



AUDIT REPORT
ON
THE ACCOUNTS OF
04 DISTRICT EDUCATION AUTHORITIES
OF FAISALABAD REGION

AUDIT YEAR 2021-22

AUDITOR GENERAL OF PAKISTAN

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ABBREVIATIONS AND ACRONYMS

ADC (F&P)	Additional Deputy Commissioner (Finance and Planning)
ADP	Annual Development Program
AEO	Assistant Education Officer
AG	Accountant General
AIR	Audit Inspection Report
APPM	Accounting Policies and Procedures Manual
B&A	Budget and Accounts
B.Ed.	Bachelor of Education
BF	Benevolent Fund
C&W	Communication & Works
CA	Conveyance Allowance
CCTV	Closed Circuit Television
CEO	Chief Executive Officer
CFY	Current Financial Year
CPR	Computerized Payment Receipt
CTC Line	Centralized Traffic Control Line
DAC	Departmental Accounts Committee
DAO	District Accounts Office
DDEO	Deputy District Education Officer
DDO	Drawing and Disbursing Officer
DEA	District Education Authority
DEO	District Education Officer
DEO (SE)	District Education Officer (Secondary Education)
DFID	Department for International Development
DGA	Directorate General Audit
DHA	District Health Authority
DPI	Directorate of Public Instructions
DPI-EE	Directorate of Public Instructions-Elementary Education
EE-M	Elementary Education-Male
EE-W	Elementary Education-Women
EMIS	Education Management Information System
ESE	Elementary School Educator
FAP	Foreign Aided Project
FBR	Federal Board of Revenue

FESCO	Faisalabad Electric Supply Company
FI	Financial Information
FIF	Falah-e-Insaniat Foundation
FIR	First Investigation Report
FTF	Farogh-e-Taleem Fund
FY	Financial Year
GES	Government Elementary School
GHSS	Government Higher Secondary School
GHS	Government High School
GL	General Ledger
GPF	General Provident Fund
GPS	Government Primary School
GSHF	Government Servants Housing Foundation
GST	General Sales Tax
HR	Human Resource
INTOSAI	International Organization of Supreme Audit Institutions
IPSAS	International Public Sector Accounting Standards
IT	Information Technology
JUD	Jamaat-ul-Dawa
KPI	Key Performance Indicator
KPSP	Khadim-E-Punjab School Program
LD	Liquidity Damages
LED	Light Emitting Diode
LG&CD	Local Government and Community Development
LPR	Leave Preparatory to Retirement
M&R	Maintenance and Repair
M.A.	Master of Arts
M.Sc.	Master of Science
MAP	Manual of Accounting Principles
MC	Municipal Corporation/Municipal Committee
MDGs	Millennium Development Goals
MFDAC	Memorandum for Departmental Accounts Committee
NAM	New Accounting Model
NBP	National Bank of Pakistan
NEC	National Economic Council
NSB	Non-Salary Budget
NTN	National Tax Number

OGRA	Oil and Gas Regulatory Authority
OSD	Officer/Official on Special Duty
P&D	Planning & Development
PAC	Public Accounts Committee
PAO	Principal Accounting Officer
PEEDA	Punjab Employees Efficiency, Discipline and Accountability
PESRP	Punjab Education Sectors Reform Program
PFC	Provincial Finance Commission
PFR	Punjab Financial Rules
PLGA	Punjab Local Government Act
PMIU	Program Monitoring & Implementation Unit
POL	Petroleum Oil and Lubricants
PPRA	Punjab Procurement Regulatory Authority
PST	Punjab Sales Tax
PWD	Public Works Department
RDA	Regional Directorate Audit
ROP	Recovery of Overpayment
S&GAD	Services and General Administration Department
SAP	Systems, Applications, and Products
SBP	State Bank of Pakistan
SC	School Council
SDA	Special Drawing Account
SDG	Sustainable Development Goal
SESE	Senior Elementary School Educator
SNE	Schedule of New Expenditure
SSB	Social Security Benefit
SST	Secondary School Teacher
STR	Student Teacher Ratio
STRN	Sales Tax Registration Number
TA/DA	Travelling Allowance/Daily Allowance
TDR	Term Deposit Receipt
TORs	Terms of Reference
TS	Technical Sanction
XEN	Executive Engineer

PREFACE

Articles 169 and 170 of the Constitution of the Islamic Republic of Pakistan, 1973 read with Sections 8 & 12 of the 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 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 is the responsibility of the Auditor General of Pakistan.

The report is based on audit of the accounts of 04 District Education Authorities of Faisalabad Region for the Financial Year 2020-21 and accounts of some formations for previous financial years. The Directorate General of Audit, District Governments, Punjab (South), Multan, conducted Compliance with Authority Audit during Audit Year 2021-22 on test check basis with a view to reporting significant findings to the relevant stakeholders. The main body of the Audit Report includes only the systemic issues and audit findings. Relatively less significant issues are listed in the Annexure-A of the Audit Report. The Audit observations listed in the 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 observations will be brought to the notice of the Public Accounts Committee through the next year's Audit Report.

