalpindi did not account for the items purchased valuing Rs 6,329,466 in the stock register by classifying each item category and taking acknowledgement from the officials receiving the same along with linking the bills with the page of the stock register resulting in doubtful condition of assets as detailed below:

S. No.	Name of Office	AIR Para No.	Items	Value (Rs)
1	Dy DEO (EE-W) Rawalpindi	3	Sound system, swater tank, computer LCD, ceiling fan, grass cutting machine, furniture etc.	152968
2	Dy DEO (EE-M) Gujar Khan	3	-do-	359953
3	Dy DEO (M)-Murree	7	-do-	428607
4	Dy DEO (M)-Taxila	5	-do-	263729
5	Dy DEO (W)-Murree	3	-do-	546,875
6	Dy DEO (W)-Taxlia	2	-do-	729,190
7	Dy DEO (M) Kotly Sattian	8	-do-	880,850
8	Dy DEO (W) Kotly Sattian	10	-do-	1,684,584
9	Govt Qandeel S S blind	3	-do-	60,214
10	Dy DEO (M)-Kallar Syyeddan	6	-do-	470,270
11	Dy DEO (W E E) Gujar Khan	5	-do-	752,226
	Total			6,329,466

Audit holds that due to weak internal controls, stock registers were not maintained for items purchased resulting in doubtful condition of assets.

The matter was reported to PAO in August, 2017 but neither reply was submitted nor was DAC meeting convened till finalization of this report.

Audit requires that stock register be maintained and shown to audit.

16.4.4.2 Non-maintenance of stock registers for various store items – Rs 2.369 million

As per rule 15.4 (a) & 15.7 of PFR Volume-1, all material must be examined, counted, weighed or measured as the case may be and recorded in an appropriate stock register and signatures from the issuing persons and acknowledgement from the receiving persons be made.

Different schools working under control of Dy DEO (EE-W) Rawalpindi did not account for items purchased under NSB funds valuing Rs 2.369 million.

Audit holds that due to weak internal controls, items purchased were not accounted in stock registers resulting in doubtful condition of assets.

The matter was reported to PAO in August, 2017 but neither reply was submitted nor was DAC meeting convened till finalization of this report.

Audit requires that entry in stock registers be ensured.

16.4.4.3 Overpayment on account of pay & allowances of newly appointed staff – Rs 2.061 million

As per Sr. No 5 of the terms and conditions of the contract appointment, SSB in lieu of pension @ 30% of the minimum of the respective scale admissible to contract employees only as they have regularized by Govt. of the Punjab, school Education Department's Notification No.SO(SE-III)2-16/2007(P-V) dated 07.08.2015 & dated 07.12.2015 Contract appointment Policy 2011 amended 05.06.2012 and regularization was treated as new appointment.

Contract appointed teaching staff working under various offices of District Education Authority Rawalpindi was given regular appointment by the authority under the regularization policy of services on the dates mentioned in table below. Scrutiny of the record revealed that they were allowed to draw SSB and their pay was not also got fix at the initial of their respective scale, after the date of regularization. This resulted in over payment amounting to Rs 2,061,053 as detailed below:

S. No.	Name of Office	AIR Para	Amount (Rs)
1	Govt., High School Mohra Syedan	3	176,000
2	Dy DEO (EE-M) Gujar Khan	6	1,472,043
3	Dy DEO M-EE, Murree	5	44,880
4	Dy DEO (W) Kotly Sattian Rawalpindi	3	368,130
	Total		2,061,053

Audit was of the view that due to weak financial discipline, 30% SSB and other allowances was not stopped at the time of regularization.

The matter was reported to PAO in August, 2017 but neither reply was submitted nor was DAC meeting convened till finalization of this report.

Audit desired recovery besides fixing responsibility of person(s) at fault.

16.4.4.4 Non-recovery on account of pay & different allowances – Rs 1.942 million

According to Rule 2.33 of PFR Volume-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.

Audit of accounts of various Offices of District Education Authority Rawalpindi revealed that Departmental Authorities had failed to recover overpayments on account of pay and different allowances. This resulted in non-recovery of Rs 1.942 million as detailed below:

Sr. No.	Name of formation	Para No	Amount (Rs)
1	Dy DEO M-EE, Taxila		180,980
2	Dy DEO WEE, Murree		6,000
3	Dy DEO M-EE, Kallar Sayyeddan		78,500
4	Dy DEO W-EE, Kallar Sayyeddan		174,500
5	Dy DEO WEE, Murree		28,440
6	Dy DEO (M) Kotly Sattian		319,933
7	Dy DEO M-EE, Murree (12)	12	348,366
8	Dy DEO M-EE, Taxila		37,191
9	Dy DEO W-EE, Murree 11	11	41,513
10	Dy DEO M-EE, Murree 14	14	33,244
11	Dy DEO M-EE, Taxila		54,652
12	Dy DEO M-EE, Taxila 3	3	113,700
13	Dy DEO W-EE, Murree 1	1	49,568
14	Dy DEO W-EE, Murree 12	12	57,449
15	Dy. DEO (W-EE) Taxila 1	1	42,296
16	Dy DEO (M) Kotly Sattian Rawalpindi 10	10	23,184
17	Dy DEO (M) Kotly Sattian		60,000
18	Dy DEO (M) Kotly Sattian		125,664
19	Dy DEO (W) Kotly Sattian		16,476
20	Dy. DEO (W-EE) Kallar Syeddand		72,935
21	Dy. DEO W E E Gujar Khan 9	9	77,748
	Total		1,942,339

Audit was of the view that due to weak managerial and financial discipline unjustified overpayment was made.

The matter was reported to PAO in August, 2017 but neither reply was submitted nor was DAC meeting convened till finalization of this report.

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

16.4.4.5 Defective maintenance cash book of non-salary budget (NSB) – Rs 1.744 million

According to Rule 2.2 of PFR Volume-I “A simple Cash Book in P.F.R. Form I should be kept in every office receiving or disbursing money on behalf of Government regularly or frequently for recording all transactions of moneys received in their official capacity, and subsequent remittance to the treasury or to the bank, as well transactions of moneys withdrawn from the bank by bills and their subsequent disbursement. All cash transactions should be entered in the Cash Book as soon as they occur. At the end of each month the head of the office should personally verify the cash balance and record below the closing entries in the Cash Book a certificate to that effect over his dated signature specifying both in words and figures the actual cash balance

During audit of NSB fund of following schools it was noticed that a sum of Rs 1,743,805 was incurred from NSB account during 2016-17 as detailed below but details of expenditure and detail of work done was not mentioned on the Cash book.

Name of Office	Head	Name of schools	Expenditure incurred
Dy DEO (EE-M) Gujar Khan	FTF	GPS No.2 Gujar khan	81,718
		GPS Jhanda	132,000
AIR Para # 6		GPS Jhamath	31,785
		GES RIAN GORSIAN	365,690
		GPS LODAY	183,500
AIR Para # 7		GPS MASTALA	264000
		GES Manjotha	286213
		GES Jhand Mehlo	398899
		Grand total	1,743,805

Audit was of the view that due to weak internal controls, record was not properly maintained in violation of government rules.

The matter was reported to PAO in August, 2017 but neither reply was submitted nor was DAC meeting convened till finalization of this report.

Audit requires that action be taken against the responsible besides proper maintenance of record.

16.4.4.6 Non-deposit of general sales tax and income tax – Rs 1.590 million

According to clause 153(a) of the Income Tax Ordinance 2001, income tax at prescribed rates be deducted from payments made to suppliers of goods and services. According to CBR letter No.4(47) STB/98 (Vol-I) dated 04.08.2001, all Government Departments and organizations are required to purchase taxable goods only from registered persons against prescribed sales tax invoices and forwarded an intimation to the concerned sales Tax collectorate for the purpose of Audit / verification of deposit of tax. It is the responsibility of a withholding agent, intending to make purchases of taxable goods, shall indicate in an advisement or notice for this purpose that the sales tax to the extent as provided in these rules shall be deducted from the payment to the supplier. According to Para 2 of S.R.O. No.660(1)/2007 dated 30th June, 2007, a withholding agent shall deduct an amount equal to one-fifth of the total sales tax shown in the sales tax invoice issued by the supplier and make payment of the balance amount to him.

The various offices of District Education Authority, Rawalpindi made purchases of different items from different vendors. But neither sales tax charged nor income tax was not shown to be withheld at prescribed rate for deposit in government treasury, resulting in loss of Rs 1,589,803 to the Government as detailed at **Annexure-I**.

Audit was of the view that due to weak internal controls, recovery of sales tax and income tax has not been made resulting in loss to the government.

The matter was reported to PAO in August, 2017 but neither reply was submitted nor was DAC meeting convened till finalization of this report.

Audit require that action be taken against the concerned besides recovery.

CHAPTER 17

District Education Authority, Sargodha

17.1 Introduction of the Authority

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

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

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

DEA Sargodha manages following schools / education offices:

Description	No. of offices / schools
Chief Executive Officer	1
DO (SE)	1
DEO (WEE)	1
DEO (MEE)	1
Dy. DEO (MEE)	7
Dy. DEO (WEE)	7
High and Higher Secondary	338

Schools	
Elementary & Primary Schools	1339
Any other institute	6

17.2 Comments on Budget and Accounts

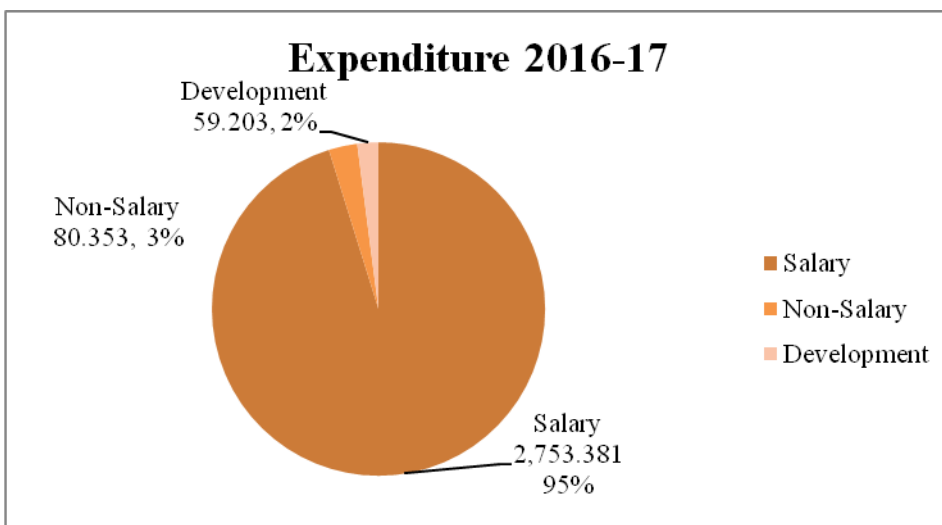
Total budget of District Education Authority, Sargodha was Rs 4,698.351 million including Salary component of Rs 4,259.885 million, non-salary component of Rs 134.514 million and development component of Rs 303.952 million. Expenditure against salary component was Rs 2,753.381 million, non-salary component was Rs 80.353 million and development component was Rs 59.203 million. Overall savings were Rs 1,805.414 million which was 38% of total budget.

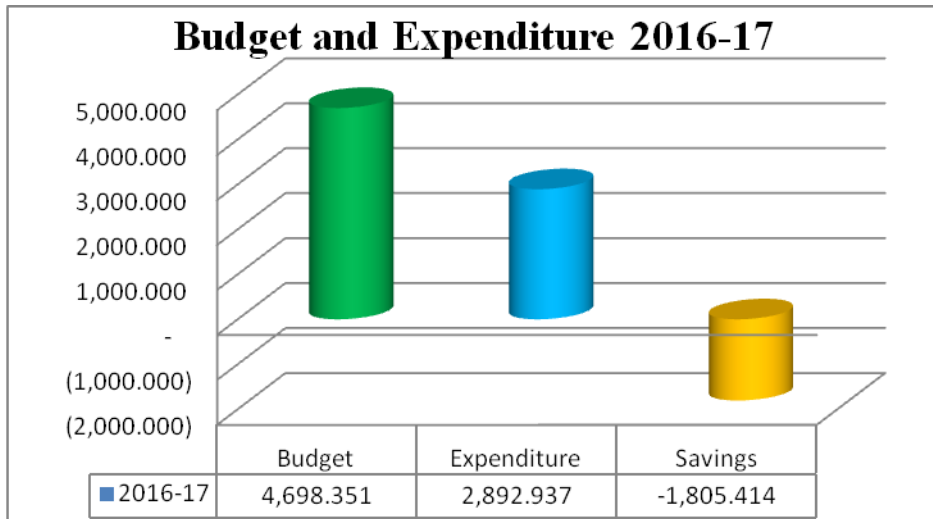
Rs in million

FY: 2016-17	Budget	Expenditure	(-) Saving	%age of Saving
Salary	4,259.885	2,753.381	(-)1,506.504	35
Non Salary	134.514	80.353	(-)54.161	40
Development	303.952	59.203	(-)244.749	81
Total	4,698.351	2,892.937	(-)1,805.414	38

As per the Appropriation Account 2016-17 of District Education Authority Sargodha, the original and final budget was Rs 4,698.351 million. No supplementary grant was provided. Against the final budget, total expenditure incurred by District Education Authority during 2016-17 was Rs 2,892.937 million, as detailed at Annexure-B

The Salary, Non Salary and Development Expenditure comprised 95%, 3% and 2% respectively of the total Expenditure.





The overall saving of Rs 1,805.414 million was 38% of the final budget.

17.3 Brief Comments on the Status of Compliance with PAC Directives

This is the first Audit Report on accounts of District Education Authority, Sargodha which was established in January 2017. Hence, no Audit Report pertaining to preceding years was submitted to Governor of the Punjab to be laid before provincial legislature.

17.4 AUDIT PARAS

17.4.1 Non-Production of Record

17.4.1.1 Non-production of vouched accounts of development expenditure - Rs 352.686 million

According to Section 14(1,2 & 3) of Auditor General's Functions, Powers and Terms and Conditions of Service, Ordinance, 2001, the Auditor-General conduct audit of the departments under of the control of the of Federation and of a Provincial and all authorities established thereunder, officer in-charge of any office or department shall afford all facilities and provide record for audit inspection. Further, any person or authority hindering the auditorial functions of the Auditor General regarding inspection of accounts shall personally be responsible and dealt with under relevant Efficiency and Disciplinary Rules.

CEO (Education) transferred an amount of Rs 352.686 million to XEN Buildings under the head "Deposit Work" from SDA account for the completion of incomplete school building but vouched accounts of these development schemes were not produced to audit. In the absence of record, authenticity, validity, accuracy and genuineness of expenditure could not be verified as detailed below.

Sr. No.	Name of Scheme	Approved Cost	No. of Schemes	Fund Released	Total Exp.
1	Provision of IT Labs in Secondary Schools	16.000	14	16.000	15.624
2	Provision of Missing Facilities in Schools	149.932	166	150.000	86.272
3	Reconstruction of Dilapidated school buildings	168.999	62	169.108	73.861
Total:-		334.931	242	335.108	175.757

Audit holds that due to defective financial discipline and weak internal controls, relevant record was not produced to audit in violation of criteria *ibid*.

The matter was reported to CEO in August 2017 but neither reply was submitted nor was DAC meeting convened till finalization of this report.

Audit recommends fixing responsibility for non-production besides production of record to audit for the fulfillment of statutory provisions.

(PDP No. 27)

17.4.2 Irregularities / Non-compliance

17.4.2.1 Irregular and unlawful authorization of pay & allowances over and above the sanction post in the budget book F.Y 2016-17 - Rs 6.268 million

According to letter No.SO(TT)3(2)/83 dated 23-04-1990 of Finance Department of Punjab Government, all changes in the sanctioned strength of the establishment or addition to the posts etc. should be promptly communicated to DAO. Sanction of the competent authority, where required, should be invariable attached with the claims and if there may occur variations in number of posts as actually existing in the field on the basis of valid sanctions of the Finance Department and as reflected in the District Government Budget, the concerned Departments may contact the Finance & Planning wing of the District Government for effecting requisite changes within 15 days of the receipt of district budget, failing which it will be presumed that no such change is required.

CEO Education authorized payment on account of pay & allowances to the following Headmasters/Headmistress without sanction of post or over and above the post mentioned/sanctioned in the budget book Financial Year 2016-17. Payment over and above the sanctioned post held irregular, unlawful as detailed below.

Budget Book	Cost Center	School	Sanction Post	Incumbent with scale/BPS	Gross Pay	Payment (Rs)
376	SG6328	GHS Kotmomin	18	Muhammad Asghar BPS-19 P.No.30510740	138765 x 12	1,665,180
746	SG6586	GGHS Bhalwal	19	Farzana Amin BPS-20 P.No.30517244	147904 x 12	1,774,848
782	SG6674	GGHS Chako No.9-NB	17	Nasreen Sultan BPS-18 P.No.30530917	115779 x 12	1,389,348
662	SG6486	GGHS 42-NB Gilwala	18	Misbaha Shahid Khawaja B-19 P.No.308099	119864 x 12	1,438,368
Total						6,267,744

Audit was of the view that due to weak internal controls salaries were paid over and above the sanctioned posts.

This resulted in an irregular payment of pay & allowances of Rs 6.268 million.

The matter was reported to CEO in September, 2017. The department neither furnished reply nor was DAC meeting convened till the finalization of this Report.

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

17.4.3 Internal control Weaknesses

17.4.3.1 Non-utilization of Budget –Rs 55.407 million

Anticipated savings in the budget should be surrendered in the 2nd excess and surrendered statements as required under Rule 17.20 of P.F.R Vol-1 and Para 14 of Punjab Budget Manual. Furthermore Rule 20(iii) of PDG and TMA (Budget) Rules, 2003 also requires that each Drawing and Disbursing officer shall develop the most realistic and sound budget estimates

CEO Education Authority Sargodha did not utilized funds of an amount of Rs 96.776 million placed under the disposal of CEO for payment to the families of deceased employees on account of financial assistance, leave encashment to retiring employees and medical reimbursement to employees. The Authority neither utilized the funds despite claims on account of leave encashment, medical charges, financial assistance of employees were pending with department, no surrendered the funds to the government. Hence funds Rs 55.407 million were lapsed as detailed below.

Object Head	Description	Budget Allocation	Expenditure	Non-utilization
A04114	Leave Encashment	72,582,000	28,757,657	43,824,343
A05216	Financial Assistance	19,355,000	12,600,000	6,755,000
A01244	Medical Reimbursement	4,839,000	11,430	4,827,570
Total		96,776,000	41,369,087	55,406,913

Audit was of the view that due to weak internal controls funds were neither utilized nor surrendered in violation of criteria *ibid*.

This resulted in blockage of public money Rs 55.407 million.