For the first time Thematic Audit was conducted in one selected area and audit observations have been incorporated in Chapter 5 of this report.

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

Most of the observations included in this Report have been finalized in the light of discussions in the DAC meetings wherever convened.

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 the Punjab Local Government Act, 2013, for causing it to be laid before the Provincial Assembly.

Islamabad
Dated:

(Muhammad Ajmal Gondal)
Auditor General of Pakistan

EXECUTIVE SUMMARY

The Directorate General Audit (DGA), District Governments, Punjab (South), Multan is responsible for carrying out the audit of Local Governments comprising, Metropolitan / Municipal Corporations, Municipal Committees, District Councils, Tehsil Councils, Union Councils, District Education / Health Authorities of 17 districts of Punjab (South) and 05 Public Sector Companies of the Department of Local Government and Community Development (LG&CD), Punjab i.e. 04 Waste Management Companies and Punjab Cattle Market Management and Development Company. The Regional Directorate Audit (RDA), District Governments, Faisalabad, a Field Audit Office of the DGA, District Governments, Punjab (South), Multan, carried out audit of District Education Authorities (DEAs) Chiniot, Faisalabad, Jhang and Toba Tek Singh. The RDA, Faisalabad has a human resource of 17 officers and staff constituting 4,764 man-days and annual budget of Rs 32.689 million for the Audit Year 2021-22. This Report contains audit findings of Compliance with Authority and Thematic Audit conducted by RDA on the accounts of 04 District Education Authorities for the Financial Year 2020-21.

District Education Authorities were established w.e.f. 01.01.2017 and conduct operations under Punjab Local Government Act, 2013. The Chief Executive Officer (CEO) is the Principal Accounting Officer (PAO) of the District Education Authority and carries out functions of the Authority through group of offices as notified in the Act *ibid*. The District Education Fund comprises District Local Fund and Public Account. Since, the Chairmen of the Authorities could not be elected due to delay in electoral process, the Annual Budget Statements were authorized by the Deputy Commissioner in each district, who had been notified as Administrator by the Government of the Punjab on 01.01.2017 for a period of only two years.

a) Scope of Audit

The RDA, Faisalabad is mandated to conduct audit of 1,201 formations working under the 04 PAOs. Total expenditure and receipts of these formations were Rs 37,029.814 million and Rs 271.851 million respectively for the financial year 2020-21.

Audit coverage relating to expenditure for the current audit year comprises 20 formations of 04 District Education Authorities having total expenditure of Rs 4,478.090 million for the financial year 2020-21. In terms of percentage, the audit coverage for expenditure was 12.09% of auditable expenditure.

This audit report also includes audit observations resulting from audit of:

- i. Expenditure of Rs 250.486 million for the financial year 2019-20 pertaining to 16 formations of 04 District Education Authorities.
- ii. Expenditure of Rs 1,102.428 million pertaining to previous financial years.

Audit coverage relating to receipts for the current audit year comprises 20 formations of 04 District Education Authorities having total receipts of Rs 0.103 million for the financial year 2020-21. In terms of percentage, the audit coverage for receipts was 0.04 % of auditable receipts.

In addition to this Compliance / Thematic Audit Report, this RDA also conducted 08 Financial Attest Audits and 01 Compliance / Thematic Audit of 04 District Health Authorities. Reports of these audits are being published separately.

b) Recoveries at the Instance of Audit

As a result of audit, recoveries amounting to Rs 94.049 million have been pointed out in this Report. Recovery effected and duly verified by Audit during 2021 was Rs 6.882 million.

c) Audit Methodology

Audit was carried out against the standards of financial governance provided under various provisions of the Punjab Local Government Act, 2013, PFR Vol-I, II, Delegation of Financial Powers and other relevant laws, which govern the propriety of utilization of the financial resources of the District Education Authority. On the spot examination and verification of record was also carried out in accordance with the applicable laws / rules and according to the INTOSAI auditing standards.

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

d) Audit Impact

A number of improvements in record maintenance and procedures have been initiated by the authorities concerned; however, audit impact in shape of change in rules is not materialized as the provincial Public Accounts Committee has not discussed any Audit Report of DEAs.

e) Comments on Internal Control and Internal Audit Department

Internal control mechanism of District Education Authorities was not found satisfactory during audit. Many instances of weak internal controls have been highlighted during audit which include some serious lapses like unauthorized withdrawal of public funds against the entitlement of the employees. Negligence on part of the management of DEAs may be captioned as one of the important reasons for weak internal controls. Further, no Internal Audit Department was established by the DEAs.

f) The Key Audit Findings of the Report

- i. Non-production of record worth Rs 7.119 million was reported in one case.¹
- ii. Fraud and misappropriation involving an amount of Rs 16.078 million was reported in three cases.²
- iii. Procedural irregularities amounting to Rs 182.498 million were noticed in 19 cases.³
- iv. Value for money and service delivery issues involving Rs 1,005.042 million were noticed in 16 cases.⁴
- v. Other issues involving an amount of Rs 1,559.005 million were noticed in seven cases.⁵

¹Para 4.2.4.1

² Para 2.2.4.1 to 2.2.4.2, 3.2.4.1

³ Para 1.2.4.1 to 1.2.4.3, 2.2.4.3 to 2.2.4.5, 3.2.4.2 to 3.2.4.6, 4.2.4.2 to 4.2.4.9

⁴ Para 1.2.4.4 to 1.2.4.6, 2.2.4.6 to 2.2.4.11, 3.2.4.7 to 3.2.4.10, 4.2.4.10 to 4.2.4.12

⁵ Para 1.2.4.7, 2.2.4.12 to 2.2.4.13, 3.2.4.11, 4.2.4.13 to 4.2.4.15

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

g) Recommendations

PAOs of District Education Authorities are required to:

- i. Produce auditable record and take action against the person(s) responsible for non-production of record.
- ii. Hold inquiries and fix responsibility for fraud, misappropriation, irregularities, losses and wasteful expenditure as well as poor performance in service delivery
- iii. Comply with the Punjab Procurement Rules for economical and rational purchases of goods and services.
- iv. Maintain necessary auditable record and take action against the person(s) responsible for non-maintenance of record.
- v. Make efforts for expediting the realization of recovery of various Government receipts and overpayments.
- vi. Ensure establishment of internal control system and proper implementation of the monitoring system.
- vii. Rationalize budget with respect to utilization.

1. District Education Authority (DEA) Chiniot

CHAPTER 1.1

Public Financial Management Issues

Directorate General Audit, District Governments, Punjab (South), Multan conducts Financial Attest Audit of the Accounts of District Education Authority Chiniot on annual basis. The significant observations emerging from Management Letter as a result of Financial Attest Audit issued to the District Accounts Officer Chiniot for the financial year 2020-21 have been reported in this chapter.

Analysis of Appropriation Accounts and Financial Statements (Financial Attest Audit 2021-22)

The following issues surfaced during Financial Attest Audit of District Education Authority Chiniot for the Audit Year 2021-22.

- i. Wrong booking of receipts – Rs 0.549 million.
- ii. Unauthorized approval of budget / schedule of authorized expenditure.
- iii. Booking in wrong GL Account – Rs 1.841 million.
- iv. Unauthorized withdrawal of Conveyance Allowance – Rs 33.810 million.

These issues were discussed in the clearing house meeting and commitment to take remedial measures was made by the Accountant General Punjab and Finance Department Punjab. However, the issue regarding unauthorized approval of budget / schedule of authorized expenditure has been reported in Auditor's Report of DEA, Chiniot as Emphasis of Matter.

1.1.1 Audit Paras

1.1.1.1 Booking of receipts of other Governments as Consolidated Fund Receipt of Authority – Rs 0.549 million

According to Section 3.3.7.7 of Manual of Accounting Principles (MAP), where an entity acts as an agent the revenues or expenses should not be recorded in the primary books of account other than as a matter of stewardship. For example, an entity collecting taxes will not normally control the future economic benefits embodied in the tax collections and as such would not recognize the taxes as revenues of the entity. The entity may however recognize “taxes collected on behalf of the Government” as subsidiary information on the overall performance of the entity.

District Accounts Officer, Chiniot made different deductions amounting Rs 0.549 million on behalf of Provincial & Federal Government from employees and various contingent bills of the District Education Authority during 2020-21. The deductions were required to be booked / credited as Public Account Receipt in the analogy of Income Tax and Sales Tax. Contrary to the above mentioned principle, said receipts were made part of the Consolidated Fund Receipt in the Account-V of the District Education Authority. The detail is as under:

(Rupees in million)

Sr. No.	GL Account	GL Account Description	Government	Amount
1	B01132	Surcharge	Punjab	0.014
2	B02385	Sales Tax on Services (Punjab)	Punjab	0.535
Total				0.549

Due to weak internal controls, Public Account Receipts were incorrectly booked as Consolidated Fund Receipts.

Showing of Provincial Government receipts as District Education Authority receipts resulted in wrong preparation of accounts and misleading figures of receipts.

The matter was reported to DAO in September, 2021. In DAC meeting, it was replied that there was no adjustment GL account available in SAP for rectification/correction of misrepresentation/understatement of

receipts. Matter was already taken up with Accountant General Punjab for opening of new GL Account in SAP. The reply was not tenable because no GL account for adjustment between district authority and provincial government was created for correction of wrong booking of receipts yet.