The matter was reported to CEO in August, 2017. The reply was not furnished by the department and DAC meeting was also not convened till finalization of report.

Audit recommends that non payment of legitimate claims of employee and the blockage of funds be justified besides fixing of responsibility against the person(s) at fault.

(PDP No.26)

17.4.3.2 Non-utilization of IT labs due to not appointing IT teachers - Rs 50.000 million

According to rule 2.10 (a) (1) of PFR Vol-I same vigilance should be exercised in respect of expenditure incurred from Government

revenues, as a person of ordinary prudence would exercise in respect of the expenditure of his own money.

EDO (Education) incurred an amount of Rs 50.000 million on establishment of 41 IT labs in high schools during 2015-17 but IT teachers were not appointed in these schools even after lapse of considerable time. In the absence of specialized IT teachers labs could not be utilized efficiently and effectively and warranty period of IT equipment was also expired without utilization.

Audit holds that due to weak internal controls mismanagement value of million expended on establishment IT Labs could not be achieved.

This resulted in non-utilization of IT Lab equipment.

The matter was reported to the CEO in August, 2017. The reply was not furnished by the department and DAC meeting was also not convened till finalization of report.

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

(PDP No. 22)

17.4.3.3 Non-imposition of penalty due to non-completion of work – Rs 46.953 million

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

CEO (Education) allotted following development schemes of missing facilities in schools costing Rs 469.530 million to different contractors in October and in December, 2016 which were to be completed within 2-3 months. The schemes were not completed till June, 2017. Moreover neither extension in time limit were granted nor penalty for delay in completion of work was imposed on contractors as detailed below.

Sr. No.	Name of Scheme	No. of Schemes	Approved Cost of Schemes	Fund Released to XEN Buildings	Total Exp.	Amount of Penalty @ 10 %
1	ADP Schemes 2016-17 (Up-gradation./ Establishment)	12	150.61	40.626	22.031	15.061
2	Provision of Missing Facilities in Schools (16-17)	166	149.932	150.000	86.272	14.993
3	Reconstruction of Dilapidated school buildings (16-17)	62	168.999	169.108	73.861	16.899
Total		228	469.54	319.108	160.133	46.953

Audit holds that due to weak internal controls penalty was not imposed to the contractor.

This resulted in non-imposition of penalty of Rs 46.953 million.

The matter was reported to the CEO in August, 2017 but no reply was furnished. Despite repeated requests, DAC meeting was not convened till the finalization of this Report.

Audit recommends imposition of penalty and recovery of stated amount from contractors.

(PDP No. 23)

17.4.3.4 Non-surrender of un-spent balance by XEN Buildings – Rs 12.316 million

According to Finance Department letter No.IT(FD)3-7/2000 dated 01.01.2001, funds were to be utilized up to 30th June and the unspent balance would be refunded to the concerned DDO. On completion of the project DO Buildings would render a completion certificate together with a statement of accounts and refund of the residual balance, if any. Further anticipated savings in the budget should be surrendered in the 2nd excess and surrendered statements as required under Rule 17.20 of P.F.R Vol-1 and Para 14 of Punjab Budget Manual. Furthermore Rule 20(iii) of PDG and TMA (Budget) Rules, 2003 also requires that each Drawing and Disbursing officer shall develop the most realistic and sound budget estimates

CEO (Education) transferred an amount of 54.130 million under the deposit head of XEN buildings for completion of schemes. Schemes for Rs 41.814 million were completed but unspent balance of Rs 12.316 million was neither refunded to District Education Authority nor the amount was credited to Government revenues.

Audit was of the view that due to weak internal controls the residual balance count not be refunded to concerned Authority.

This resulted in an unauthorized retention of money of Rs 95.487 million

The matter was reported to the CEO in August, 2017. The reply was not furnished by the department and DAC meeting was also not convened till finalization of report.

Audit stresses on refund of residual balance to the Authority concerned.

(PDP No. 24)

17.4.3.5 Non Deduction of GST – Rs 4.509 million

According to Central Board of Revenue Standing Instructions read with notification SRO 660 (1)/2007 dated 30-06-2007 all withholding agents shall make purchases of Taxable goods from a person duly register under Sales Tax Act, 1990, The GST @ 1/5th of total value of the bill may be deducted at source and deposited it into Government Treasury. In case of non-availability of a registered firm, the purchases may be made from unregistered firm. The GST @19% should be deducted at source from the payments of un-registered firm and credited into the receipt head of Sales Tax Department.

Following formations of District Education Authority made payments to suppliers for the purchase of different items but recovery on account of GST was not deducted from the gross payment. This resulted in a loss of Rs 4.509 million to the government.

Sr. No.	Name of formation	PDP No.	Amount (Rs)
1	Dy. DEO Kotmomin	11	948,156
2	Dy. DEO(W-EE), Sargodha	13	56542
3	Dy. DEO(W-EE), Bhalwal	14	665,212
4	Dy. DEO (MEE), Sargodha	16	1,743,122
5	CEO (Education)	21	1,095,964
Total			4,508,996

Audit holds that due to weak internal controls and weak financial discipline GST was not deducted.

This resulted in loss of Rs 4.509 million to public exchequer.

The matter was reported to the CEO in August, 2017. The reply was not furnished by the department and DAC meeting was also not convened till finalization of report.

Audit recommends recovery of GST besides fixing responsibility against the person/s at fault.

17.4.3.6 Non Deduction of Income Tax– Rs 3.780 million

According to Section 153 (1) of Income Tax Ordinance 2001, every prescribed person making a payment in full or part including a payment by way of advance to a resident person:

(a) For the sale of goods shall deduct tax @ 4.5% of the gross amount payable, if the person is a filer and 6.5% if the person is a non-filer.

(b) For the rendering of or providing of services shall deduct tax @ 10% of the gross amount payable, if the person is a filer and 15% if the person is a non-filer;

Following formations of District Education Authority made payments to suppliers for the purchase of different items but recovery on account of Income Tax was not deducted from the gross payment. This resulted in a loss of Rs 3.780 million to government.

Sr. No.	Name of formation	PDP No.	Amount (Rs)
1	Dy. DEO (M-EE) Sillanwali	05	12504
2	Dy. DEO (M-EE) Sillanwali	06	28343
3	Dy. DEO Kotmomin	11	562,652
4	DEO(W-EE), Bhalwal	15	227,573
5	Dy. DEO (MEE), Sargodha	17	596,331
6	CEO (Education)	19	1,478,100
7	CEO (Education)	20	48,606
8	Dy. DEO W-EE Bhera	32	825,700
Total			3,779,809

Audit holds that due to weak internal controls and weak financial discipline Income Tax was not deducted.

This resulted in loss of Rs 3.780 million to public exchequer.

The matter was reported to the CEO in August, 2017. The reply was not furnished by the department and DAC meeting was also not convened till finalization of report.

Audit recommends recovery of Income Tax besides fixing responsibility against the person/s at fault.

17.4.3.7 Overpayment of inspection allowance – Rs 1.725 million

According to letter No.SO (ADP) MISC-409/2012 dated 19.08.12, the Inspection Allowance was payable to the Female Assistant Education

Officers (AEOs) of School Education Department, Punjab for inspection of schools subject maximum Rs 5000/- per month.

Assistant Education Officers of the office of Dy. DEO (MEE), Sargodha drew inspection allowance @ Rs 25,000 per month instead of Rs 5000 per month further they also drew during summer vacations in violations of above criteria *ibid*.

(a)

Sr.#	Period	# of AEOs	Amount drawn Per Month	Amount Due Per Month	Difference	Period	Total Recoverable amount
1	2016-17	5	25000	5000	20000	12 months	1,200,000

(b)

Sr.#	Period	# of AEOs	Amount drawn during summer vacation	Period	Total Recoverable amount
1	2014-16	5	10000	6 months	150,000
2	2016-17	5	25,000	3 months	375,000
Total					525,000
Grant Total 1,200,000+525,000					1,725,000

Audit was of the view that due to weak internal and financial control over payment was made to AEOs.

This resulted in overpayment of Rs 1.725 million.

The matter was reported to the CEO in August, 2017. The reply was not furnished by the department and DAC meeting was also not convened till finalization of report.

Audit recommends that the overpayment be recovered besides fixing of responsibility against the person(s) at fault.

17.4.3.8 Non Recovery of Embezzled Amount – Rs 0.101 million

As per section 126 of PLGO 2001, in case of any loss of property of Local Govt. the responsibility of such loss shall be fixed and the amount of loss be recovered from the concerned and Rule 2.33 of PFR Vol-I lays down that every Government servant should realise fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part, and that he will also be held personally responsible for any loss, arising from fraud or negligence.

Dy. DEO (M-EE) Sahiwal conducted an enquiry against Junior clerk of office the Dy. DEO (M-EE) Sahiwal and Head Master of

Government Primary School Kotla Mir Baz Khan and an embezzled amount of Rs 201,055 was pointed out by the enquiry committee whereas Rs100,000 was recovered and deposited into NSB fund. The remaining amount of Rs101,055 is still outstanding.

Audit was of the view that due to weak internal and financial control said amount was embezzled.

This resulted in non-recovery of embezzled amount Rs 101,055

The matter was reported to the CEO in August, 2017. The reply was not furnished by the department and DAC meeting was also not convened till finalization of report.

Audit recommends that amount be recovered from defaulters besides fixing responsibility against the person(s) at fault.

(PDP No.40)

CHAPTER 18

District Education Authority, Sheikhpura

18.1 Introduction of Authority

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

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

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

DEA Sheikhpura manages following schools / education offices:

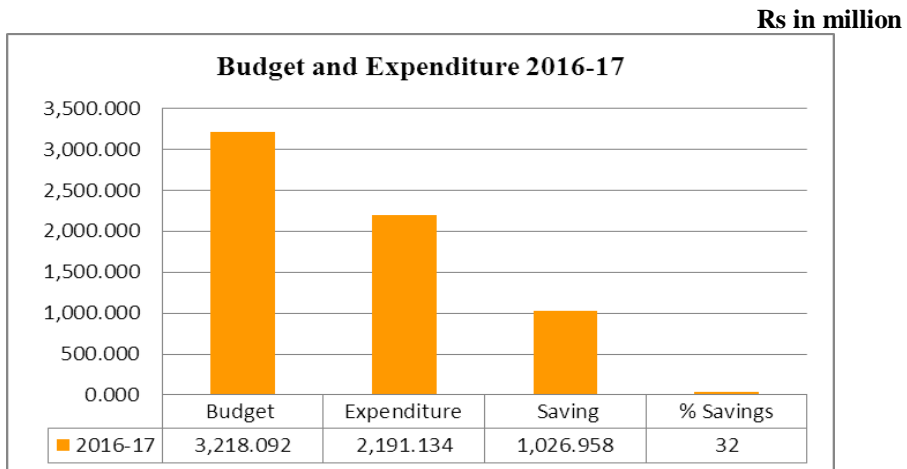
Description	No. of offices / schools
Chief Executive Officer	1
DO (SE)	1
DEO (WEE)	1
DEO (MEE)	1
Dy. DEO (MEE)	5
Dy. DEO (WEE)	5
High and Higher Secondary	168

Schools	
Elementary & Primary Schools	917
Any other institute	-

18.2 Comments on Budget and Accounts

Total budget of District Education Authority for the Financial Year 2016-17 was Rs 3,218.092 million, against which only Rs 2191.134 million was spent. Overall savings of Rs 1,026.957 million during the Financial Year 2016-17 which was 31.91% of budgetary allocation, showing non-utilization of funds meant for provisions of amenities in District Education Authority thus depriving the community from getting better facilities.

Rs in million				
Financial Year	Budget	Expenditure	Saving	%age of Savings
Total	3,218.092	2,191.134	-1,026.958	-31.91



18.3 Brief Comments on the Status of Compliance with PAC Directives

This is the first Audit Report on accounts of District Education Authority, Sheikhupura which was established in January 2017. Hence, no Audit Report pertaining to preceding years was submitted to Governor of the Punjab to be laid before provincial legislature.

18.4 AUDIT PARAS

18.4.1 Non-Production of Record

18.4.1.1 Non-production of record - Rs 1.677 million

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

During scrutiny of record Special Education Centre Muridkey during 2014-2017 auditable record such as POL, repair transport, repair of machinery etc amounting to Rs 2.731 million was not provided to audit for scrutiny and verification.

Audit was of the view that non-production of record was due to financial indiscipline and weak internal controls.

This resulted in non-verification of expenditure amounting to Rs 2.731 million as a result thereof authenticity, genuineness and adequate disclosure of the same could not be verified.

The matter was reported to the PAO in December, 2017. Neither reply was submitted by the department nor DAC meeting convened till the finalization of this report.

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

[PDP No. 1]

18.4.2 Irregularities / Non-compliance

18.4.2.1 Irregular payment of salaries without sanctioned posts Rs 1,593.447 million

According to Rule 38 (3) of Punjab District Authorities (Accounts) Rules 2017, the drawing and disbursing officer shall maintain establishment check register on form 4T and at the beginning of each year the entries in the establishment register showing sanctioned strength of establishment and remuneration of each post will be scrutinized and verified by the DDO. Further according to rule 3 (2) of Punjab District Authorities (Accounts) Rules 2017, the pension fund of local government employees adjusted in the district authorities shall be maintained in BOP or NBP after the approval of government.

During Audit of CEO Education Sheikhpura for the year 2016-17, it was observed that CEO District Education Authority Sheikhpura charged salaried budget on the Accounts of DEA as PAO and payments had been made amounting to Rs 1,593.447 million on account of pay and allowances without getting approval from the Finance Department for the number of posts admissible against each cost centre. DEA also failed to cater to the distinct account for pension liability against employees as well as pensioners of erstwhile employees of the District Council.

Audit was of the view that payment of salaries without approval of admissible sanctioned strength of posts from the Finance Department to the entries of the establishment register was due to weak internal controls.

This resulted in irregular payment of salaries amounting to Rs 1,593.447 million and also unfolded non maintenance of the pension fund of local government employees adjusted in the district authority.

The matter was reported to the PAO / CEO in October, 2017 but neither reply was submitted nor DAC meeting convened till finalization of this report.

Audit recommends seeking regularization of the matter in a manner prescribed besides fixing responsibility against the officers / officials at fault.

[PDP No. 38]

18.4.2.2 Misclassification of expenditure – Rs 27.696 million

As per Article 30 of Audit Code, all financial transactions are required to be recorded and allocated to proper heads of account.

Scrutiny of record of Executive District Officer / CEO District Education Authority Education Sheikhpura Literacy unit for the financial year 2016-2017, revealed that EDO Education Sheikhpura granted sanction of Rs 27.696 million from wrong head under the object head “Payments to Others as Service Rendered A03919”

Audit was of the view that irregular sanctioning of expenditure from wrong head and violation of delegated powers was due to defective financial management and weak internal controls.

This resulted in irregular sanctioning of expenditure from wrong head with misclassification.

The matter was reported to the PAO in December, 2017. Neither reply was submitted by the department nor DAC meeting convened till the finalization of this report.

Audit recommends seeking regularization of the matter in a manner prescribed besides fixing responsibility against the officers / officials at fault.

[PDP No. 6]

18.4.2.3 Non transparent purchase of literacy kit - Rs7.896 million

According to Rule 4 of PPR 2014, a procuring agency, while making any procurement, shall ensure that the procurement is made in a fair and transparent manner, the object of procurement brings value for money to the procuring agency and the procurement process is efficient and economical.

During compliance audit CEO for the financial year 2016-17, it was observed that an expenditure of Rs 8.875 million was incurred on the items without adopting the system of open tendering resulting in irregular and non-transparent purchase.

Audit was of the view that non-transparent purchases of literacy kit items were due to defective financial management and weak internal controls.

This resulted in avoidable mis-procurement.

The matter was reported to the PAO in December, 2017. Neither reply was submitted by the department nor DAC meeting convened till finalization of this report.

Audit recommends seeking regularization of the matter in a manner prescribed besides fixing responsibility against the officers / officials at fault.

[PDP No. 8]

18.4.2.4 Less deduction of GST – Rs 609,412

According to Government letter No.103-D (vi) PD/2005/51 dated 17-10-2006, public sector organizations are required to procure supplies only from registered firms however purchases could be made from un-registered firm under unavoidable circumstances with the deduction of sales tax at source at the permissible rates.

Executive District Officer / CEO District Education Authority Education Sheikhpura incurred an expenditure of Rs 7.896 million on the purchase of Literacy kits during the financial year 2016-2017 but deducted Rs 0.140 million on account sales tax instead of required amount of Rs 0.718 million resulting in less deduction of general sales tax amounting to Rs 609,412.

Audit was of the view that less deduction of GST was due to poor financial discipline and weak internal controls.

This resulted in loss of Rs 0.609 million to the public exchequer.

The matter was reported to the PAO in December, 2017. Neither reply was submitted by the department nor DAC meeting convened till finalization of this report.

Audit recommends imposition of recovery besides fixing responsibility against the officers / officials at fault.

[PDP 11]

18.4.2.5 Non collection of renewal fee and fine of private schools - Rs 536,700

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

During compliance audit of Executive District Officer / CEO District Education Authority Education Sheikhpura, it was observed that renewal fee amounting to Rs 97,500 and fine @ Rs 100 per day amounting to Rs 439,200 was not collected from the private schools resulting in loss of Rs 536,700 to the public exchequer.

Audit holds that non-collection of renewal fee and non-imposition of fine was due to poor financial discipline and weak internal controls.

The matter was reported to the PAO / CEO in December, 2017. Neither reply was submitted by the department nor DAC meeting convened till finalization of this report.

Audit recommends imposition of recovery besides fixing responsibility against the officers / officials at fault.

[PDP No. 12]

18.4.2.6 Overpayment of HRA, CA and 5% maintenance charges - Rs 185,052

As per Finance Department clarification issued vide No FD. SR. I.9.4/86 (PR) (P) dated 15-10-2011, the conveyance allowance is not admissible to government servants residing in the residential colonies situated within work premises. Further, according to Government of the Punjab, Finance Department's letter No. FD (M-1) 1-15/82P-I dated 15.01.2000, in case of designated residences, the officer/officials cannot draw HRA even if he does not availed the facility and residence remains vacant during the period. In case Govt. Servant is allotted below entitlement residence, he will not be allowed to draw HRA and will have to pay house rent at the rate of 5% of maximum scale of the category for which residence is meant.

Scrutiny of record of Executive District Officer / CEO District Education Authority Education Sheikhpura for the financial year 2016-2017, revealed that CEO availed the facility of residence but House Rent, Conveyance Allowance and 5% maintenance charges amounting to Rs 185,052 was not deducted from the pay of officer resulted in loss to public exchequer.

Audit was of the view that due to non-compliance of rules and mismanagement, deduction of House Rent Allowance, Conveyance Allowance and 5% Maintenance charges was not deducted which resulted in overpayment of Rs 185,052.