DAC directed DAO to pursue the matter vigorously with Accountant General Punjab, Lahore for creation of new GL account. No progress was intimated to Audit till finalization of this Report.

Audit recommends that new GL accounts be created for reporting of Provincial Government receipts under Public Account instead of Consolidated Fund so that true picture of accounts be presented.

1.1.1.2 Unauthorized approval of budget / schedule of authorized expenditure

According to Government of the Punjab, LG&CD Department Notification No.SOR(LG)38-5/2014 dated 01.01.2017, District Education Authority was established in each District and Deputy Commissioner of the District was appointed as Administrator of the said Authority w.e.f. 01.01.2017 for a period not more two years.

During Financial Attest Audit on the accounts of District Education Authority Chiniot, it was observed that DEA was established since 01.01.2017 under PLGA, 2013. Contrary to the above, Deputy Commissioner, Chiniot, continued to hold the office of Administrator of DEA and exercised the powers of the House/Authority beyond lawful tenure of two years that had already been expired on 31.12.2018. Therefore, conduct of business including approval/authentication of budget and incurrence of expenditure amounting to Rs 3,266.183 million during financial year 2020-21 was held irregular. Further, powers of the House / Authority were concentrated in and used by a Government servant.

Due to weak managerial controls, powers of DEA were utilized by unauthorized person.

Exercising the powers of the House by unauthorized person resulted in unlawful conduct of business of DEA and unauthorized utilization of public resources.

The matter was reported to DAO in September, 2021. In DAC meeting, it was replied that the matter was already taken up with DEA Chiniot vide letter No.DAO/CHT/ADMN/HM475-477 dated 01.10.2021. The reply was not tenable because DAO passed bills against the budget approved by the Deputy Commissioner without any legal authority and payments were also made by the District Accounts Officer without approval of budget by the authorized person.

DAC directed DAO to take up the matter with CEO DEA as well as with AG Punjab and Secretary Finance besides regularization of the matter.

Audit recommends regularization of the matter from the Competent Authority.

1.1.1.3 Booking in wrong GL Account – Rs 1.841 million

According to Section 2.3.2.2 of the Accounting Policies and Procedures Manual (APPM), there should be correct and consistent classification of transactions and the recognition of revenues and expenditures in the correct time period.

During Financial Attest Audit of District Education Authority, Chiniot for the period 2020-21, it was observed that DAO booked an amount of Rs 1.841 million to wrong GL Accounts. The details are given below:

(Rupees in million)

Document No./Date	Wrong GL Account	Amount	Remarks / Corrected GL Accounts
1900101356/ 28.04.2021	G12712 Trust interest fund (charitable endowment)	1.748	G12713 Income tax deduction from salaries
1600111032, 1600133017/ 03.06.2021	G01101 Cheque Pay clearing account (Account-VI NBP)	0.093	G05105 Wage Clearing Account (Zakat payment Transferred to Provincial Govt.
Total		1.841	

Due to weak internal controls, various deductions were incorrectly booked.

Booking in wrong GL Account resulted in defective preparation of Annual Accounts.

The matter was reported to DAO in September, 2021. In DAC meeting, it was replied that booking against correct GL Account was started, henceforth. Rectification of previous wrong booking was being done in coordination with the AG Office. Audit stressed upon early compliance.

DAC directed DAO to pursue the matter and make compliance at the earliest.

Audit recommends rectification of errors and booking in proper heads of accounts.

1.1.1.4 Unauthorized withdrawal of Conveyance Allowance – Rs 33.810 million

According to Rule 1.15(2) of Punjab Travelling Allowance Rules, Conveyance Allowance will be admissible only for the period during which the civil servant held the post to which the Conveyance Allowance is attached and will not be admissible during leave or joining time.

During Financial Attest Audit on the accounts of District Education Authority, Chiniot for 2020-21, it was observed that schools were closed by the Government due to COVID-19 lock down during 14.03.2020 to 12.09.2020, 26.11.2020 to 09.01.2021 & 29.04.2021 to 22.05.2021. However, Conveyance Allowance was paid to the teachers despite closure of schools. Resultantly, an amount of Rs 33.810 million was paid on account of Conveyance Allowance to 4,360 teachers without admissibility. The detail is as under:

(Rupees in million)

Description	Amount
Conveyance Allowance paid during lock down	33.418
Disable Conveyance Allowance paid during Lock down	0.392
Total	33.810

Due to weak financial controls, payment of Conveyance Allowance was made without admissibility.

Inadmissible expenditure resulted in loss of Rs 33.810 million to Government.

The matter was reported to DAO in September, 2021. In DAC meeting, it was replied that efforts were being made to effect recovery. Audit stressed upon early compliance.

DAC directed DAO to recover overpaid amount from concerned at the earliest.

Audit recommends recovery of overpaid amount from the concerned at the earliest.