The matter was reported to the PAO in December, 2017. Neither reply was submitted by the department nor DAC meeting convened till finalization of this report.

Audit recommends imposition of recovery besides fixing responsibility against the officers / officials at fault under.

[PDP No. 14]

18.4.2.7 Excess expenditure incurred over and budget allocation Rs 2.528 million

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

During compliance audit of the following formations for the financial year 2016-17, it was observed that an expenditure of Rs 13.009 million was incurred against budget allocation of Rs 10.895 million resulting in excess expenditure of Rs 2.528 million over and above budget allocation

Sr. No.	Name of formation	PDP No.	Budget (Rs)	Expenditure (Rs)	Excess expenditure (Rs)
1	Govt. Institute for slow learners	2	946,899	740,000	206,899
2	Sp. Education center Muridke	3	9,948,205	12,269,563	2,321,358
	Total		10,895,104	13,009,563	2,528,257

Audit was of the view that excess of expenditure amounting Rs 2.528 million was due to weak internal control and poor financial discipline.

The matter was reported to the PAO in December, 2017. Neither reply was submitted by the department nor DAC meeting convened till finalization of this report.

Audit recommends seeking regularization of the matter in a manner prescribed besides fixing responsibility against persons at fault.

18.4.2.8 Payment of conveyance allowance during leave period – Rs 180,032

According to Rule 1.15 (2) of Punjab Travelling Allowance Rules, conveyance / mobility allowance is not admissible during summer & winter vacations. Further according to sub-section of 8.18 of Section SR 7-A, Conveyance Allowance is not admissible during leave period.

During audit of the two formations, it was observed that conveyance allowance worth Rs 180,832 was not deducted during leave period / summer and winter vacations.

Sr. No.	Name of Formation	PDP No.	Amount (Rs)
1	Govt. Institute Slow learner, Sheikupura	6	5,832
2	Special education center Sharaqpur sharif	1	175,000
	Total		180,832

Audit was of the view that payment of conveyance allowance during leave period was due to poor financial indiscipline and weak internal controls.

This resulted in loss of Rs 180,832 to the public exchequer.

The matter was reported to the PAO in December, 2017. Neither reply was submitted by the department nor DAC meeting convened till finalization of this report.

Audit recommends imposition of recovery besides fixing responsibility against person at fault.

18.4.2.9 Illegal construction pf special school on land of TMA without transfer the land – Rs 50.000 million

According to Rule 180 of PLGO 2001, the properties, assets and liabilities of the Municipal Corporations under the Punjab Local Government Ordinance, 1979 (VI of 1979), shall be succeeded by Tehsil Municipal Administration in the case of Municipal Corporations, as the case may be. As per para 2.85 of Buildings & Roads Department Code, no work should be commenced on the land not acquired for the work.

During scrutiny of the property record of H/M Govt. Special Education Center (DEA) Sharaqpur Sharif for the financial year 2015-17 it was observed that a school for special children was illegally constructed on the land 6Kanal and 17 Marla of TMA/Committee without any lawful authority (transfer the title of property) . DDC of District Sheikupura approved the development said scheme without confirmation of transfer of land title. But the Head of the district illegally approved and constructed the school double story building on the land of TMA/committee for the special children. Special children could not go on the first floor of the building.

Audit was of the view that illegal construction of special school on land of TMA and non recovery of rent due to financial management and internal controls.

This resulted in illegal construction of school building.

The matter was reported to the PAO in December, 2017. Neither reply was submitted by the department nor DAC meeting convened till finalization of this report.

Audit recommends seeking regularization of the matter in a manner prescribed besides fixing of responsibility against person at fault.

[PDP No. 3]

18.4.3 Performance

18.4.3.1 Irregular succession after closing of Account IV, Non-stock taking of moveable and immoveable properties and assets

According to Section 3(e) of PLGA, 2013, an Authority shall succeed the rights, assets and liabilities of the City District Government or District Government respectively to the extent of health and education.

Scrutiny of financial statement of DEA Sheikhpura revealed that w.e.f. 01-07-2016 to 31-12-2016, the capital development expenditure of District Government Sheikhpura was Rs 42.011 million but at the time of establishment of DEA and opening of account V, no physical stock taking of District Government Sheikhpura properties and assets was carried out. It was also noticed that millions of rupees were expended during 2016-17 on purchase of new machinery & equipments and new infrastructure & buildings. Audit was unable to make appropriate comments on the condition and state of moveable & immoveable properties. Demarcation of properties was not executed.

The matter was reported to the PAO during December, 2017. Neither any reply was furnished nor DAC meeting was convened till finalization of this report.

Audit recommends ensuring of physical stock taking of handed over assets from District Government Sheikhpura besides fixing responsibility against the officers at fault.

[PDP No. 39]

18.4.3.2 Non transparent, doubtful and un-reconciled expenditure on stipends

According to para 2.3.2.2 of APPM “information in the accounts and in the supporting subsidiary records shall be accurate, representing actual substance of past events, without undue errors or omissions. This shall include correct and consistent classification and recognition of revenues and expenditures.”

During audit of CEO DEA Sheikhpura, it was observed that department paid Rs 10.000 million as stipend to the female students of the government schools was non-transparent and doubtful due to the following reasons:

1. The list of students for whom stipend was drawn was not available on record. EDO Education received amount without any detail of

payees and their entitlements before submission of bill in the treasury

2. The record regarding the acknowledgements of the students on the money orders was neither handed over to EDO school wise nor segregated by the EDO Education making the reconciliation impossible.
3. General Post Office never returned the un-disbursed stipend and no reconciliation was available with the Education Authority.
4. Certificate in regard of receipt of stipends by the school students was not received from the head of institution and no weekly reports about disbursement were issued.
5. The education office could not produce the pass book against the stipend account maintained at GPO for the period.

Audit holds that due to weak internal control of the management, compliance of the rules was awaited.

This resulted in non transparent and doubtful expenditure on account of stipend charged from public exchequer.

The matter was reported to the PAO during December, 2017. Neither any reply was furnished nor DAC meeting convened till finalization of this report.

Audit recommends seeking regularization of the matter in a manner prescribed besides fixing responsibility against the person(s) at fault.

[PDP No. 7]

18.4.3.3 Non utilization of SDA funds

According to Rule 55 (1)(C) (ii) of Punjab District Authorities (Budget) Rules 2017 the head of offices or institutions or DDO is responsible for ensuring that the funds allotted are spent are in conformity with the schedule of authorized expenditure.

During audit of CEO Education District Sheikhpura, it was observed that SDA funds amounting to Rs 121.960 million as detailed below were not utilized during the financial year 2016-17.

Rs in million

Name of Department	Balance available in A/C-IV on 31.12.2016 (Rs in millions)	No. of schemes	Total Funds in SDA	Exp. in SDA	Balance
School Education	270.829		206.478	124.037	82.441
Special Education			42.360	15.456	26.904
Literacy			21.991	9.376	12.615
			270.829	148.869	121.96

Audit was of the view that due to weak internal and administrative controls, funds were not expended for the betterment of the students.

The matter was reported to the PAO / CEO in December 2017 but neither reply was submitted nor DAC meeting convened till finalization of this report.

Audit recommends seeking regularization of the matter in manner prescribed besides fixing responsibility against the officers / officials.

[PDP No. 4

18.4.3.4 Un-reasonable selection of NFBE Schools, irregular payment

The PC-I of “Punjab Accelerated Functional Literacy and Non Formal Basic Education Project” has approved yardstick for the opening of NFBES with the condition that there is no formal Government Primary School within 01 kilometer radius or a private primary education facility nearby

CEO, DEA Sheikhpura established NFBES and TSKL at District Sheikhpura during 2016-17 and an amount of Rs 16.022 million was paid on account of remuneration / scholarship to the teachers of literacy program. Certificate that there was no formal Government Primary School within a radius of 01 kilometer or a private primary education facility etc., was not on record. Payment of remuneration was held irregular because the corresponding recommendations on the part of the Village / Town Education Committee to choose the particular sites in question was not on record. Further, number of potential NFBE learners, potential teachers in the target villages / town and BISP household survey data reports was not on record in the absence of which the chance of misappropriation of government funds could not be eliminated.

Audit was of the view that due to weak internal and administrative controls, centers were established and payment was drawn. This resulted in irregular expenditure amounting to Rs 16.022 million.

The matter was reported to the PAO during December, 2017. Neither any reply was furnished nor DAC meeting convened till finalization of this report.

Audit recommends seeking regularization of the matter in a manner prescribed besides fixing responsibility against the person(s) at fault.

[PDP No. 40]

18.4.3.5 Non utilization of IT Labs fund

School Education Department, Government of the Punjab vide letter No. SO(ADP) Release-420/2016-17 dated 19.01.2017 directed vide endorsement No.5 that all DCs are requested to execute the development schemes pertaining to procurement and establishment of IT labs and other revenue component from the SDAs.

Scrutiny of record of Executive District Officer / CEO District Education Authority Education Sheikhpura for the financial year 2016-2017 revealed that 64 schemes costing Rs 70.519 million pertaining to previous years for establishment of IT Labs and purchase of furniture. Only Rs 21.164 million funds were released in 2015-16 whereas Rs 49.355 million funds were still in the balance of CEO as detailed below. The poor students were deprived from the facility of access to IT labs and provision of furniture IT labs.

Sr. No	Description	Allocation Year	No. of labs	Allocated funds (Rs in millions)	Expenditure of funds	Balance Funds Available
1.	Provision of Computer Networking & Furniture for IT labs in Elementary Schools	2011-12	26	02.522	00000	02.522
2.	Replacement of Existing Computer Labs in Secondary Schools	2013-14	13	11.357	00000	11.357
3	Provision of Labs in Elementary Schools	2013-14	13	06.500	00000	06.500
4	Provision of Labs in Secondary Schools	2013-14	12	12.860	00000	12.860
5	Establishment of IT Labs in High / Higher Schools	2015-16	N/A	29.280	21.164	8.116
6	Establishment of IT Labs in High / Higher Schools	2016-17	N/A	8.000	00000	8.000
				70.519	21.164	49.355

Audit was of the view that non-compliance of the directions of the administrative department was due to weak administrative and financial controls.

The matter was reported to the PAO / CEO in December, 2017 but neither reply was submitted nor DAC meeting convened till finalization of this report.

Audit recommends seeking regularization of the matter in a manner prescribed besides fixing responsibility against the officers / officials at fault

[PDP No. 5]

18.4.3.6 Non reconciliation of receipt and non Investment of surplus balance

According to para 2.3.2.2 of APPM “information in the accounts and in the supporting subsidiary records shall be accurate, representing actual substance of past events, without undue errors or omissions. This shall include correct and consistent classification and recognition of revenues and expenditures.” According to Rule 78 (1) of Punjab District Authorities (Budget) Rules 2017, the primary obligation of collecting officer shall be to ensure that all revenue due is claimed, realized and credited immediately into the District Authority fund, under the proper receipt head. As provided within the meaning of the Rule 11(2) (f) of the Punjab District Authorities Accounts Rules 2017, in discharge of his responsibilities, the Chief Executive Officer shall ensure that the amount credited to the Local Fund as reported by Accounts Officer are reconciled or verified with records on monthly and annual basis.

As provided under Section 109(2) of the PLGA 2013, a local government may invest surplus funds, if any, in such securities and financial institutions, as may be approved by the Government.

During audit, it was observed that as per financial statement of DEA Sheikhpura total receipts of the DEA was Rs 2958.081 million but the reconciliation with the collecting officer and head of institutions and credit of receipt into authorities fund was not on record. Unrealistic budget estimation even in revised estimates showed final allocation approved to the tune of Rs 2,809.901 million with receipt presenting excessive shortfall. More so, even against the reduced realization of Receipts there was a cash reserve available in view of the savings conceded which was available for investment to the tune of Rs 1,317.175 millions.

In the prevailing scenario, it is evident that due diligence was not exercised for realistic estimation of budget complicated by absence of reconciliation of receipts/recoveries also incurring inordinate delay for investing surplus funds in such securities and financial institutions, approved by the Government.

This resulted in violation of government rules and loss to the government.

Management was not able to arrange holding of DAC meeting for purpose built deliberations on the issue despite repeated reminders till finalization of this Report.

Audit recommends holding of a detailed enquiry to apportion responsibility against the delinquents for violation of government rules and causing loss to the government followed by remedial action to do away with deviation and departures from proper budgeting, reconciliation and allocation of funds.

[PDP No. 41]

18.4.3.7 Core Functions Disregarded

As provided under Section 93. Of the PLGA 2013 captioned as Functions of District Education Authority.– A District Education Authority shall: (a) establish, manage and supervise the primary, elementary, secondary and higher secondary schools, adult literacy and non-formal basic education, special education institutions of the Government in the District; (b) implement policies and directions of the Government including achievement of key performance indicators set by the Government for education; (c) ensure free and compulsory education for children of the age from five to sixteen years as required under Article 25-A of the Constitution; (d) ensure teaching standards, infrastructure standards, student safety and hygiene standards and minimum education standards for quality education as may be prescribed; (e) undertake students' assessment and examinations, ranking of schools on terminal examination results and targets, promotion of co-curricular activities, sports, scouting, girl guide, red crescent, award of scholarships and conduct of science fairs in Government and private schools;

Audit scrutiny revealed that learning competencies, prevention of dropouts of enrolled school children and enforcement of compulsory education in consonance with the constitutional provisions had not been pursued defeating the directions of the Government including achievement of key performance indicators set by the Government despite expenditure

worth Rs 2,191.134 million with dismal ranking showing 31st position in the fourth quarter of financial year 2016-17.

Audit was of the view that due to weak internal and administrative controls, core functions were disregarded.

The matter was reported to the PAO / CEO in December, 2017 but neither reply was submitted nor DAC meeting convened till finalization of this report.

Audit recommends seeking regularization in manner prescribed besides fixing responsibility against the officers / officials at fault.

[PDP No. 1]

18.4.3.8 Non verification of pass book

According to provisions of Rule 12.19 of PFR Form 25 read with Rule 12.20 of PFR which provides that the Treasury Officer is responsible for seeing that the entries are correctly made and at the end of the each month the entries on each side of the pass books are totaled and the balance struck and agreed with the treasury account. The Treasury Officer should then sign the book.

Scrutiny of record of Executive District Officer Education Sheikhpura for the financial year 2016-2017, it was observed that Finance Department released funds to the tune of Rs 158.632 million in to the joint SDA of DC/Administrator and CEO DEA Sheikhpura during 2016-17. The pass books of the SDAs (Development and Non Development) valuing Rs 158.632 million was not sent to Treasury Office on monthly basis for verification and authentication in violation of rule ibid. The examination of record revealed that only a plain register was maintained, and each and every transaction was not verified by the Administrator / operator of the account as detailed below:

Sr. No.	Description	Rs in million
1.	Development SDA	148.869
2.	Non-Development SDA	9.763
	Total	158.632

Audit was of the view that non-verification of pass book was due to poor performance and weak internal controls.

This resulted in irregular expenditure amounting to Rs 158.632 million.

The matter was reported to the management in December 2017. Neither reply was submitted by the department nor DAC meeting convened till finalization of this report.

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

[PDP No. 3]

18.4.3.9 Non-conducting of survey census of Private Schools

School Education Department, Govt. of the Punjab, vide letter No. PS Spl.SS/2016 dated 07.10.2016 directed for the conduct of Private School Census in the Punjab.

An audit scrutiny of accounts record of EDO / CEO DEA Sheikhpura revealed that survey census of Private Schools in District Lahore was not conducted during 2016-17. In the absence of which the registration of private schools and realization of annual fee cannot be verified as accurate and actual. The reliability of the record of registration of schools was held doubtful.

Audit was of the view that non-conducting of survey of schools was due to poor performance and weak internal controls.

This has resulted in violation of bonafide directions of the Government.

The matter was reported to the PAO in December 2017. Neither reply was submitted nor DAC meeting convened till the finalization of this report.

Audit recommends conducting of school survey in order to verify the annual fee collected from the private schools besides fixing responsibility against the officers / officials under.

[PDP No. 42]

CHAPTER-19

District Education Authority, Sialkot

19.1 Introduction of Departments

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

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

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

DEA Sialkot manages following schools / education offices:

Description	No. of offices / schools
Chief Executive Officer	1
DO (SE)	1
DEO (WEE)	1
DEO (MEE)	1
Dy. DEO (MEE)	4
Dy. DEO (WEE)	4
High and Higher Secondary	256

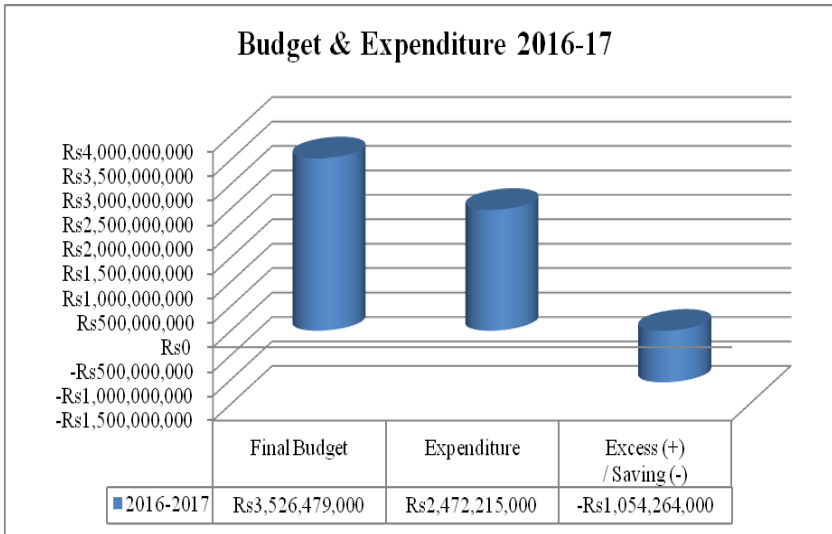
Schools	
Elementary & Primary Schools	1661
Any other institute	4

19.2 Comments on Budget and Accounts (Variance Analysis)

During FY 2016-17 budgetary allocation (inclusive salary, non-salary and development) for District Education Authority was Rs 3526.479 million whereas, the expenditure incurred (inclusive salary, non-salary and development) was Rs 2472.215 million, showing savings of Rs 1054.264 million for the period, which in terms of percentage was 29.89% of the final budget as detailed below:

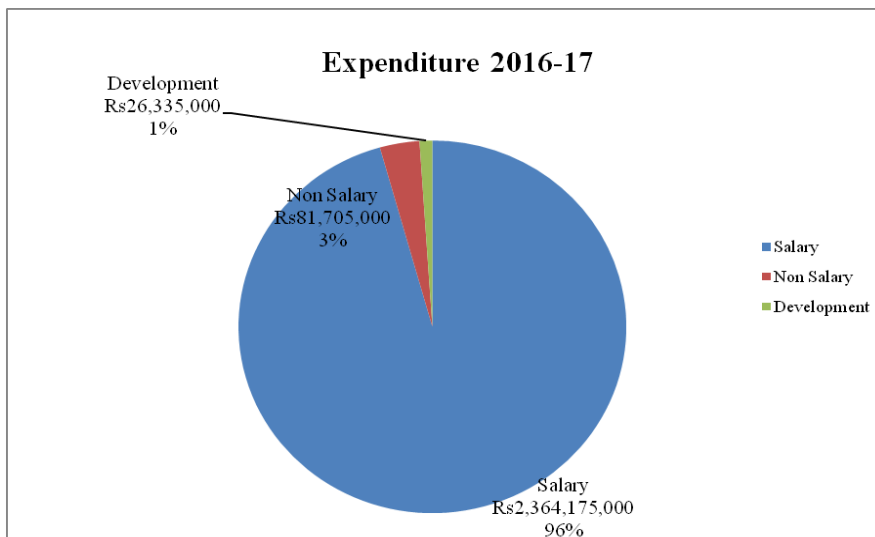
(Rs in million)

Financial Year 2016-17	Budget	Expenditure	(-) Saving / (+) Excess	%age of Savings
Salary	3148.495	2364.175	-784.320	24.91%
Non Salary	90.394	81.705	-8.689	9.61%
Development	287.590	26.335	-261.255	90.84%
TOTAL	3526.479	2,472.215	1054.264	29.89%



As per the Appropriation Account 2016-17 of District Education Authority, Sialkot the original budget was Rs 3526.479 million, zero supplementary grant was Nil and the final budget was Rs 3526.479 million. Against the final budget total expenditure incurred by the District Education Authority during 2016-17 was Rs 2472.215 million as detailed in Annexure-B.

The salary, non-salary and development expenditure comprised 96%, 3% and 1% of the total expenditure respectively.



19.3 Brief Comments on the Status of Compliance with PAC Directives

This is the first Audit Report on accounts of District Education Authority, Sialkot which was established in January 2017. Hence, no Audit Report pertaining to preceding years was submitted to Governor of the Punjab to be laid before provincial legislature

19.4 AUDIT PARAS

19.4.1 Non Production of Records

19.4.1.1 Non-production of record - Rs 11.410 million

According to Section –115 (5) (b) of the Punjab Local Government Ordinance 2001, the Auditor General shall have the authority to require that any accounts, books, papers and other documents which deal with his duties shall be sent to such place as he may direct for his inspection.

Scrutiny of accounts record of CEO District Education Authority Sialkot revealed that funds of Rs 11.410 million were withdrawn from the govt. treasury during the financial year 2016-17 but record including, vouchers, paid bills, cash books and stock registers were not produced to audit. Due to non production of record, expenditure cannot be verified and chances of misappropriation cannot be ruled out.

This resulted in non production of records of Rs 11.410 million

Document No	G/L Acc	Posting Date	Cost center	Cost center description	Grant No.desc	Rs in million
1900008310	A05270	24.06.2017	SX8996	CEO Education Authority (Development) Sialkot	Development	0.910
1900043398	A05270	24.06.2017	SX8996	-do-	Development	3.926
1900111263	A05270	24.06.2017	SX8996	-do-	Development	1.137
1900116345	A05270	24.06.2017	SX8996	-do-	Development	5.436
				-do-		11.410

Audit holds that due to negligence of the management, relevant record was not produced to audit for scrutiny.

The matter was reported to the PAO in December, 2017. No DAC was convened despite repeated requests

Audit suggests fixing of responsibility besides production of record.

[PDP No 09]

19.4.2 Irregularity / Non-compliance

19.4.2.1 Irregular transfer of funds - Rs 269.19 million

Functionaries of Education Department are responsible for verification of vouched accounts of School Council Funds according to Para No. 6 of Annexure-A attached with Government of the Punjab, Finance Department, letter No. IT(FD)/3-13/2002 dated 29th December 2005.

Scrutiny of accounts record of CEO District Education Authority Sialkot revealed that funds amounting Rs269.19 million on account of construction/rehabilitation of schools buildings under provision of missing facilities were transferred to the Executive Engineer Buildings Division Sialkot vide cheque No.696205 dated 15.3.2017. However neither vouched accounts regarding execution of work were submitted by the schools nor residual balance was intimated to the CEO office. Further probed revealed that inspection reports regarding completion or work in progress were also missing in record. In the absence of requisite record it can be easily conclude that funds utilized for the purchase of furniture might be misused and chances of misappropriation cannot be rules out. This resulted in irregular transfer of funds of Rs 269.19 million

Audit holds that due to non compliance of rules, vouched account of funds transferred were not obtained and requisite record was not prepared.

Audit suggests justification of the matter.

[PDP No 2]

19.4.2.2 Unjustified drawl of funds in cash-Rs 14.67million

Scrutiny of accounts record of Deputy District Education Officer (EE-W) Sambrial District Sialkot revealed that 127 schools withdraw funds from NSB bank account more than one hundred thousand in each time. According Finance Department Govt. of the Punjab, equal or more than Ten thousand should be paid through crossed cheque rather than in cash. However Incharge of the Different schools withdraw funds more than fifty thousand in cash which was inadmissible, this resulted in unjustified drawl of funds in cash of Rs 14.67 million.

Audit was of the view that due to non compliance of rules and dereliction on the part of the management funds were withdrawn from NSB account in cash without need.

No reply was submitted by the department

The matter was reported to the PAO in December, 2017. No DAC was convened despite repeated requests

Audit suggests fixing of responsibility under intimation to Audit

19.4.2.3 Unauthorized expenditure on account NSB-Rs 10.22 million

During the audit of accounts of Deputy District Education Officer (EE-W) Sambrial District Sialkot it was noticed that 108 schools incurred expenditure on items of civil work. Further the funds were expended without approval of School Council and some of the schools also expended more than one hundred thousand. This resulted in unauthorized expenditure on account NSB amounting Rs 10.22 million.

Audit was of the view that due to non compliance of rules and dereliction on the part of the management funds were withdrawn from NSB account expenditure was incurred on items which were not part of the school budget.

No reply was submitted by the department

The matter was reported to the PAO in December, 2017. No DAC was convened despite repeated requests

Audit suggests fixing of responsibility under intimation to Audit

Audit suggests justification of the matter and fixing of responsibility.

[PDP No 3]

19.4.2.4 Unjustified drawl of honoraria of NFBE teacher - Rs8.69 million

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

Scrutiny of accounts of CEO DEA Sialkot revealed that Rs8.69 million was paid to following No. of teachers of NFBE (Non Formal Basic Education) without checking their attendance or inspection of schools. Agreements for the provision of place were without date. School Registration Certificates were also without date. Student names were mentioned in register without their father name.

It was also worth mentioning that not a single case of less no. of students or absence of teacher was reported by the Literacy Mobilizers

during the FY 2016-17. NFBE student attendance registers were neither maintained nor produced to audit for verification.

Under these circumstances it can easily be concluded that the expenditure was incurred on arranged documents and chances of misappropriation cannot be ruled out.

MONTH	Payment made to the No. of Teacher	Total amount paid (Rs)
Jan-17	289	1,460,000
Feb-17	289	1,445,000
Mar-17	282	1,410,000
Apr-17	282	1,410,000
May-17	296	1,480,000
Jun-17	297	1,485,000
Total		8,690,000

The matter was reported to the PAO in December, 2017.No DAC was convened despite repeated requests

Audit suggests justification of the matter.

[PDP No 6]

19.4.2.5 Unauthorized payment of financial assistance – Rs 6.4 million

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

During audit of the accounts of CEO District Education Authority Sialkot it was observed that Financial Assistance for deceased employee was withdrawn from Govt. treasury to distribute among the successors of the late. Disbursement certificate / acknowledgments from the recipient in token of payment were also not received. The payment was made without Court decree of succession. These were the reasons due to which payment of Rs 6.40 million could not be verified.

The matter was reported to the PAO in December, 2017.No DAC was convened despite repeated requests

Matter may be justified and relevant record may be produced to audit for verification.

[PDP No 07]

19.4.2.6 Irregular expenditure - Rs 3.685 million

According to Rule 15.4(a) of PFR Vol-I, all materials received should be examined, counted, measured and weighed, as the case may be, when delivery is taken, and they should be kept in charge of a responsible government servant. The receiving government servant should also be required to give a certificate that he has actually received the materials and recorded them in his appropriate stock registers. Moreover, Rule 15.17(b) of PFR Vol-I states that all discrepancies noticed must properly investigated and brought to the account immediately, so that the stores account may represent the true state of store.

Contrary to the above rule Incharge of various schools under the jurisdiction of Deputy District Education Officer (EE-W) Sambrial District Sialkot paid Rs.3.685 million for the purchase of furniture but the stock was not received from the firm till now. Due to this furniture items were not taken in stock. This resulted in irregular expenditure Rs 3.685 million.

Audit was of the view that due to non compliance of rules and dereliction on the part of the management entries on the stock registers were not made.

No reply was submitted by the department

The matter was reported to the PAO in December, 2017.No DAC was convened despite repeated requests

Audit suggestsfixing of responsibility under intimation to Audit

[PDP No 9]

19.4.2.7 Doubtful payment of pay and allowances due to duplicate service book - Rs 3.162 million

During scrutiny of records of service books in respect of following Schools, it has been observed that the service book of the following teaching staff were found duplicate. The reasons for duplicate service book were not found. No departmental Inquiry and its decision nor any FIR for misplacement of original service book was found in record. It is pertinent to mention here that appointments in 1995 of PTC teachers was also a disputed matter when all appointed PTC teachers were dismissed from service only a small no of teachers was reinstated after by name orders by the Honorable court. This resulted in doubtful payment of pay and allowances due to duplicate service book Rs 3.162 million.

EMIS Code	Name of School	Name of Employee	Amount (Rs)
34330588	GGPS Rang Pur Jattan	Nabila Anjum	854,880
34330607	GMPS Changa	Rashida Parveen	785,000
34330795	GGES Bharthan Wala	Sarwat Naseem	680,779
34330771	GMPS Dhabulah	Mehmood ul Hassan	841,254
Total Pay and allowances during 2015-17			3,161,913

Audit holds that duplicate service books creates doubt in the genuineness of the appointment of the PTC teacher which needs to be inquired out.

The matter was reported to the PAO in December, 2017.No DAC was convened despite repeated requests

Audit was of the view that matter may be investigated after verification of appointment and reasons for duplicate service book.

[PDP No 5]

19.4.2.8 Un-due retention of Govt. Money - Rs 3.077 million

According to Rule 2.10 (5) of PFR Vol-I, That no money is withdrawn from the treasury unless it is required for immediate disbursement or has already, been paid out of the permanent advance and that it is not permissible to draw advances from the treasury for the execution of works the completion of which is likely to take a considerable time.

During scrutiny of record of DEO (SE) Sialkot, it was observed that closing balance on 20.10.2017 in DDO A/c was Rs 3.077 million of scholarship and undue retained Govt. money without immediate disbursement in violation of above instructions. This resulted in un-due retention of Govt. Money Rs 3.077 million.

Audit was of the view that due to non compliance of rules and dereliction on the part of the management funds retained in the bank account.

No reply was submitted by the department

The matter was reported to the PAO in December, 2017.No DAC was convened despite repeated requests

Audit suggests fixing of responsibility under intimation to Audit

[PDP No 01]

19.4.2.9 Likely misappropriation due to cash payment instead of crossed cheque - Rs 2.136 million

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

During the course of audit of Dy. DEO W-EE Sialkot District Sialkot it has been noticed from the bank statements of various schools under the jurisdiction of Dy DEO W-EE Sialkot that payments were made in cash instead of cross cheques. Moreover there was no acknowledgement of the payments. It is clear violation of rules and may leads to embezzlement. Therefore the payment of Rs 2,136,356 was held irregular and doubtful as detailed below;

EMIS Code	Name of School	Date of Drawl	Cash Withdrawl (Rs)
34330105	GGE saidra Khurd	31.7.17	200,000
34330105	GGE saidra Khurd	16.5.17,	150,000
34330531	GGPS Pindi Mandla	6.9.17	115,000
34331001	GGPS Dulchikey No:2	8.9.15	110,000
34330763	GGPS Moman Kalan	27.6.15	106,000
34330746	GGPS Chack Qazi	18.8.16	146,000
34330772	GGPS Dhattal	23.6.15	121,356
34330778	GMPS Auolakh Jattan	29.6.16	122,500
34330817	GGPS Hassan Wal	15.8.16	100,000
34330756	GGPS Jallian Wala	3.3.16	124,000
34330707	GMPS CHOUNI SULAHERIAN	18.6.15	150,000
34330747	GMPS Dogran Wala	18.8.16	129,500
34330771	GMPS Dhabulah	30.6.16	136,000
34330547	Bhari	23.6.16	112,000
Total			1,822,356

Audit was of the view that due to weak financial and managerial controls, amounts were drawn in cash. Audit was of the view that matter may be investigated and responsibility be affixed along with disciplinary action against the person at fault.

The matter was reported to the PAO in December, 2017.No DAC was convened despite repeated requests

Audit suggests investigation of the matter and fixing of responsibility under intimation to Audit

[PDP No1]

19.4.2.10 Unjustified expenditure - Rs 1.467 million

According the Non Salary Budget Guidelines Clause 5 (Accounting) it is assumed that school will kept following relevant record.

4. Cash book
5. Inventory Register
6. Budget Register

Further according to Punjab Local Governments Accounts (Rules) 2001, every item of expenditure shall be supported by the bills of the supplier, if any, cash memos, and sanction orders.

During the audit of accounts of Deputy District Education Officer (EE-M) Sialkot District Sialkot it was noticed that management of 26 schools incurred expenditure during the financial year 2015-16 & 2016-17, however payment was made to the supplier without getting invoice/bill. Further acknowledgment receipts were also missing in record. Due to non maintenance of requisite record expenditure cannot be verified and chances of misappropriation cannot be ruled out.

Audit holds that due to weak internal controls, payment was made without getting proper bill/ invoice of the supplier.

The matter was reported to the PAO in December, 2017.No DAC was convened despite repeated requests

Audit recommends justification of the matter.

[PDP No 02]

19.4.2.11 Unjustified drawl of funds for feeder teacher - Rs 1.236 million

Scrutiny of accounts record of Dy. DEO (EE-W) Sambrial District Sialkot revealed that following Incharge of schools were appointed feeder teachers and payment was made from NSB funds. After rationalization, teachers were adjusted as per the strength of the students of schools. Therefore according to standing instructions, teachers were posted as per the demand of the school. Consequently appointment of feeder teacher was unnecessary and payment as honoraria was unjustified.

Audit was of the view that due to non compliance of rules and dereliction on the part of the management funds were withdrawn from NSB account for the feeder teacher.

No reply was submitted by the department

The matter was reported to the PAO in December, 2017.No DAC was convened despite repeated requests

Audit suggests fixing of responsibility under intimation to Audit
Audit suggests justification of the matter.

[PDP No 2]

19.4.2.12 Irregular expenditure - Rs 1.19 million

According to Rule 15.4(a) of PFR Vol-I, all materials received should be examined, counted, measured and weighed, as the case may be, when delivery is taken, and they should be kept in charge of a responsible government servant. The receiving government servant should also be required to give a certificate that he has actually received the materials and recorded them in his appropriate stock registers. Moreover, Rule 15.17(b) of PFR Vol-I states that all discrepancies noticed must properly investigated and brought to the account immediately, so that the stores account may represent the true state of store.

Contrary to the above rule Incharge of following schools under the jurisdiction of Deputy District Education Officer (EE-M) Sialkot District Sialkot paid Rs 1.19 million for the purchase of furniture but the stock was not received from the firm till now. Due to this furniture items were not taken in stock.

II. Further scrutiny revealed that GST amounting was paid to the supplier without getting the GST invoices. In the absence of invoices payment of sales tax was unjustified.

$Rs1,190,021 \times 17/117 = Rs172,909$

Audit was of the view that due to non compliance of rules and dereliction on the part of the management permanent stock items were not accounted for and expenditure was held unauthorized.

No reply was submitted by the department

The matter was reported to the PAO in December, 2017.No DAC was convened despite repeated requests

Audit recommends justification of the matter.

[PDP No 5]

19.4.2.13 Irregular repair of building - Rs 1.141 million

During the audit of Govt. Comprehensive High School Sialkot it was noticed that amount of Rs 1.141 million was incurred on repair & maintenance of school building by splitting the indent during 2013-17. As per rules a scheme for repair of building exceeding Rs 500,000 should be made and the work should be carried out through DO Buildings Sialkot which was not done. This resulted into irregular expenditure of Rs.1.141 million.

Audit was of the view that due to non compliance of rules and dereliction on the part of the management permanent stock items were not accounted for and expenditure was held unauthorized.

No reply was submitted by the department

The matter was reported to the PAO in December, 2017.No DAC was convened despite repeated requests

Audit suggestsfixing of responsibility under intimation to Audit

[PDP No 2]

19.4.3 Internal Control Weaknesses

19.4.3.1 Irregular deduction of Income tax - Rs 4.321 million

According to Section 153 of Income Tax Ordinance 2001, at the time of making the payment, deduct tax from the gross amount @ 4% from the companies and 4.5% from persons other than companies in case of goods purchases and 8% in case of services rendered from the companies and 10% from the persons for other than companies respectively on account of supplies and services rendered.

During the scrutiny of NSB funds record of the middle and primary schools under the jurisdiction of Dy DEO W-EE Sialkot it was observed that the Heads/School Management Council made payment of income tax from NSB funds instead of deducting income tax from the supplier payments in accordance to the above said rates against purchases/ services rendered. Therefore there was wrong payment of income tax from NSB funds and non deduction of income tax from suppliers, thus amount of Rs. 4.321 million required to be recovered.

Audit was of the view that due to non compliance of rules and dereliction on the part of the management the income tax was not recovered from the suppliers

No reply was submitted by the department

The matter was reported to the PAO in December, 2017.No DAC was convened despite repeated requests

Audit suggests fixing of responsibility under intimation to Audit

Audit holds that due to weak internal control Audit stresses that the recovery of income tax be made.