CHAPTER 1.2

DEA Chiniot

1.2.1 Introduction

A. District Education Authority (DEA) Chiniot was established on 01.01.2017 under Punjab Local Government Act 2013. DEA, Chiniot 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.

Chief Executive Officer (CEO) is the Principal Accounting Officer (PAO) of the DEA, Chiniot and is responsible to the Public Accounts Committee of the Provincial Assembly. He is responsible to ensure that the business of the DEA is carried out in accordance with the laws and to coordinate the activities of the groups of offices for coherent, effective and efficient functioning of DEA, Chiniot.

The functions of DEA, Chiniot as described in the Punjab Local Government Act, 2013 are to:

- i. establish, manage and supervise the primary, elementary, secondary and higher secondary schools as well as adult literacy & non-formal basic education / special education institutions of the Government in the District;
- ii. implement Government policies and directions including achievement of key performance indicators set by the Government for education;
- iii. ensure free and compulsory education for children of age five to sixteen years as required under Article 25-A of the Constitution;
- iv. ensure teaching, infrastructure, student safety & hygiene and minimum education standards for quality education;
- v. undertake student assessment and examinations, ranking of schools, promotion of co-curricular activities, award of scholarships and conduct of science fairs in Government and private schools;
- vi. approve the budget of the Authority and allocate funds to educational institutions;

- vii. 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;
- viii. constitute school management councils which may monitor academic activities;
- ix. plan and finance maintenance of school, support enrollment and retention, arrange donation and finances, plan development and perform any other function assigned by the Government, a Commission or a body established by law in the prescribed manner.

DEA, Chiniot manages various administrative offices and educational institutes as given in the following table:

Table-1: Administrative Offices and Educational Institutes

Description	No. of Offices / Educational Institutes
Chief Executive Officer (DEA)	01
District Education Officer (Secondary Education)	01
District Officer (Literacy)	01
District Education Officer (EE-M)	01
District Education Officer (EE-W)	01
Deputy DEOs (EE-M)	03
Deputy DEOs (EE-W)	03
Higher Secondary Schools (Boys & Girls)	07
High Schools (Boys & Girls)	72
Elementary Schools	94
Primary Schools	525
Special Education Schools / Centers	04
Total	713

(*Source: Data received from CEO (DEA) Chiniot)

The detail of total and audited formations of DEA, Chiniot is provided in the table given on the following page.

Table-2: Audit Profile of DEA, Chiniot

(Rupees in million)

Sr. No.	Description	Total Nos.	Audited	Expenditure Audited FY 2020-21	Revenue / Receipts Audited FY 2020-21
1	Formations	94	05	457.119	-
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities/Autonomous Bodies etc. under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

B. Comments on Budget and Accounts (Variance Analysis)

The detail of budget and expenditure of DEA, Chiniot for the financial year 2020-21 is given in the following table:

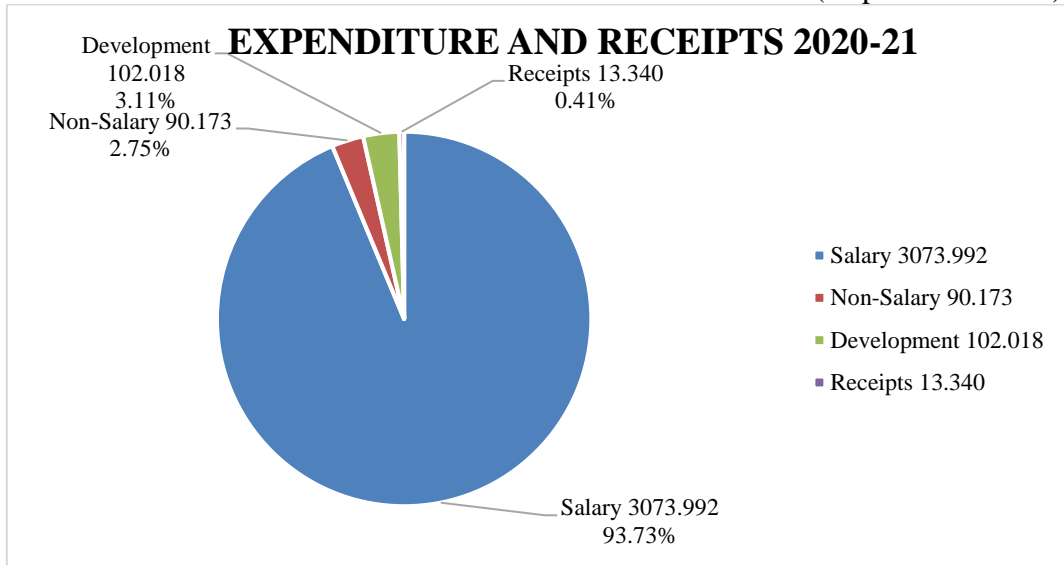
Table-3: Budget and Expenditure

(Rupees in million)