[PDP No 12]

ANNEXURES

Annexure-A**Details of MFDAC
District Education Authority Attock**

Rs in million

Sr No.	Para No.	Name of Formation	Title of Para	Amount
1	3	CEO DEA Attock	Non Reconciliation of Expenditure of SDA	17.675
2	9	CEO DEA Attock	Irregular deduction of Benevolent Fund and Group Insurance.	
3	13	CEO DEA Attock	Non-verification of GST deposit amounting	0.583
4	4	Deaf & Defective Hearing School, Attock	Irregular purchase of Uniform through Purchase committee -	0.294
5	5	Deaf & Defective Hearing School, Attock	Unjustified / Doubtful payment of GST	0.056
6	6	Deaf & Defective Hearing School, Attock	Non reconciliation of non-salary expenditure	1.407
7	4	Dy DEO (W) Attock	Non utilization of funds-	1.40
8	5	Dy.DEO (M) Attock	Irregular payment of leave encashment	0.275
9	6	Dy.DEO (M) Attock	Overpayment on account of Pay and Allowances-	0.037
10	8	Dy.DEO (M) Attock	Non accounting of stores items-	0.24
11	9	Dy.DEO (M) Attock	Non maintenance of cash book-	0.180
12	10	Dy.DEO (M) Attock	Non reconciliation of expenditure	53.131
13	2	Dy DEO M-EE, Pindi Gheb	Non surrendering of savings	17.53
14	4	Dy.DEO (M) Pindi Gheb	Non reconciliation of sanctioned Post and Pay & Allowances	179.273
15	5	Dy.DEO (M) Pindi Gheb	Non reconciliation of	-
16	3	Dy DEO (W) Attock	Non utilization of funds-	5.28
17	8	Dy DEO (W) Attock	Non reconciliation of expenditure receipt and non conducting of physical verification of stores	91.47
18	4	Dy DEO (W) Hassanabadal	Non utilization of funds	0.50
19	6	Dy DEO (W) Hassanabadal	Irregular expenditure on account of repair of Transport	0.021

Sr No.	Para No.	Name of Formation	Title of Para	Amount
20	8	Dy DEO (W) Hassanabadal	Non conducting of annual physical verification	-
21	9	Dy DEO (W) Hassanabadal	Non production of Payroll record.	-
22	5	Dy.DEO (W) Hazro	Non utilization of funds	1.059
23	10	Dy.DEO (W) Hazro	Non production of Payroll record.	-
24	13	Dy.DEO Hazro	Irregular expenditure on account of repair of Transport	0.154
25		Dy.DEO (W) fateh Jhang	Non utilization of saving (Non salary)	0.482
26	8	Dy.DEO (W) fateh Jhang	Non utilization of funds	5.120
27	10	Dy DEO (W) Fateh Jang	Non conducting of annual physical verification	-
28	11	Dy DEO (W) Fateh Jang	Non production of Payroll record	-
29	12	Dy DEO Fateh Jang (W)	Non deduction of income tax on of rent of office building and recovery thereof	0.0087
30	2	Dy DEO Hassan Abdal Attock	Irregular Expenditure on account of POL	0.028
31	1	Dy DEO (M) Fateh Jang	Unjustified expenditure on Photo Copies for	0.462
32	2	Dy DEO (F), Jand	Cash book not maintained -	0.393
33	4	Dy DEO (F), Jand	Non utilization of funds	2.328
34	1	Dy DEO (W EE) Pindi Gheb	Non reconciliation of expenditure and non conducting of physical verification of stores	-
35	2	Dy DEO (F), Pindi Gheb	Unjustified Development expenditure without Form	0.984
36	3	Dy DEO (F), Pindi Gheb	Cash book not maintained -	0.713
37	4	Dy DEO (F), Pindi Gheb	Stock Register not Maintained worth	0.412
38	5	Dy DEO (F), Pindi Gheb	Non utilization of funds	1.575
39	2	GBHSS Hassan Abdal	Non provision of vouchers	0.046
40	2	CEO DEA Attock	Un justified/Irregular drawl of and paid in cash	17.997
41	6	CEO DEA Attock	Non-verification of GST deposits	0.101
42	3	Dy. DEO M-EE, Pindi gheb	Non-surrendering of Savings –	15.696
43	7	Dy DEO (W) hazro	Expenditure incurred in excess of budget provision for valuing	47.112

Sr No.	Para No.	Name of Formation	Title of Para	Amount
44	11	CEO (DEA) Attock	Un-justified payment of Honorarium	0.516
45	16	CEO (DEA) Attock	Un-justified Payment of Honorarium Amounting	0.012
46	1	Dy DEO (F), Jand	Unjustified Development expenditure without Form-6	1.43
47	2	Dy DEO (F), Pindi Gheb	Un authorized drawl of charge allowance	0.743
48	1	Deaf & Defective Hearing School	Un authorized route for pick & drop, expenditure on POL	0.5

District Education Authority Bhakkar

S. No.	Name of formation	PDP No	Subject of Para	Amount (Rs)
1	DEA Bhakkar	6	Non surrendering of Saving	2,190,605
2		8	Un-economical purchase of different items	45,280
3		9	Un-authorized purchase of CCTV Camaras	98,280
4		10	Non Deposit of school registration fee	67,000
5		11	Loss to government due to non recovery of annual inspection fee from private managed education institutions	187,000
6		12	Un-Authentication of deposits of GST	105,435
7		15	Un-economical purchase of furniture items	555,972
8		16	Irregular payment of pending liability	603,448
9		18	Irregular payment on account of inspection allowance	120,000
10		21	Un-authorized purchase on higher rates	8,720
11		23	Irregular expenditure due to non segregation of duties of DDO Cashier etc	2,687,373
12		27	Irregular expenditure due to non segregation of duties of DDO Cashier etc	212,011
13		29	Irregular expenditure due to non segregation of duties of DDO Cashier etc	1,407,264

District Education Authority Chakwal

(Rs. in million)

S.No.	Name of Formation	Title of Para	Para No.	Amount
1	Chief Executive Officer (DEA)	Un-justified payment of Honorarium	1	0.550
2		Irregular Transfer of Funds	2	195.903
3		Irregular Transfer of Funds	4	118.300
4		Un-justified payment of Performance Incentive	3	0.360
5		Non- Surrendering of Savings	12	3.067
6		Unauthorized Expenditure Due to Splitting	13	0495

S.No.	Name of Formation	Title of Para	Para No.	Amount
7		Irregular Payment From Head A0 1270-Others	14	0.027
8		Suspected payment	15	0.456
9		Non-Verification of GST-	16	0.213
10		Non availability of Store and Stock of Closed Centers	18	0.134
11		Irregular drawl of POL	19	0.144
12	Dy DEO (M) Kallar Kahar	Irregular retention	20	14.267
13		Excess allocation of funds	21	2.115
14		Doubtful Expenditure	22	0.078
15		Unjustified payment on purchase of TAB	23	0.145
16		Irregular payment of income tax and GST	24	0.033
17	Dy DEO (M.E.E) Lawa	Irregular expenditure	26	0.122
18		Non accounting of store items	29	0.361
19		Unjustified Development expenditure without Form-6	27	0.615
20	Dy DEO (W.E.E) Lawa	Irregular expenditure	32	0.062
21		Unjustified Development expenditure without Form-6 –	33	0.574
22		Non accounting of store items	35	0.267
23	Dy DEO (M.E.E) Lawa	Non implementation of NSB Guideline due to lack of internal control	41	
24		Irregular auction of old building material	41	0.105
25		Irregular payment on A/c of Rent of School Building	42	0.064
26		Irregular expenditure on purchase of Furniture	43	0.099
27	Dy DEO (W.E.E) Talagang	Irregular payment from A/c-IV	44	35.494
28		Non implementation of NSB Guideline due to lack of internal control	46	-
29	HM GGHS Dhudial	Non-surrendering of Savings	48	10.958
30	DO Secondary Education	Non Surrender of Anticipated Savings	53	0.215
31		Unauthorized Expenditure Due to Splitting	57	0.091
32		Doubtful drawl on account of TA/DA	58	0.149
33		Non verification of GST deposits	59	0.010
34		Un-justified allocation of funds	60	2.059

S.No.	Name of Formation	Title of Para	Para No.	Amount
35		Irregular Expenditure in Excess of Budget		0.025
36		Irregular Payment of Pay And Allowances From Head A01270- Others	54	0.054
37	Dy DEO (W) Kallar Kahar	Unauthorized payment of income tax out of NSB Fund	61	0.177
38		Non-maintenance of store and stock	62	0.192
39		Unjustified payment on purchase of TAB	64	0.103
40	Dy DEO (EE- W) C S Shah	Unjustified provision of extra funds in NSB Account	66	1.258
41		Non-surrendering of Savings	67	0.688
42		Irregular expenditure beyond financial competency of School council	68	0.858
43		Non accountal of stock & stores	69	0.245
44		Irregular Expenditure without Concurrence of AEO	70	0.954
45		Likely Misappropriation of Funds due to not maintenance of vouched accounts	71	0.033
46		Non implementation of NSB Guideline due to lack of internal control	72	-
47	Dy DEO (W) Chakwal	Unjustified expenditure on payment of Private teacher out of NSB Fund	74	0.653
48		Irregular drawl of cash	75	0.100
49		Unjustified expenditures	78	0.124
50		Un authorized expenditure due to avoiding quotations	80	0,814
51		Excess expenditures on salary	81	0.415
52	Dy DEO (M) Chakwal	Non implementation of NSB Guideline due to lack of internal control	83	
53		Irregular drawl of cash	86	0.100
54		Unjustified expenditure on payment of Private teacher out of NSB Fund	87	0.697
55		Un authorized expenditure due to avoiding tender	89	0.299
56		Irregular retention of money	91	1.979

District Education Authority Gujranwala

Sr. No	Name of Formation	PDP No.	Description of Para	Amount (Rs)
1.	CEO	6	Improper maintenance of Record of expenditure.	-
2.		7	Non-Verification of Challan amounting to Rs. 21750.	21,750
3.	D O (Secondary Education)	1	Non deduction of conveyance allowance	15,595
4.	DEO M Kamonki	1	Non Deduction of Income Tax on leave enchashment.	744,417
5.		2	Irregular payments on account of Charge Allowance	237,135
6.		3	Non-Deduction of Income Tax	1,095,276
7.		4	Undustified drawl of Pay and allowance without performing duties and payment of Charge allowance	11,547,000
8.		5	Irregular payment	1,159,756
9.		6	Recovery on account of award of higher scale and advance increments	210,000
10.		7	Non-accounted of Govt Assets	2,260,000
11.		8	Over payment of pay and allowance	145,000
12.		9	Unjustified Award of pay package from back date Recovery thereof in millions.	-
13.		10	Overpayment due to Non regularization of Pay and allowances of contract staff on award of regular scales Recovery thereof	138,125
14.		11	Unjustified payments of inspection allowance and recovery there of paid during vacation.	190,000
15.	DEO M (Wazirabad)	1	Irregular payment on account of Charge Allowance	299,106
16.		2	Non deduction of Income tax on leave enchashment	261,651
17.		3	Non deduction of conveyance allowance during LFP recovery thereof	39,417
18.		4	Non Deduction of Income Tax	360,556
19.		5	Unjustified drawl of pay and allowance without performing duties	11,547,000
20.		6	Recovery on account of award of higher scale and advance increments	270,000
21.		7	Non-accounted of Govt assets	2,330,000
22.		8	Overpayment of Pay and allowance of	290,000
23.		9	Overpayment of pay and allowance due to wrong fixation	125,000
24.		10	Unjustified Award of pay package from back date recovery thereof in millions.	-
25.		11	Over payment due to Non regularization of Pay and allowances of contract staff on award of regular scales recovery thereof	455,455
26.		12	Unjustified payment of inspection allowance and recovery there of paid during vacation.	190,000
27.		13	Non-Deduction of conveyance allowance during Summer vacation	112,056
28.	DEO M (Nowshera Virkan)	1	Unjustified Drwal of funds for feeder teachers	143,000
29.		2	Unjustified drawl of funds	1,220,000
30.		3	Unjustified payments	63,200
31.		4	Unauthorized expenditures on account NSB	735,152
32.	DEO W Kamoki	1	Recovery of pay and allowance	162,291
33.		2	Non-recovery of conveyance allowance	883,540
34.		3	Non deduction of conveyance allowance and non-verification of challan	234,060
35.		4	Unjustified drawl of funds	1,120,000
36.		5	Unjustified drawl of funds for feeder teachers	531,000
37.	DEO W	1	Unjustified payment of inspection allowance and recovery	70,000

Sr. No	Name of Formation	PDP No.	Description of Para	Amount (Rs)
	Gujranwala		there of paid during vacation	
38.		2	Excess drawl of Inspection allowance	32,667
39.		3	Doutful deposit of GST & Income tax from NSB	11,788
40.		4	Non-Verification of GST	114,793
41.		5	Doutful payment of GST	17,812
42.		6	Non-Deduction of PST on Service	5,704
43.		7	Embezzlement from NSB funds	40,000
44.		8	Non-Utilization of NSB Funds	4,458,937
45.	DEO WEE Gujranwala	1	Doutful expenditure	283,266
46.		1	Non-deduction of Sales tax & Income tax	216,083
47.		2	Non-deduction of Income Tax	71,768
48.		3	Unauthorized payments on account of weather shield	221,845
49.	DEO M Gujranwala	4	Irregular cash payment to contractor & supplier	14,241,836
50.		5	Over payment of pay	571,536
51.		6	Overpayment of General Sales Tax	20,514
52.		7	Unauthorized expenditure by school council	6,859,820
53.		1	Non-deduction of General Sales Tax	468,204
54.		2	Non-deduction of Income Tax	119,076
55.		3	Un-authorized payments on account of weather shield	705,980
56.	DEO F Wazirabad	4	Irregular cash payment to contractor & supplier	2,754,141
57.		5	Over payment of General Sales Tax	13,792
58.		6	Un-authorized Expenditures by school council	1,284,569
59.		7	Doutful repair without Advertisement	345,692
60.	GG SK High School V	1	Non-deduction of Income Tax	41,897
61.		2	Non-deduction of sales Tax/PST	25,716
62.		3	Likely Misappropriation	677,777
63.		1	Non-deduction of GST	7,735
64.		2	Non-maintenance of Stock register	593,567
65.	GHS chak Jagna Gujranwala	3	Utilization of NSB funds without defined long term planning	955,843
66.		4	Non-utilization of NSB funds	336,878
67.		5	Likely Misappropriation on purchase of Table Mobile	17,750
68.		6	Physical verification not carried out	
69.	Govt AD model High School Acct V	1	Misappropriation of amount	207,909
70.		2	Non-deduction of conveyance allowance during summer and winter vacations	570,973
71.	Govt Public School Wazirabad	1	Irregular purchase of Furniture	498,069

District Education Authority Gujrat

(Rs in million)

Sr. No.	Name of Formation	PDP No.	Description of Para	Amount
1.		1	Irregular transfer of funds	104.775
2.	CEO	4	Irregular Payment on Account of Pay to Mobilizers	0.857
3.		5	Irregular expenditure without budget provision	1.157
4.		6	Non realization of penalty	0.030

Sr. No.	Name of Formation	PDP No.	Description of Para	Amount
5.		7	Less deduction of Income Tax	0.004
6.		1	Non deduction of Sales Tax & Income Tax	0.081
7.	Dy. DEO (EE-M) Gujrat	2	Irregular cash payment to contractor & supplier	0.345
8.		5	Irregular expenditure by splitting Indents of purchase of chairs	0.10
9.	Dy. DEO (EE-M) Kharian	2	Non Recovery of fine	0.013
10.		3	Non accountal of Government assets	8.76
11.	Dy. DEO (EE-W) Kharian	2	Unjustified drawl of qualification allowance	0.048
12.		3	Unjustified drawl of funds amounting	0.246
13.		6	Non deduction of conveyance allowance	0.149
14.		7	Recovery of pay & allowances	0.072

District Education Authority Hafizabad

Sr. #	Name of Formation	PDP #	Description of Para	Amount (Rs in million)
	HM SLOW LEARNERS	02	Less deduction of income tax	21,758
		03	Unjustified deduction of sales tax of	112,178
		04	Para 04 Unjustified purchase of uniform on exorbitant rates	120,840
		05	Improper maintenance of stock register in respect of uniform	881,080
		DO M-EE Hafizabad 2017	01	Irregular Payment of GST Recovery
	02		Non Recovery of fine	25,000
	03		Non disbursement of scholarship to the students	57,600
1.	GGHS Sukheki 2017	01	Non refund of loan from FTF of PTCL and electricity bills	42,316
		02	Loss to govt due to unissued text books	80,500
		03	Irregular purchase of energy savers due to non entering in stock register	48,824
		04	Irregular payment of pay	1,900,646
		06	Unjustified regularization	2,304,000
	HM Govt. Special Education Centre Hafizabad	02	Non deduction of Sales Tax amounting	388,505
		03	Non recovery of conveyance allowance	40,348
		04	Excess payment	114,242
		05	Unauthorized drawl of qualification allowance	90,000
		06	Excess deduction of Sales Tax Rs50,266- recovery	50,266

Sr. #	Name of Formation	PDP #	Description of Para	Amount (Rs in million)
			thereof	
	HM Govt. Special Education Centre Hafizabad	01	Non recovery of conveyance allowance	24,510
		02	Recovery of fine	25,000
2.	District Education officer (SE) Hafizabad	01	Non-accountal of stores	270,544
3.		02	Irregular expenditure on repair of vehicle	83,900
4.		03	Non-accountal of expenditure of	65,585
5.	Chief Executive Officer District Education Authority Hafizabad	01	Irregular expenditure on IT Labs	1.595
6.		02	Irregular purchase of furniture	25.55
7.		03	Irregular expenditure on construction of Class room & boundary walls	106.499
8.		04	PDP No.04 Irregular expenditure of POL Rs. 95,059	95,059
9.		08	Irregular appointment of Assistant Education Officers	-
10.		09	Unlawful appointments of 21 Assistant Education Officers	-
11.	Special Education Center, Pindi Bhattian	01	Irregular expenditure on purchase of uniforms	1,006,560
12.		02	Un-lawful payment of on account of purchase of uniforms	239,760
13.		03	Overpayment of GST on purchase of uniforms	19,692
14.		04	Non-deduction of GST on purchase of uniforms	38,340
15.	Govt. Girls Higher Secondary School, Vanike Tarar	01	Un-lawful payment of pay & allowances amounting t	157,1720

District Education Authority Jehlum

Sr. No	PDP NO	Formation	Description	Amount (Rs)
1	1	GGHS Langer Pur	Non-Surrender of Savings	691,314
2	2	GGHS Langer Pur	Non Maintenance of Donation Register	0
3	3	GGHS Langer Pur	Irregular payment of pay and Allowances through the head of Other A01270 amounting to Rs-.33,972	33,972
4	5	GGHS Langer Pur	Physical Verification of Stock Not Carried Out	0
5	6	GGHS Langer Pur	Non auction of un-serviceable store article and news paper	0
6	7	GGHS Langer Pur	Internal audit not carried out	0
7	9	GGHS Toor Jhelum	Wasteful Expenditure due to non-functional of IT Lab	0

8	10	GGHS Toor Jhelum	Non Maintenance of Donation Register	0
9	11	GGHS Toor Jhelum	Irregular payment of pay and Allowances through the head of Other A01270 amounting to Rs-.10, 068	10,068
10	12	GGHS Toor Jhelum	Physical Verification of Stock Not Carried Out	0
11	13	GGHS Toor Jhelum	Non auction of un-serviceable store article and news paper	0
12	14	GGHS Toor Jhelum	Internal audit not carried out	0
13	15	GHS Jajial	Irregular Expenditure in Excess of Budget Rs 3.285 million	3,285,000
14	16	GHS Jajial	Non-maintenance of cash book - Rs 4.927 million	4,927,000
15	17	GHS Jajial	Less utilization of FTF and NSB Funds – Rs 636,733	636,733
16	18	GHS Jajial	Less-recovery on account of Contract of Canteen – Rs 8,500	8,500
17	19	GHS Jajial	Physical verification not carried out	0
18	20	GHS Jajial	Non-auction of old news papers and un-serviceable store	0
19	23	CEO(Education) Jhelum	Loss to Government due non-decision of application of Registration of schools	0
20	24	CEO(Education) Jhelum	Non-verification of Sales Tax – Rs 524,924	524,924
21	28	CEO(Education) Jhelum	Physical Verification not Carried Out	0
22	29	CEO(Education) Jhelum	Non-auction of un-Serviceable Store Article and News Paper	0
23	30	CEO(Education) Jhelum	Internal Audit not Carried Out	0
24	32	Dy DEO (EE-M) Jhelum	Non accountal of stock & stores – Rs 99,685	99,685
25	34	Dy DEO (EE-M) Jhelum	Likely Misappropriation of Funds due to not maintenance of vouched accounts – Rs 390,629	390,629
26	35	Dy DEO (EE-M) Jhelum	Irregular expenditure on purchase of Furniture – Rs 117,600	117,600
27	36	Dy DEO (EE-M) Jhelum	Doubtful payment of GST Rs 13,670	13,670
28	37	Dy DEO (EE-M) Jhelum	Non-reconciliation of Expenditure of Account-V	0
29	38	Dy DEO (EE-M) Jhelum	Irregular payment pay allowances due to Defective maintenance of service Books	0
30	39	Dy DEO (EE-M) Jhelum	Physical verifications not carried out of Schools	0
31	40	Dy DEO (EE-M) Jhelum	Non-auction of old news papers and un-serviceable store in schools	0
32	41	Dy DEO (EE-M) Jhelum	Non-maintenance of Tree & Plant Register in schools	0
33	43	Dy DEO (M)-Pind Dadan Khan	Non utilization of funds- Rs1.62 million	1,620,000
34	44	Dy DEO (M)-Pind Dadan Khan	Overpayment on account of Pay and Allowances-Rs17,263	17,263

35	45	Dy DEO (M)-Pind Dadan Khan	Overpayment on account of Pay and Allowances-Rs18,483	18,483
36	46	Dy DEO (M)-Pind Dadan Khan	Non deposit of income tax and sales tax-Rs24,673	24,673
37	47	Dy DEO (M)-Pind Dadan Khan	Non accounting of stores items-Rs114,756	114,756
38	50	Dy DEO W-EE, P.D. Khan	Overpayment on account of Pay and Allowances-Rs16,352	16,352
39	51	Dy DEO W-EE, P.D. Khan	Non deposit of income tax and sales tax-Rs45,129	45,129
40	52	Dy DEO W-EE, P.D. Khan	Non accounting of stores items-Rs209,90	209,900
41	55	Dy DEO W-EE, P.D. Khan	Non Deduction of income Tax/GS amounting to -Rs 0.642 Million	642,000
42	56	Dy DEO W-EE, P.D. Khan	Irregular expenditure amounting to -Rs 0.335 Million	335,000
43	57	Dy DEO W-EE, P.D. Khan	Unjustified Development expenditure without Form-6 – Rs 1.388 Million	1,388,000
44	58	Dy DEO W-EE, P.D. Khan	Non Deduction of income Tax– Rs 0.104 Million	104,000
45	59	Dy DEO W-EE, P.D. Khan	Irregular payment of salary to school staff from non salary Budget NSB-Rs 161,715	161,715
46	61	Dy DEO W-EE, P.D. Khan	Non deduction of Conveyance Allowance during leave period of -Rs 85,207	85,207
47	62	Dy DEO W-EE, P.D. Khan	Overpayment on account of Pay and Allowances Rs 75,588	75,588
48	63	Dy DEO W-EE, P.D. Khan	Non accountal of purchases in asset registers of -Rs 0.210 Million	210,000
49	70	Dy DEO (M-EE) Sohawa	Irregular expenditure amounting to -Rs 0.667 Million	667,000
50	71	Dy DEO (M-EE) Sohawa	Non Deduction of income Tax/GST amounting to -Rs 0.122 Million	122,000
51	71a	Dy DEO (M-EE) Sohawa	Unjustified Development expenditure without Form-6 – Rs 0.207 Million	0,207,000
52	72	Dy DEO (M-EE) Sohawa	Irregular payment of salary to school staff from non salary Budget NSB-Rs 259,000	259,000
53	75	Dy DEO (M-EE) Sohawa	Irregular payment on account of Pay and Allowances to contract employees	0
54	76	Dy DEO (M-EE) Sohawa	Expenditure in Excess of Budget Rs 3.022 million	3,022,000
55	77	Dy DEO (M-EE) Sohawa	Non-Accountal of purchases in asset registers of Rs 49,800.	49,800
56	78	GGHS Kala Dev Jhelum	Irregular retention of –Rs 6.235 Million	6,235,000
57	81	GGHS Kala Dev Jhelum	Physical verification not carried out	0
58	82	GGHS Kala Dev Jhelum	Non-auction of old vehicles and un-serviceable store	0
59	83	GGHS Kala Dev Jhelum	Non maintenance of trees register	0
60	84	Dy DEO (W) Sohawa	Irregular retention of -Rs. 194,503	194,503
61	85	Dy DEO (W) Sohawa	Unauthorized payment of income tax out	281,910

			of NSB Fund Rs.281,910	
62	87	Dy DEO (W) Sohawa	Irregular expenditures on Maintenance and Repair Rs.958,151 , recovery thereof	958,151
63	88	Dy DEO (W) Sohawa	Unjustified expenditure on payment of Private teacher out of NSB Fund Rs.158,535	158,535
64	89	Dy DEO (W) Sohawa	Irregular expenditures amount to Rs 600,000 on account of CCTV Camera	600,000
65	90	Dy DEO (W) Sohawa	Non utilization of funds Rs 2,810,407	2,810,407
66	91	Dy DEO (W) Sohawa	Irregular expenditure out of NSB Fund Rs 125,722	125,722
67	92	Dy DEO (W) Sohawa	Irregular expenditure amounting to Rs.325,000	325,000
68	93	Dy DEO (W) Sohawa	Non deduction of income tax Rs.2,723	2,723
69	94	Dy DEO (W) Sohawa	Irregular expenditure on account of repair of Transport-Rs43,820	43,820
70	97	Dy DEO (W) Sohawa	Non conducting of annual physical verification	0
71	97	Dy DEO (F), Jhelum,	Un-authorized expenditure on rent of office buildings -Rs.228,000	228,000
72	98	VHC Centre, Jhelum	Unjustified payment on account of POL-Rs.84,770	84,770
73	99	VHC Centre, Jhelum	Irregular Cash payment amounting to Rs 149,160	149,160
74	100	VHC Centre, Jhelum	Irregular Expenditure without budget - Rs.5,107,938	5,107,938
75	101	VHC Centre, Jhelum	Non-surrendering of Savings -Rs.576,116	576,116
76	102	VHC Centre, Jhelum	Internal Audit not Carried Out	0
77	54	Dy DEO (W) EE Sohawa,	Irregular expenditure amounting to -Rs 2.987 Million	2,987,000

District Education Authority Kasur

Rs in million

Sr. No.	PDP #	Formation Name	Description	Amount
1	02	Dy. DEO MEE KRK	Unauthorized expenditure due to non-advertisement on PPRA's website	0.157
2	04		Non reconciliation of expenditure	-
3	01	Dy. DEO MEE Chunian	Non achievement of target of children "katchi to grade-5"	-
4	03		Non verification of General Sales Tax	1.621
5	04		Non maintenance of teacher student ratio	-
6	05	Dy. DEO MEE Kasur	Unauthorized expenditure on civil works	11.046
7	07		Irregular payment of Scholarships	1.194
8	08		Unauthorized Payment of Inspection allowance during summer vacation	0.180
9	01		Unjustified expenditure on Transportation of goods	0.118
10	02	Dy. DEO	Unauthorized expenditure on civil works	6.425

Sr. No.	PDP #	Formation Name	Description	Amount
11	06	WEE	Non conducting of physical verification of stores	11.625
12	08	Pattoki	Unjustified Payment of Charge Allowance	0.228
13	03		Unauthorized Payment of Inspection allowance during summer vacation	0.160
14	03	Sp.	Non-conducting of physical verification of stores	0.571
15	04	Education	Over payment of un admissible allowance	0.006
16	06	Center	Non deduction of Income Tax from Pay	0.048
17	07	Chunian	Irregular extension in contract of appointment	0.144
18	05	Sp.	Non production of record	0.848
19	06	Education Center Pattoki	Non deduction of Benevolent Fund & Group Insurance from the salary	-
20	02	Govt. Hearing	Wastage of public money due to payment of salary without any duties	0.297
21	03	school for	Non disbursement of public money	0.175
22	05	hearing impaired	Non-verification of GST invoices	0.163
23	10		Irregular payment on account of training	0.515
24	12	CEO	Non transparent, doubtful and un reconciled expenditure on stipends to students	58.441
25	14	Education	Non disbursement of stipend to students	0.034
26	04	Kasur	Non-credit of receipt in Authority's Fund	2.770
27	01		Irregular Purchase of Furniture	5.7
28	07		Unauthorized transfer of funds as NSB and advance drawl	125.722

District Education Authority Khushab

Company Name	Sr. No.	PDP No	Subject of Para	Amount
DEA Khushab	1	03	Non utilization of NSB funds	2911314
	2	05	Un-Authorized Payment of Adhoc Allowances	851831
	3	09	Irregular purchase of CCTV cameras and recovery of GST	49088
	4	10	Irregular expenditure on repair of vehicle	3507343
	5	11	Doubtful/Fictitious bills of photocopies	6367
	6	17	Non utilization of NSB Grants – Rs995,182	995182
	7	18	Unjustified drawl of qualification allowances Rs140,400	140400
	8	20	Un-justified purchase of uniform and sweets	45162
	9	25	Non utilization of NSB funds	216000
	10	27	Irregular Expenditure on Purchases through Splitting	387655
	11	28	Excess Expenditure	77732
	12	30	Non utilization of NSB funds	4,102,000
	13	31	Non deposit of government receipts into A/C V	136516

District Education Authority Lahore

Rs in million

Sr. No	PDP #	Formation Name	Description	Amount
1	08	Spl. Education Centers	Irregular Payment to contingent paid staff	3.219
2.	13	CEO DEA	Unauthorized and doubtful payments out of account IV due to non-functional of internal Audit authority	-
3	01	DDEO (MEE) Raiwind	Non/unjustified deduction of Income tax	0.077
4	03	-do-	Non Utilization of Farog-e-Taleem Fund	0.489
5	04	-do-	Non Deduction Of Sales Tax	0.069
6	05	-do-	Non-Accountal of Material	1.166
7	06	-do-	Non deduction of conveyance allowance for leave period	0.023
8	07	-do-	Loss Due to Unjustified Payment of Charge Allowance	0.114
9	08	-do-	Unauthorized Expenditure on Pay & Allowances Due to Shifting of Head Quarter	0.215
10	10	-do-	Unauthorized expenditure due to non-advertisement on PPRA's website	0.120
11	11	-do-	Non-Verification of GST Invoices	0.091
12	12	-do-	Un-authorized expenditure due to cash payment	0.120
13	13	-do-	Irregular payment of repair of Furniture & Fixture and Machinery and Equipment	0.049
14	01	DDEO (MEE) Tehsil City Lahore	Non/unjustified deduction of Income tax	0.040
15	03	-do-	Non Utilization of Farog-e-Taleem Fund	1.000
16	04	-do-	Non-Accountal of Material	0.418
17	05	-do-	Unauthorized Expenditure on Pay & Allowances Due to Shifting of Head Quarter	0.333
18	06	-do-	Loss Due to Unjustified Payment of Charge	0.042
19	01	DEO (MEE) Lahore	Unauthorized drawl of charge allowance	0.018
20	02	-do-	Doubtful drawal due to non-accountal of material	0.149
21	03	-do-	Non-reconciliation of expenditure statement	-
22	04	DDEO (WEE) Shalimar Town	Doubtful Expenditure on Civil Works	0.201
23	04	-do-	Non utilization of FTF	1.320
24	05	-do-	Non deduction of income tax	0.366

District Education Authority Mandi Baha-u-Din

Sr. #	Name of Formation	PDP #	Description of Para	Amount (Rs in million)
1	Principal GHSS Makhnanwali	01	Non recovery of conveyance allowance	.013
2	Head	02	Unauthorized expenditure	0.799

Sr. #	Name of Formation	PDP #	Description of Para	Amount (Rs in million)
3	Mistress	03	Excess payment	0.0130
4	Govt. Special Education Centre Malakwal	04	Non deduction of sales tax	0.0380
5		01	Non maintenance of Stock Register	0.03
6	District Education	02	Doubtful Expenditure on Account POL Due to Non Production of log book	0.073
7	Officer (M-EE) District	03	Doubtful Expenditure on Account Repair of Vehicle Due to Non Production of log book	0.030
8	Mandi	04	Payment on account of TA/DA	0.0565
9	Bahauddin	05	Unauthorized Use of Official Telephone	0.000379
10		06	Physical verification not carried out	-
11				
12	Head Mater Govt. Special Education Centre MB	02	Less deduction of income tax	0.0106
13	Din	03	Irregular expenditure on repair of transport	0.180
14		04	Doubtful payment on account of scholarship in cash	0.620
15	Senior Headmistress GGHS Jokalian	01	Non deduction of Income tax on leave encashment	0.881
16		01	Unauthorized Repair	0.0698
17	District Officer (S.E)	02	Unauthorized expenditure on account of POL	0.0875
18	M.B	05	Unjustified drawl of funds in cash	0.085
19		06	Unjustified drawl of funds for feeder teacher	0.102

District Education Authority Mianwali

Company Name	Sr. No.	PDP No	Subject of Para	Amount
DEA Mianwali	1	05	Un-authorized Payment of GST on Supplied Amount to Punjab Revenue Authority	95,756
	2	09	Non-Production of Vouched Account of Leave Encashment Payment	2.391
	3	10	Expenditure in Excess of allocated budget and Non-availability of vouched Account	420,391

District Education Authority Nankana Sahib

(Rs in million)

Sr. No.	PDP #	Formation Name	Description	Amount
1	03	DDEO(EEW)	UNAUTHORIZED PAYMENT OF ADHOC ALLOWANCES	0.096

2	05	NNS	IRREGULAR PAYMENT ON ACCOUNT OF CHARGE ALLOWANCE	0.027
3	09		IRREGULAR EXPENDITURE WITHOUT REPARATION OF CHART OF CLAFFIFICATION	-
4	10		NON DEDUCTION OF G.S.T	0.238
5	11		UNJUSTIFIED RETENTION OF FTF CASH IN HAND.	-
6	12		NON UTILIZATION OF LAND.	-
7	13		NON VERIFICATION OF SERVICE BOOK.	-
8	14		UNJUSTIFIED PAYMENT TO THE NEWLY RECRUITED AEO'S / TEACHERS.	-
9	15		NON MAINTENANCE OF TRESS REGISTERS	-
10	16		NON-CONDUCTING OF ANNUAL PHYSICAL VERIFICATION	-
11	01		Slow Learner School NNS	Non transparent purchase of uniform for the special students
12	02	Doubtful Expenditure on Repair of Furniture		0.161
13	03	Non disbursement of public money		0.780
14	04	Non-verification of GST invoices		0.072
15	05	Irregular expenditure on POL without sanctioned strength		0.386
16	06	Purchase of tyres by violating PPRA		0.171

District Education Authority Narowal

Sr. #	Name of Formations	AP #	Description of Para	Amount
1.	CEO (Education)	04	Unauthorized transfer of funds to school councils	824,000
2.		05	Doubtful Payment on Account of Pay to Teachers	7,119
3.		06	Improper Maintenance of Record of Expenditure	8,650
4.		07	Non realization of penalty	41,370
5.	DEO (M-EE) Narowal	01	Less Deduction of Income Tax	4,901
6.		02	Unjustified drawl of allowances	33,063
7.		03	Non deposit of sales tax	11,973
8.	DEO (W-EE) Narowal	01	Irregular payment of allowances during leave period	2,475
9.		02	Irregular purchase of stationery	183,517
10.		03	Irregular expenditure on repair of vehicle	59,926
11.	Dy. DEO (M-EE) Narowal	01	Irregular payment on account of Charge Allowance	218,800
12.		02	Non deduction of conveyance allowance during LFP recovery thereof	66,958
13.		04	Unjustified drawl of Pay and Allowances without performing duties	8,890
14.		05	Recovery on account of award of higher scale and advance increments	270,000
15.		07	Overpayment of pay and allowances	286,450
16.		08	Non deduction of Income tax on leave encashment	198,536
17.		09	Unjustified payment of inspection allowance and recovery due to payment during vacation	891,541, 180,000
18.	Dy. DEO (M-EE) Zafarwal	01	Non deduction of conveyance allowance during LFP recovery thereof Rs 40694	40,694
19.		02	Unjustified drawl of Pay and Allowances without performing duties	5,041