2020-21	Budget	Actual	Excess (+) / Lapse (-)	Lapse (Per Cent)
Salary	4,280.461	3,073.992	-1,206.469	28%
Non-Salary	125.564	90.173	-35.391	28%
Development	119.780	102.018	-17.762	15%
Total	4,525.805	3,266.183	-1,259.622	28%
Receipts	-	13.340	-	-

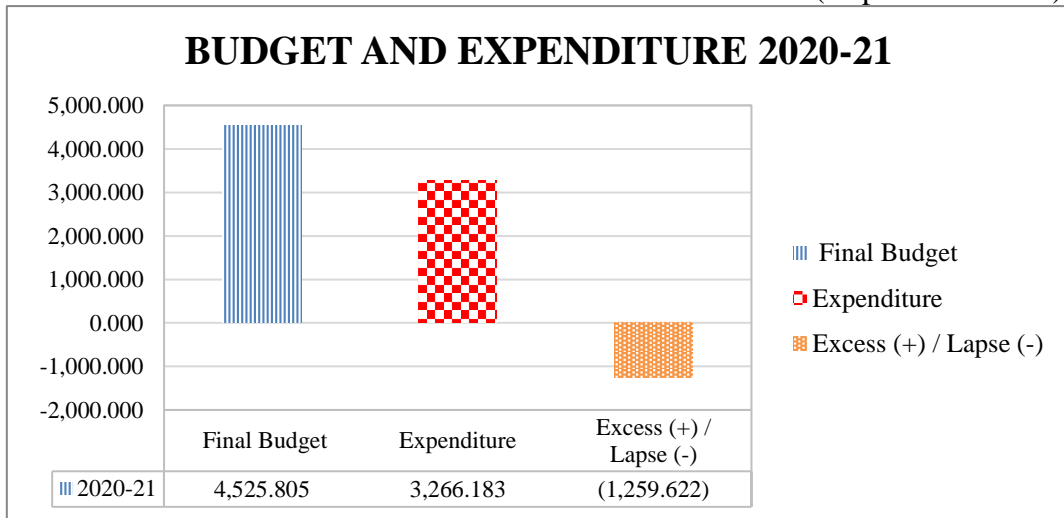
(Source: Appropriation Accounts 2020-21)

(Rupees in million)



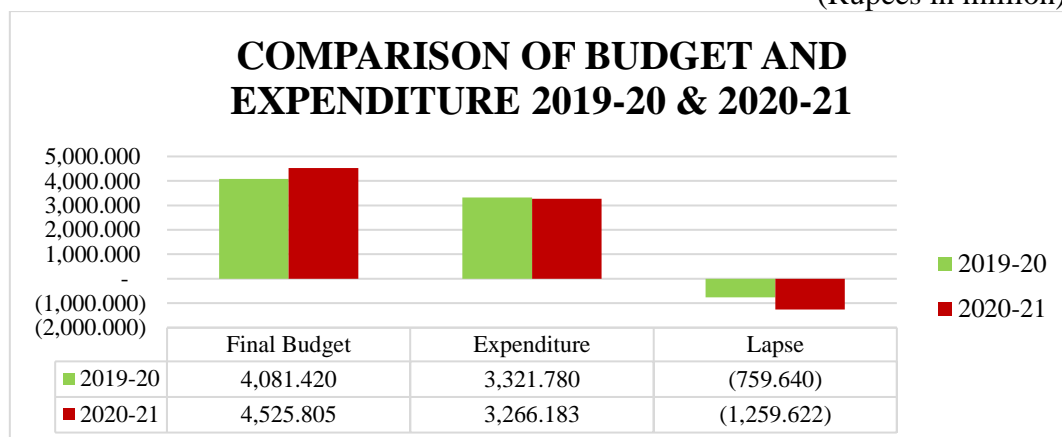
As per the Appropriation Accounts for financial year 2020-21 of DEA Chiniot, final budget (Development and Non-Development) was Rs 4,525.805 million against which total expenditure of Rs 3,266.183 million was incurred by District Education Authority during financial year 2020-21.

(Rupees in million)



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

(Rupees in million)



There was 10% increase in budget allocation and 2% decrease in expenditure in financial year 2020-21 as compared to financial year 2019-20, while there was overall lapse of Rs 1,259.622 million during 2020-21.