Sr. #	Name of Formations	AP #	Description of Para	Amount
20.		03	Non accountal of Government assets due to non maintenance of tree register	1050,000
21.		05	Unjustified Award of Pay package from back date Recovery thereof	525,000
22.		06	Unjustified payment of inspection allowance and recovery due to payment during vacation	200,000, 90,000
23.		01	Non deduction of General Sales Tax	136,595
24.		02	Non deduction of Income Tax	52,228
25.	Dy. DEO	03	Irregular cash payment to contractor & supplier	1643,028
26.	(W-EE)	04	Overpayment of General Sales Tax and recovery thereof	386,965
27.	Shakargarh	05	Overpayment of Income Tax	233,058
28.		06	Irregular expenditure by splitting Indents	402,646
29.		07	Non Recovery of wrong allowance given to the teachers	43,655
30.	Dy. DEO	01	Unjustified drawl of funds in cash	482,032
31.	(M-EE) Shakargarh	02	None recovery of fine amount	72,000
32.	Dy. DEO	01	Unauthorized expenditure on account NSB	876,619
33.	(W-EE)	02	Unjustified award of contract amounting	312,437
34.	Zafarwal	03	Unjustified drawl of NSB funds in cash	4,688
35.		01	Irregular expenditure of NSB	1657,920
36.	Dy. DEO	02	Non-utilization of funds	1585,071
37.	(W-EE)	03	Non-deduction of Income and sales tax	30,358
38.	Narowal	04	Overpayment of conveyance allowance	92,247
39.	HM Slow	01	Doubtful expenditure on purchase of uniform	466,021
40.	learner	02	Irregular payment of TA/DA	30,000
41.	School,	03	Doubtful expenditure on repair of vehicle	30,250
42.	Narowal	04	Non recovery of conveyance allowance/pay	3,512
43.		01	Non recovery of conveyance allowance/pay – Rs 27,266	27,266
44.	Special	02	Non deduction of 5% house rent charges & conveyance allowance	24,126
45.	Education	03	Illegal Occupation of Residence	362,052
46.	Centre Narowal	04	Unauthorized expenditure on purchase of tyres and less deduction of income tax	518064, 7771
47.	Special	01	Non verification of sales tax	237,075
48.	Education	02	Un-due retention of Govt. Money	811,680
49.	Centre,	03	Irregular expenditure on Uniform	863,179
50.	Shakargarh	04	Irregular expenditure on repair of transport-	403,081
51.	Special		Un-due retention of Government money in bank	356,530
52.	Education		Non recovery of pay and allowances	71,910
53.	centre, Zafarwal		Excess payment on pay and allowances	12,556

District Education Authority Okara

Sr. No.	PDP #	Name of Formation	Description	Rs in million
1	01	CEO Office	Non verification of pass book	-
2	08		Loss to government worth Recovery thereof	0.83
3			Transfer of development schemes from District Government to C&W Department without having adjustment account	-
4	01	Special Education	irregular drawl of Qualification Allowance & Personal Allowance	0.172

Sr. No.	PDP #	Name of Formation	Description	Rs in million
5	02	(Hi) Okara	Irregular Drawn Of Pay & Allowances Without Verification of Academic Record	-
6	04		Non-recovery of Auction fee on account of Canteen	0.125
	03		Non-auction of unserviceable vehicles	-
7	01	Government Gunj	Non Recovery of Special C. A Paid during Summer Vacations	0.012
8	02	Shakar Special Education Centre Okara	Irregular expenditure on POL without sanctioned strength	0.434
9	01	Spl. Edu.	Non-Accountal of Material	0.217
10	02	Center Renala Khurd	Unauthorized purchase from unregistered firms	0.066
11	01	Dy DEO MEE Depalpur	Unjustified expenditure on Transportation of goods	0.051
12	02		Unauthorized Payment of Inspection allowance during summer vacation	0.51
13	03		Unjustified payment of honorarium to Assistant Education Officers	0.34
14	04		Unauthorized payment of TA/DA	0.069
15	05		Unauthorized payment of DTE allowance	0.612
16	06		Unauthorized payment of SSB	0.108
17	07		Unauthorized payment of House Rent Allowance	0.007
18	03	Dy DEO WEE Okara	Expenditure without advertisement at PPRA's Website	0.111
19	04		Non Reconciliation of Income	0.359
20	06		Overpayment Due to Non-deduction of 6% Shrinkage on Earth filling	0.043
21	08		Loss due to Non-deduction of Income Tax at Source	
22	09		Loss of Revenue due to Purchases from Unregistered Firm and without Obtaining Sales Tax Invoices	-
23	10		Non preparation of budget under the Chart of Classification of accounts	-
24	11		Non utilization of SMC funds	-
25	12		Unjustified expenditure of POL and TA/DA	0.181
26	13		Misclassification of expenditure	0.075
27	14		Irregular purchase of different items	0.174
28	02	Dy DEO WEE Depalpur	Wasteful Expenditure	0.035
29	03		Unjustified expenditure of POL and TA/DA	0.213
30	04		Non-production of record	0.099

Sr. No.	PDP #	Name of Formation	Description	Rs in million
31	06	Dy DEO MEE Okara	Non preparation of school council / documents	-

District Education Authority Rawalpindi

(Rs in million)

Sr No	Name of office	Title of Para	Para No	Amount
1	Govt. High School Mohra Syedan	Doubtful expenditure due to non-reconciliation	1	2.268
2		Irregular payment pay allowances due to Defective maintenance of service Books	2	2.159
3	Dy DEO (EE-W) Rawalpindi	Non accountal of stock & stores	3	0.153
4		Irregular drawl of pay and allowances of AEO	8	0.161
5		Non-reconciliation of Expenditure of A/c-V	9	135.89
6		Unjustified undisbursed closing balance of cash book	10	0.124
7	Dy DEO (EE-M) Gujar Khan	Non accountal of stock & stores	3	0.360
8		Difference in closing balance of cash book of cost center RV-6603	2	0.081
9		Irregular payment pay allowances due to Defective maintenance of service Books	9	0
10		Wastage of money on construct of room	5	0.230
11		Unjustified and irregular payment of labour charges	6	0.200
12		Unauthorized drawl from NSB account and withheld	7	0.050
13	Dy DEO (M-EE), Murree	Blockage of Government Funds due to Non surrender of Savings	1	26.257
14		Excess over approved budget allocation	2	4.298
15		Overstaffing in violation of government policy	4	0
16		Irregular payment of leave encashment	8	0.521
17		Un authorized appointment during ban	9	0
18		Unauthorised expenditure due to below qualification recruitment	3	0
19		Irregular payment of liabilities	11	0.294
20	Dy DEO M-EE, Taxila	Blockage of government funds due to non surrender of savings	1	55.02

Sr No	Name of office	Title of Para	Para No	Amount
21	Dy DEO W-EE, Murree	Overstaffing in violation of government policy	4	2.88
22		Excess over approved budget allocation	5	0.089
23		Non reconciliation of expenditure & non conducting of physical verification of stores	6	0
24		Irregular payment of rent of office building	9	0.300
25		Irregular expenditure by the schools	11	0
26	Dy DEO (M-EE) Kotli Sattian	Unjustified drawl of money from bank	2	0.095
27		Advance Payment on Erection of Swings of	4	0.052
28		Non-verification of payment of GST	5	0.114
29		Irregular retention of Non-salary budget	6	0.579
30		Expenditure incurred in excess of budget provision for valuing to	7	43.956
31		Unjustified expenditure on account construction of washrooms and release of NSB Fund	12	0.168
32	Dy DEO (W-EE) Kotli Sattian	Irregular drawl in cash of amounting	2	0.286
33		Advance Payment on Erection of Swings of	5	0.088
34		Non-verification of payment of GST	7	0.088
35		Wasteful expenditure on construction work	8	0.049
36	Govt. Qandeel S S blind Rawalpindi	Irregular Payment OF Bills in Cash	1	0.142
37		Unjustified Expenditure on Account of Food	2	0.301
38	Govt Blind School	Non-verification of payment of GST	5	0.021
39	Qandeel Blind school SS	Irregular expenditures on account of scholarship	7	0.133
40	GBHSS Phipherial	Non-surrender of savings	2	3.902
41	Dy DEO W-EE Kahuta	Doubtful consumption of POL	1	0.148
42		Irregular payment on Repair for	2	0.147
43		Non-surrender of savings	1	57.259
44		Irregular payment on Repair for	2	0.158
45	CEO District Education Authority	Expenditure in Excess of Budget	5	306.684
46		Non- Surrendering of Savings	6	3.868

Sr No	Name of office	Title of Para	Para No	Amount
47		Irregular Payment From Head A01270-Others	8	0.027
48		Suspected payment	9	0.052
49		Non reconciliation of expenditure	2	31.997
50	Dy. DEO(M EE) Kalar Syedan	Irregular Payment of Pay And Allowances From Head A01270- Others	3	0.778
51		Irregular payment of salary to school staff from non salary Budget NSB	9	0.064
52		Non verification of deposit of GST	10	0.174
53		Non reconciliation of expenditure	1	41.814
54	Dy DEO W-EE Kallar Sayyedana	Irregular Payment of Pay And Allowances From Head A01270- Others	2	1.22
55		Non verification of deposit of GST	5	0.322
56	Dy DEO (W E	Non reconciliation of expenditure	1	183.94
57	E) Gujar Khan	Non verification of deposit of GST	8	0.679

District Education Authority Sargodha

Name of formation	Sr. No.	PDP No	Subject of Para	Amount
DEA Sargodha	1	01	Non recording of expenditure transactions, opening and closing balance in cash book	-
	2	02	Non recording of expenditure transactions, opening and closing balance in cash book	-
	3	03	Non deduction of conveyance allowance Rs.60,000	.060
	4	04	Variance between the cash book and expenditure statement	-
	5	07	Irregular purchase of AC	.267
	6	08	Irregular purchase of stationery items without quotation	.098
	7	09	Non refunded/disbursement of scholarship funds	-
	8	10	Non utilization of NSB funds	.962
	9	12	Un-authorized payment of Financial Assistance	.800
	10	25	Irregular payment to Adult Literacy Centers in one Union Councils	.145
	11	28	Uneconomical expenditure on purchase of Water Dispenser on higher rate	.008
	12	29	Non Deposit of GST in the accounts of FBR	.033
	13	30	Illegal payment on account of Science Teaching Allowance & Charge allowance	.017
	14	31	Irregular drawl of Conveyance Allowance during Leave	.025
	15	33	Expenditure incurred over and above the budget allocation	27.445
	16	34	Unauthorized expenditure	-
	17	35	Overpayment of GST and Income tax	-
	18	36	Overpayment of Social Security Benefit	.850
	19	37	Irregular expenditure	-
	20	38	Unauthorized expenditure on purchase of Tab	.441

	21	39	Non Deduction of income tax and sales tax Rs419,683	.420
	22	41	Non reconciliation of expenditure	-

District Education Authority Sheikhpura
(Rs in million)

Sr. No.	PDP #	Formation Name	Description	Amount
1	01	CEO DEA	Ranking position of District Education Sector against the Expenditure	1,768.384
2	02		Transfer of 214 development schemes from District Government to C&W Department	206.478
3	04		Non Utilization of SDA Funds	121.960
4	03		Non verification of pass book	158.632
5	05		Non utilization of IT Labs fund	49.355
6	07		Non disbursement of internal merit scholarship	10.279
7	09		Non-surrender of savings	87.529
8	13		Non production of Receipt Record	-
9	03	Govt. Special Education Center Ferozewala	Non disbursement of public money	0.564
10	01		Unauthentic distribution of scholarship	0.267
11	04		Irregular expenditure on POL without sanctioned strength	0.882
12	01	Govt. Institute of Slow Learner SKP	Lapse of Funds	1.049
13	03		Non-Verification of GST Invoices	0.058
14	04		Non-Accountal of Material	0.405
15	05		Irregular payment of repair of Machinery and Equipment and Repair of Furniture & Fixture	0.100
16	07		Irregular and defective purchase of Uniform	0.315
17	04	Govt. Spl Education Center Sharqpur shrif	Irregular and defective purchase	0.255
18	02		Irregular expenditure	0.189
19	05		Non-surrender of saving in budget	4.901
20	06		Irregular drawl of Qualification Allowance & Personal Allowance	0.448
21	04	Special Education Center Muridkey	Irregular expenditure on POL & ROT without sanctioned strength	2.816
22	05		Irregular Purchase of uniform	1.082
23	06		Payment of stipend without opening Bank account	1.705
24	07		Irregular Drawn Of Pay & Allowances Without Verification of Acdamic Record	

District Education Authority Sialkot

Sr. #	Name of Formation	AP No.	Description of Paras	Amount (Rs in million)
1.	CEO Education	01	Non deduction of sales tax	987647
2.		03	Unauthorized drawl of Allowances	181853
3.		04	Recovery of pay & allowances	71948
4.		05	Unjustified drawl of honoraria of ALC teacher	3.20 million
5.		08	Non deduction of income tax	558770
6.	DO Secondary Education	02	Non deduction of conveyance allowance	9615
7.		03	Irregular expenditure on repair of transport	134766
8.		04	Non-accountal of stores	181613
9.	DO M-EE	01	Irregular expenditure by splitting the indent and without Advertisement on PPRA Website	224,990
10.		02	Irregular expenditure by splitting the indent and without Advertisement on PPRA Website	332852
11.		03	Doubtful expenditure on account of postage stamps	50000
12.		04	Irregular expenditure by splitting the indent and without Advertisement on PPRA Website	139000
13.		05	Advertisement on PPRA Website	215500
14.	Dy DEO M Sialkot	01	Unjustified drawl of conveyance allowance	836998
15.		03	Non deduction of income tax	409,865
16.		04	Non deduction of PST	584425
17.		06	Recovery due non stoppage of increments	24470
18.		07	None recovery of fine	432897
	Dy DEO W Sialkot	02	Non deduction of conveyance allowance during LFP	314987
		03	Unjustified payment of pay and allowances	775000
		04	Unauthorized expenditure on account NSB	278387
		06	Recovery on account of award of higher scale and advance increments	301385
		07	Non recovery of Overpayment	992980
		08	Irregular Purchase of computer TABs	458513
		09	Irregular Drawl of Pay and allowances to the staff absent from duty	-
		10	Unjustified payment of pay and allowances	225000
		11	Irregular payment of pay and allowances due to non fixation of pay through DAO	50195
		13	Unjustified payment of inspection allowance	500000
		14	Inadmissible drawl of Allowances	595367
		15	Non production of Records	-

Sr. #	Name of Formation	AP No.	Description of Paras	Amount (Rs in million)
	Dy DEO M Sambrial	01	Unlawful payment of Extra duty allowance	175161
		02	Irregular repair of vehicle	227070
		03	Irregular purchase of stationery	216450
19.	Dy DEO W Sambrial	05	Non deduction of Income Tax	93651
		07	Non recovery of conveyance allowance	192990
		08	Non recovery of conveyance allowance	311760
		10	Unauthorized Repair of vehicle	150571
20.		11	Unjustified drawl of qualification allowances	151200
21.		12	Unjustified drawl of Extra duty allowances	150000
		13	Non deduction of income tax	131139
22.	Dy DEO M Daska	01	Unjustified drawl of qualification allowances	965467
23.		02	Non deduction of conveyance allowance	96624-
24.	Dy DEO W Daska	03	Non recovery of conveyance allowance	527352
25.	Dy DEO W Pasrur	01	Unjustified payment of inspection allowance recovery there paid during vacation	280,000
26.		02	Inadmissible drawl of Allowances	386581
27.	Dy DEO M Pasrur	01	Unjustified payment of inspection allowance	280000
28.		02	Inadmissible drawl of Allowances	386581
29.	HM Govt Pilot High school	01	Non Deposited of Canteen Auctioned Amount in Government Treasury	160000
30.		02	Non Verification of Expenditure Statement	20.365 million
31.		03	Loans were not Refunded	
32.		04	Non preparation of bank reconciliation of FTF deposited	378,449
33.		05	Non deduction of income Tax	12000
34.	HM Govt Comprehensive High School	01	Non Recovery of conveyance allowance during winter vacations	108701
35.		03	Irregular expenditure on others	445615
36.		04	Irregular expenditure on purchase of furniture	199486
37.		05	Irregular expenditure on repair of furniture	138950
38.		06	Doubtful Expenditure on repair	170950
39.		HM Govt Muslim High School	01	Non Recovery of conveyance allowance during Winter vacations
40.	02		Irregular Purchase of Furniture	164502
41.	03		Unauthorized/Doubtful expenditure on floor tiles	164550
42.	04		Unauthorize d expenditure by splitting the indent	263981
43.	05		Unauthorize d expenditure by splitting the indent	145,197
44.	06		Irregular expenditure due to quotation	98931

Annexure-B

Rs in million

Attock				
Financial Year 2016-17	Budget	Expenditure	Excess (+)/ Saving (-)	% Saving
Salary	2,329.43	1,532.31	797.126	34.22
Non Salary	26.277	22.16	4.117	15.67
Development	410.78	12.501	398.279	96.96
Total	2,766.49	1,566.97	1199.522	
Bhakkar				
Financial Year 2016-17	Budget	Expenditure	Excess (+)/ Saving (-)	% Saving
Salary	1,963.81	1,179.75	784.059	40
Non Salary	78.561	40.488	38.073	48
Development	266.246	147.885	118.361	44
Total	2,308.62	1,368.12	940.493	40
Chakwal				
Financial year 2016-17	Budget	Expenditure	Excess (+) / Saving (-)	% of Excess / Saving
Salary	2,149.14	1,508.04	641.151	29.83
Non Salary	113.157	25.11	88.047	77.81
Development	18.274	17.875	0.399	2.18
Total	2,280.57	1,551.02	729.544	32%
Gujranwala				
Financial year 2016-17	Budget	Expenditure	(-) Savings / (+) Excess	%age of Savings
Salary	4,046.54	2,349.48	-1,697.06	42%
Non Salary	68.088	50.876	-17.212	25%
Development	261.584	120.777	-140.807	54%
TOTAL	4,376.22	2,521.13	-1,855.08	42%
Gujrat				
Financial year 2016-177	Budget	Expenditure	(-) Savings / (+) Excess	%age of Savings
Salary	2,843.64	1,922.85	-920.787	32
Non Salary	68.088	13.131	-54.957	81
Development	155.611	130.091	-25.52	16
TOTAL	3,067.34	2,066.08	-1,001.26	33
Hafizabad				
Financial Year 2016-17	Budget (Rs in million)	Expenditure (Rs in million)	(-) Saving (Rs in million)	%age of Savings
Salary	1,779.74	758.696	-1,021.05	57%
Non Salary	197.749	61.849	-135.899	69%
Development	172.413	95.835	-76.578	44%

TOTAL	2,149.91	916.38	-1,233.53	57.38%
Jhelum				
Financial Year 2016-17	Budget (Rs)	Expenditure (Rs)	Excess (+) / Saving (-) (Rs)	% saving
Salary	1,433.70	907.653	526.051	36.69
Non Salary	141.795	89.768	52.027	36.69
Development	372.601	177.008	195.593	52.49
Total	1,948.10	1,174.43	773.671	39.71
Kasur				
Financial Year	Budget	Expenditure	Saving	% Savings
2016-17	3,218.09	2,191.13	-1,026.96	-31.91
Khushab				
Financial year 2016-17	Budget	Expenditure	(-) Saving	%age of Saving
Salary	888.077	615.156	(-)272.921	31
Non Salary	581.763	384.062	(-)197.701	34
Development	250.098	69.192	(-)180.906	72
Total	1,719.94	1,068.41	(-) 651.528	38
Lahore				
Financial Year	Budget	Expenditure	Savings	% Savings
2016-17	7006.19	3840.633	3165.557	45
MB Din				
Financial year 2016-17	Budget (Rs in million)	Expenditure (Rs in million)	(-) Saving / (+) Excess (Rs in million)	%age of Savings
Salary	1,927.15	1,015.45	-911.695	47%
Non Salary	1,037.70	12.051	-1,025.64	99%
Development	258.077	78	-180.077	70%
TOTAL	3,222.92	1,105.50	-2,117.42	66%
Mianwali				
Financial year 2016-17	Budget	Expenditure	(-) Saving	%age of Saving
Salary	2,470.67	1,259.89	1,210.78	49
Non Salary	60.12	18.08	42.04	70
Development	357.55	301.036	56.514	16
Total	2,888.34	1,579.01	1,309.33	45
Nankana Sahib				
Financial Year	Budget	Expenditure	Savings	% Savings
2016-17	2005.387	1070.451	934.936	36
Narowal				
Description	Budget (Rs in	Expenditure (Rs in million)	(-) Saving / (+) Excess	%age of Savings

	million)			
			(Rs in million)	
Salary	2047.87	1060.569	-987.301	48
Non-Salary	877.666	454.53	-423.136	48
Development	186.039	65.321	-120.718	65
TOTAL	3111.575	1580.42	-1531.155	49
Okara				
Financial Year	Budget	Expenditure	Saving	% Saving
2016-17	3,366.50	2,157.11	1,209.39	36
Rawalpindi				
Financial year 2016-17	Budget	Expenditure	Excess (+) / Saving (-)	% of Excess / Saving
Salary	4,278.66	2,785.61	-1,493.05	34.89
Non Salary	475.406	120.174	-355.232	74.72
Development	490.523	55.229	-435.294	88.74
Total	5,244.59	2,961.01	-2,283.58	43.54
Sargodha				
Financial year 2016-17	Budget	Expenditure	(-) Saving	%age of Saving
Salary	4,259.89	2,753.38	(-)1,506.504	35
Non Salary	134.514	80.353	(-)54.161	40
Development	303.952	59.203	(-)244.749	81
Total	4,698.35	2,892.94	(-)1,805.414	38
Sheikhupura				
Financial Year	Budget	Expenditure	Saving	%age of Savings
Total	3,218.09	2,191.13	-1,026.96	-31.91
Sialkot				
Financial Year	Budget	Expenditure	(-) Saving /	%age of Savings
2016-17	(Rs in million)	(Rs in million)	(+) Excess	
			(Rs in million)	
Salary	3148.495	2364.175	-784.32	24.91%
Non Salary	90.394	81.705	-8.689	9.61%
Development	287.59	26.335	-261.255	90.84%
TOTAL	3526.479	2,472.22	1054.264	29.89%
Grand Total	62,123.678	36,274.095	-25,849.583	41.61

Annexure-C
1.4.4.2

Non recovery of Overpayments and Charges

Sr. No	Name of Department	AIR Para No.	Description	Overpayment
1	CEO (DEA) Attock	9	Non deduction on account of House Rent Allowance and conveyance allowance of officials residing in Government residence	160,386
2	CEO (DEA) Attock	14	2% delay charges on Literacy kits	86,404
3	Dy DEO W-EE, Attock	4	Various official availed leave with pay and without pay and non deduction of conveyance allowance	139,195
4	Dy DEO WEE Attock	7	Various officials over-drawn the SSB and Adhoc Relief Allowances	141,015
5	Dy DEO (W) Hassanabdal	11	Various official availed leave with pay and non deduction of conveyance allowance	22,444
6	Dy DEO (W) Hazro	8	Various official availed leave with pay and non deduction of conveyance allowance	42,230
7	Dy DEO (M) Hassan Abdal	1	Various official availed leave with pay and non deduction of conveyance allowance	35,644
8	Dy DEO (F), Jand	5	recovery of pay and allowances of various empupees after regularization	72,336
9	Dy DEO (F), Jand	6	Recovery on account of SSB on pay and allowances of various employees after regularization	524,040
10	Dy DEO (F), Jand	7	Various official availed leave with pay and non deduction of conveyance allowance	83,046
11	Dy DEO (F), Pindi Gheb	6	Various teacher availed Earned leave and Maternity Leave and non deduction of conveyance allowance.	56,834
12	CEO (DEA)	7	Payment of Leave Encashment was made to different Employees	189,622
13	CEO (DEA)	15	Recovery onf payment of Leave Encashment was made to different Employees	115,378
14	Dy DEO (M)-Attock	7	Purchases of various items out of NSB	7,340
15	Dy DEO (M)-Attock	7	Purchases of various items out of NSB	5,174
16	Dy DEO (W)-Attock	5	Purchases of various items out of NSB	72,430
17	Dy DEO Fateh Jang (W)	9	Purchases of various items out of NSB	385,32
18	Dy DEO Fateh Jang (M)	2	Purchases of various items out of NSB	69,351
Total				1,861,401

Annexure-D
7.4.2.1

Misclassification of Expenditure

Date	Description	Head Charged	Actual Head to be charged	Cost Center	Total (Rs)
22.06.2017	Amount transfer to School Council Account of GE School for Purchase of Furniture	A05270- Others- Grants	A06470-Other Transfer payments	JV8996	698,000
22.06.2017	Amount transfer to School Council Account of GE School for Installation of Electricity	A05270- Others Grants	A06470-Other Transfer payments	JV8996	500,000
16.06.2017	Purchase of IT Labs Equipments	A05270- Others Grants	A09203 - I.T. Equipment	JV8996	4,215,040
16.06.2017	Purchase of IT Labs Equipments	A05270- Others Grants	A09203 - I.T. Equipment	JV8996	3,161,280
29.06.2017	Merit scholarships to the students of different government schools of Jhelum District	A05270- Others Grants	A06101-Merit Scholarship	JV8996	518,400
22.06.2017	Merit scholarships to the students of different government schools of Jhelum District	A05270- Others Grants	A06101-Merit Scholarship	JV8996	1,728,000
22.06.2017	Merit scholarships to the students of different government schools of Jhelum District	A05270- Others Grants	A06101-Merit Scholarship	JV8996	1,193,400
22.06.2017	Merit scholarships to the students of different government schools of Jhelum District	A05270- Others Grants	A06101-Merit Scholarship	JV8996	787,200
22.06.2017	Merit scholarships to the students of different government schools of Jhelum District	A05270- Others Grants	A06101-Merit Scholarship	JV8996	220,000
22.06.2017	Merit scholarships to the students of different government schools of Jhelum District	A05270- Others Grants	A06101-Merit Scholarship	JV8996	156,000
23.06.2017	Transferred to Building Department for schemes of missing facilities	A05270- Others Grants	A12403-Other buildings	JV8996	156,394,000
Total					169,571,320

Annexure-E
16.4.2.1

Non-production of Record

Name of office	AIR Para No	Nature of Record	Amount
GBHS Chaka Begwal, Tehsil Murree	1	1.Payroll for the period Jan-Jun 2017	-
		2.All record pertaining to Government Contingency Grants including NSB for the period Jan-Jun 2017.	-
		3. Reconciled Annual Expenditure Statements for the period Jan-Jun 2017	-
		4.Bank Statement for Funds Account / NSB Account for the period Jan-Jun 2017	-
		5Cash book and budget statements	-
Name of Office		Name of School	Amount
Dy DEO (M-EE) Kotli Sattian	3	Government Boys Elementary school karma	0
Dy DEO (W-EE) Kotli Sattian	1	GMPS Bobri	0.030
		GMPS Bobri	0.045
		GGPS Begal	0.060
		GGMPS Seri	0.019
		GGMPS Seri	0.040
		GGMPS Seri	0.007
		GGMPS Seri	0.010
		Total	0.211
Name of Office		Nature of Record	Amount
Dy DEO (W) Kotly Sattian	12	1.Payroll for the financial year 2016-17	-
		2.Unserviceable stock register	-
		3.Record pertaining to verification of degrees of the contract employees.	
Govt Qandeel S S blind Rawalpindi	4	Tendering record for purchase of Food	0.476
		Tendering record for purchase of Uniform	0.069
		Total	0.545
GBHSS Phipherial CEO DEA Rawalpindi	1	Complete record for the period 1/2017 to 6/2017 was not produced	3.696
	1	Establishment charges	69.56
		Provision of missing facilities ADP 2016-17	41.74
		NSB	186.74
		Total	298.05
Dy DEO M.E.E kallar Sayyedana	2	Establishment charges	27.778
		Establishment charges	0.573
		Total	28.351
Dy DEO (W E E) Gujar Khan	2	Establishment charges	136.05
		Grand Total	466.91

Annexure-F
16.4.3.1

Irregular Incurrence of Expenditure from NSB

(Rs in million)

Name of Office	AIR Para No.	Name of Registered Firms	% age of expenditure	Amount
Dy DEO (EE-F) Rawalpindi	1	Al hayat Traders	More than 80%	57.60
		Hammad Enterprises	About 8%	
		Mughal Traders	About 7%	
		Al tariq Traders	About 5%	
Dy DEO (EE-F) Rawalpindi	1	Z & Z Company	More than 60%	18.60
		Nazir & Company	About 40%	
Dy DEO (EE-M) Rawalpindi	1	Al hayat Traders	More than 80%	40.30
		Hammad Enterprises	About 8%	
		Mughal Traders	About 7%	
		Al tariq Traders	About 5%	
		Grand Total		116.500

Annexure-G
16.4.3.2

Unjustified Provision of Extra Funds in NSB Account

Name of Office	EMIS Code	School Name	Closing Balance (Rs)
Dy DEO (EE-W) Rawalpindi	37330512	GGES JHUMMAT	232,485
	37330161	GGES MUREE ROAD	256,045
	37330165	GGES SHOUKAT SADDER	557,687
	37330461	GGES NASEER ABAD	275,997
	37330163	GGES NUSRAT SHAKRIAL	368,431
	37330559	GGES DK KALA KHAN	320,742
	37330659	GGES THALLA KHURD	328,810
	37330631	GGES CHAK BELI KHAN	453,511
	37330389	GMPS SALMOON	277,191
	37330397	GMPS CHAK SIGU	220,320
	37330649	GGPS HOON	212,417
	37330195	GGES KARAH I	454,846
	37330628	GGES MAHUTA	253,144
	37330669	GGES MISRIAL	334,430
	37330366	GMPS JARA	259,322
	37330664	GGPS KURAR	310,220
	37330627	GGCMS DK GUJRI	239,047
	37330656	GGPS TALLA BAJAR	308,592
		Total	5,663,237
Dy DEO (EE-M) Gujar Khan	37360065	GES Bai Khan	208,720
	37360071	GES Mankiala Muslim	229,105
	37360079	GES Ghick Muslim	227,901
	37360073	GES Ratala	223,847
	37360064	GES Alam Abad	202,411
	37360069	GES Jhand Mehlo	201,058
	37360072	GES Miana Dheri	202,407
	37360194	GPS Bewal	289,182
	37360086	GES BHANGALI GUJAR	222,092
			Total
Dy DEO (EE-M) Rawalpindi	37330199	GPS AMAR PURA	456,183
	37330688	GPS KOT JABBI	396,833
	37330320	GES DHOK CHOUDRIAN	338,679
	37330234	MC GPS MUSLIM TOWN	264,509
	37330207	GPS DHOK ROSHAN DIN	245,526
	37330144	GES CHAUNTRA	460,178
	37330372	GPS KURAR	357,376
	37330396	GES CHAK BELI KHAN	324,473
	37330361	GES GHEELA KALLAN	236,095
	37330297	GPS DHOK DHAL	223,231
	37330227	GPS WESTRAGE I	220,941
	37330225	GPS TANVEER-UL-ISLAM	210,447

Name of Office	EMIS Code	School Name	Closing Balance (Rs)
	37330317	GPS DHAMIAL	422,774
	37330252	GES KHALRI	238,889
		Total	4,396,134
Dy DEO (M)-Murree, Rawalpindi	1	GPS Masot	199,878
	2	GES Lackot	362,855
	3	GES Lawrance College, Ghora Gali	210,631
	4	GPS Malach	185,449
	5	GPS Masyari	479,738
	6	GPS Sohawa	148,398
	7	GPS Sanj	102,582
	8	GPS Charhan	171,679
	9	GPS Kharon Mohra	113,161
	10	GPS Sakori Charhan	101,595
	11	GPS Bhanatti	167,389
	12	GPS Lower Topa	260,300
	13	GPS Danna	186,941
	14	GPS Sikari	101,595
	15	GPS Kamalabad	212,217
			3,004,408
Dy DEO (M)-Taxila, Rawalpindi	1	GBES Pour	107,843
	2	GPS Sukho	137,494
	3	GBPS Paswal	159,744
	4	GES Chookar	104,744
	5	GES Lasar Sharfo	442,273
	6	GBPS Banian	195,126
	7	GPS Kamala	151,317
	8	GBPS Lab Latho	262,430
	9	GBPS Dhok Awan	110,285
	10	GBPS Bajar	210,300
			1,881,556
Dy DEO (W)-Murree, Rawalpindi	1	GGMPS Sui	153,613
	2	GGPS Bagla	100,959
	3	GGPS Darya Gali	128,486
	4	GGES Bhnatti	154,295
	5	GGES Tarkaim	119,570
	6	GGES Mohra Syvedan	270,457
	7	GGPS Bhek	120,223
	8	GGPS Phaprail	100,381
	9	GGMS Danna Awain	256,031
			1,404,015
Dy.DEO (M-EE) Kotli Sattian	1	GES Bhel Chaka	130,828
	2	GBPS Bhir Bhirian	86,924
	3	GBPS Harrinda	80,078
	4	GBPS Danoi	103,117
	5	GBPS Chaint	60,454

Name of Office	EMIS Code	School Name	Closing Balance (Rs)
	6	GBPS Askeer	64,230
	7	GBPS Rajia	63,002
	8	GBPS Potha Pariah	244,633
	9	GBPS lower kottli	128,555
	10	Total	961,821
Dy.DEO (W-EE) Kotli Sattian	1	GGES Surba	205,608
	2	GGMPS Prindal	115,428
	3	GGPS Pallay	107,626
	4	GGPS Nalla Khass	103,050
	5	GGPS Chewra	99,125
	6	GGCM Dornair	157,515
		Total	788,352
Dy DEO (M)-Kallar Syyedana	1	GBPS sareel	80,220
	2	GBP Mehal Jamal	64,032
	3	GBP Mrhil Jamal	32,343
	4	GPS Khandor	53,989
	5	GES Margala Khalsa	92,131
	6	GES -do=	100,228
	7	GPS Bishandoot	61,016
	8	GPS Sanbal	61,238
	9	GPS Dhok Sagal	60,952
	10	GGBS Dhok Sudhan	24,129
	11	GBPS Dhok Sudhan	60,722
	12	GES Dhan Gali	68,705
	13	GES Dhan Gali	100,350
	14	GBPS Dodeli	41,074
	15	GBPS Dodeli	60,969
	16	GES Khed	100,238
	17	GES Khed	66,760
	18	GPS Mamyal	61,092
	19	-do-	86,340
	20	GPS Ghoi	60,673
	21	GPS Santhi	60,278
	22	GPS Sahoot Badhal	60,028
	23	GES Numbal	36,003
	24	-do-	101,251
	25	GPS dhamal	60,498
	26	GPS sultan heil	60,937
	27	GPS Jala Jandra	61,407
	28	GPS nothia	60,263
	29	GPS Mohra Ropial	60,426
	30	GPS Sageter	60,937
	Total		1,959,229
Dy DEO (W E E) Gujar Khan	1	GDES Hanal	130793
	2	GMPS Tubkian	27655
	3	GGPS	64209

Name of Office	EMIS Code	School Name	Closing Balance (Rs)
	4	GMPS Jolay	40956
	5	GGGES Manjotha	67506
	6	GGES Bhair Klyal	185887
	7	GGES Koont doltala	139117
	8	GGMPS Mohra amin	27578
	9	GGPS jandharni	81752
	10	GGPS GFrash	60668
	11	GGPS Mohri	89611
	12	GGPS Bagh Faqiran	82464
	13	GGPEs Kuri Dolal	108853
	14	GMPS Kotla	32693
	15	GGES Noor dolal	100004
	16	GES No2 Gk	496397
	Total		1,736,143
		Grand Total	23,801,618

Annexure-H
16.4.3.3

Irregular Expenditure Due to Misclassification

Name of Office	AIR Para No	DDO Code	Particulars		Amount (Rs)
CEO DEA Rawalpindi	10	RV8997	Other NFBES Salary		10,040,000
		RV8997	Others ALC Salary		8,460,000
		Total			18,500,000
Name of Office		Items	Head Charged	Actual Head	Amount
DO (SE) Rawalpindi	5	CCTV Camera & DVR Purchase of Software	Purchase of Computer Software	Purchase of Machinery	27,712
		Printer/computer Scanner of IT Equipment	Purchase of IT Equipment	Purchase of Computer Hardware/ Computer Stationery	49,725
		Printer/computer LED of IT Equipment	DO	Purchase of Computer Hardware/ Computer Stationery	49,725
		Office Almirah and Steel Cabinet	COS	Purchase of Furniture	49,374
		Steel Cabinet	COS	Purchase of Furniture	10,062
		Repair of IT Equipment	Repair of IT Equipment	Repair of Computer Hardware	35,000
		Repair of Hard Disk & repair of Computer			
		Repair of IT Equipment	DO	Repair of Computer Hardware	45,000
		Refilling of Tonner & repair of Printer			
			Total		266,598
		Grand Total			18,766,598

Annexure-I
16.4.4.6

Non-deposit of General Sales Tax and Income Tax

(Amount in Rs)

Name of Office	AIR Para No	Amount	GST	Income Tax	Remarks
Dy DEO (M)-Murree	6	2,110,114	54,207	94,957	Non-deposited
Dy DEO M-EE Taxila	4	360,112	10,990	16,205	Non-deposited
Dy DEO (W)-Murree	2	1,811,370	44,706	81,515	Non-deposited
Dy DEO (w)-Taxlia	3	1,253,240	35,771	56,396	Non-deposited
		100,140	17,024	6,624	Non-deposited
Dy DEO (M-EE) Kahuta	3	459,577	-	47,666	Less I. Tax Deducted
CEO (District Education Authority) Rawalpindi	2	504,361	129,193	-	Non-deposited of GST
	3	3,471,712	-	156,223	Non-deposited of I. tax
DO	4	255,495	43,434	-	Non-deduction of GST
Dy DEO M-EE, Kallar saidan	7	899,618	153,189	-	Non-deposited of GST
DO	8	525,805	-	39,435	Non-deposited of I. tax
DO	11	2,957,772	-	133,099	Non-deduction of I. tax
DO	15	677,853	-	50,837	Non-deduction of I. tax
Dy DEO W-EE, Kallar saidan	6	1,444,003	-	64,980	Income tax on leave encashment
Dy DEO (W E E) Gujar Khan	6	1,277,014	115,092	-	Non-deposited of GST
Dy DEO (W E E) Gujar Khan	7	317,680	-	238,260	Non-deduction of I. tax
Total		21,284,994	603,606	986,197	
Grand Total				1,589,803	