C. Sectoral Analysis

i. Analysis of Financial Resources

Lapse of funds (as reflected in Table-3 above) equivalent to 28%, 28% and 15% of the budgeted amount against salary, non-salary and development heads respectively reflect poor financial management especially considering that the DEA failed to achieve many of its core indicators and infrastructure targets during the year. Available funds to the tune of Rs 1,259.622 million were not utilized to help achieve the targets. The same resulted in depriving the students / populace from necessary facilities, such as provision of furniture & fixture, laboratory equipment and civil work.

ii. Status Regarding Provision of Basic Facilities in Educational Institutions

Key performance indicators were not achieved regarding provision of missing facilities in the schools such as boundary walls, toilet blocks, electricity and drinking water. Furthermore, students were also facing shortage of basic facilities including student furniture and classrooms. Quality of education was compromised due to non-availability of basic facilities to the students which also created hindrance towards educational outcomes. The detail of missing facilities is as under:

Sr. No.	Description		Numbers
1	Status of Missing Facilities	No. of schools without Boundary Walls	21
2		No. of schools without Toilet Block	2
3		No. of schools without Electricity	3
4		No. of schools without Facility of Drinking Water	28
5	Shortage of Basic Facilities	No. of students for furniture is not available	3,666
6		No. of schools facing shortage of classrooms	1,144
7		No. of class rooms required	3,281

*Source: Data received from CEO, DEA, Chiniot

iii. Service Delivery Issues

From the Data analysis of DEA, Chiniot following service delivery issues were observed:

- i) Student enrollment decreased in Government schools of district Chiniot despite gradual increase in population.
- ii) Quality of education was compromised due to irrational deployment of teachers, as 19 schools having student enrollment of 1,519 were being run by single teacher in each school.
- iii) NSB funds were not fully utilized by the School Councils and the same were utilized for maintenance of schools only. No efforts were made by the School Councils to attract the children towards education.
- iv) There was acute shortage of class rooms, boundary wall, toilet blocks, furniture and barbed wires for safety of students.

- v) Teacher trainings were not conducted by the DEA. Mechanism for exchanging professional experiences and expertise between schools was also not developed.

iv. Expectation Analysis and Remedial Measures

DEA, Chiniot did not achieve its overall targets regarding provision of missing facilities in the schools such as boundary walls, toilet blocks, electricity and drinking water. Students were also facing shortage of basic facilities including student furniture and classrooms. Quality of education was compromised due to non-availability of basic facilities to the students which also created hindrance towards educational outcomes. DEA could not utilize 15% funds of development budget to overcome these hindrances. Further, overall financial management regarding achievement of budget utilization was not satisfactory as 28% of salary and 28% of Non-salary budget was lapsed.

Suggestions / Remedial Measures

- i) Strengthening of the regulatory framework, following the rules e.g. PPRA rules for purchases, adhering to the rules of propriety and probity in use of development and Non-Development funds must be ensured.
- ii) Holding accountable those who are responsible for any irregularities.
- iii) Concrete efforts should be made to ensure provision of basic facilities in the Government schools.
- iv) Deployment of teaching staff at different levels must be rationalized besides filling the vacant posts.
- v) Efforts should be made for expediting the realization of recovery of overpayments.
- vi) Establishment of internal control system and proper implementation of the monitoring system should be ensured.
- vii) Budget should be rationalized with respect to utilization.

1.2.2 Classified Summary of Audit Observations

Audit observations amounting Rs 251.688 million were raised as a result of this audit. This amount also includes recoverable of Rs 20.637 million as pointed out by Audit. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	-
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Procedural Irregularities	-
A	HR/Employees related irregularities	8.950
B	Procurement related irregularities	6.882
C	Management of Accounts with Commercial Banks	0
4	Values for money and service delivery issues	38.978
5	Others	196.878
	Total	251.688

1.2.3 Comments on the Status of Compliance with PAC Directives

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

Status of Previous Audit Reports

Sr. No.	Audit Year	No. of Paras	Status of PAC Meetings
1	2017-18	11	PAC not constituted
2	2018-19	22	PAC not constituted
3	2019-20	26	PAC not constituted
4	2020-21	20	PAC not constituted

1.2.4 Audit Paras

Procedural irregularities

1.2.4.1 Inadmissible payment of pay and allowances – Rs 8.950 million

Rule 1.15(2) of the Punjab Travelling Allowance Rules, lay down the criteria for authorization of Conveyance Allowance. Further, Government of the Punjab, Services & General Administration Department Letter No.(O&M) S&GAD) 5-3/2013 dated 01.03.2013 read with letter of even number dated 19.08.2013, and Inspectorate of Treasuries & Accounts, Punjab letter No.IT(FD)6-23/91(Vol-III) dated 09.08.2019 lay down the criteria for Social Security benefit and Inspection Allowance respectively.

Four DDOs of District Education Authority, Chiniot made payment of Rs 8.950 million on account of inadmissible Conveyance Allowance, Inspection Allowance and Social Security Benefit to various employees during 2009-21. Payment of allowances without admissibility resulted in unauthorized payment amounting Rest 8.950 million. **(Annexure-1)**

Due to weak internal controls and financial mismanagement, payment of allowances was made without admissibility.

The matter was reported to the DDOs concerned during August and September, 2021. In DAC meeting held in October, 2021, DDOs replied that efforts were being made for recovery of due amounts. CEO also stated that arrears of Inspection Allowance to some AEOs were duly paid but no record was produced in support of reply.

DAC directed DDOs concerned to produce record of arrears for verification to Audit and recover due amounts at the earliest. No progress was intimated to Audit till finalization of this Report.

Audit recommends recovery of Rs 8.950 million besides fixing responsibility on the person(s) at fault.

[AIR Paras: 4, 6, 9, 1, 6, 2, 11]

1.2.4.2 Irregular assigning of additional charge and DDO Powers – Rs 5.821 million

According to Rule 3(7) of the Punjab District Authorities (Delegation of Financial Powers) Rules 2017, the powers delegated under these rules shall not be further delegated. Furthermore, according to Para 2 of Government of the Punjab, Finance Department letter No.FD.SR-I/9-46/2015 dated 26.09.2016, additional charge may not be assigned to an officer for the second spell of three months without prior consultation with the Finance Department.

Additional Charge of the posts of Headmistress and Headmaster of the two educational institutes along with DDO powers were assigned by the Secretary, Special Education Department and CEO, DEA, Chiniot respectively without prior approval from Finance Department on completion of 1st spell of three months. Irregular expenditure of Rs 5.821 million was incurred during tenure of irregular additional charge and unauthorized DDO powers. The details are as under:

(Rupees in million)

Sr. No.	DDOs	Charge Assigning Authority	No. of persons to whom DDO powers were assigned beyond 03 months	Period	Amount
1	Headmistress, Government Special Education Centre, Chiniot	Secretary, Special Education Department, Lahore	02	07.11.2017 to 15.10.2020	4.339
2	Headmaster, Government High School, Borani, Tehsil Lalian, District Chiniot	CEO, District Education Authority, Chiniot	07	01.01.2017 to 30.06.2021	1.482
Total					5.821

Due to weak managerial controls, additional charge was assigned beyond period of three months without prior approval of Finance Department, Government of the Punjab.

The matter was reported to the DDOs concerned during August and September, 2021. In DAC meeting held in October, 2021, it was replied that higher authorities issued the orders of additional charge and DDO powers. The replies were not tenable as additional charge was granted beyond three months without obtaining approval of the Finance Department.

DAC directed the CEO to get the matter regularized from the competent authority. No progress was intimated to Audit till finalization of this Report.

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

[AIR Paras: 11, 2]

1.2.4.3 Non-verification and non-deposit of GST– Rs 1.061 million

According to Sections 1.3 and 4(b) of the Sales Tax Special Procedure (Withholding) Rules, 2007, 1/5th (20 percent) of total Sales Tax shall be withheld and withholding agent / DDO concerned shall prepare the return for each month and forward the same to the Collector, by the 15th of the following month along with other tax liability. Furthermore, according to Section 4(3) of the Rules *ibid*, the Collector shall periodically ensure that the suppliers mentioned in the return filed by the withholding agents are filing returns and are duly declaring the supplies made to withholding agents.

Five DDOs of District Education Authority, Chiniot made payments to different suppliers during 2011-21 but an amount of Rs 0.264 million on account of withheld Income Tax / Sales Tax was not deposited with FBR. Further, the purchasing authorities, being withholding agents, deducted 1/5th of Sales Tax but did not submit monthly returns to the FBR due to which deposit of remaining 4/5th of GST amounting Rs 0.797 million, by the suppliers, could not be verified by the Sales Tax Department. Hence, taxes amounting Rs 1.061 million remained either un-deposited or un-verified. The details are given below:

(Rupees in million)

Sr. No.	DDOs	Period	Un-deposited GST / I. Tax	Unverified GST	Total Amount
1	CEO, DEA, Chiniot	2020-21	-	0.213	0.213
2	Headmistress, Government Special Education Centre Chiniot	2018-21		0.144	0.144
3	Headmaster Government Special Education Centre Bhowana	2011-21	-	0.273	0.273
4	Government High School, Borani, Tehsil Lalian, District Chiniot	2012-21	0.073	0.167	0.240

Sr. No.	DDOs	Period	Un-deposited GST / I. Tax	Unverified GST	Total Amount
5	Headmaster Government High School 185/JB Chiniot	2011-21	0.191	-	0.191
Total			0.264	0.797	1.061

Due to weak internal controls and negligence, withheld taxes were not deposited with FBR and monthly returns were also not submitted for verification of GST.

The matter was reported to the DDOs concerned during August and September, 2021. In DAC meeting held in October, 2021, Headmaster Government High School, Bhorani stated that taxes would be deposited soon. Headmaster Government High School 185/JB Chiniot stated that GST was duly deposited and supplier was requested to produce relevant record for verification. Remaining DDOs replied that suppliers were requested to provide GST returns for verification.

DAC directed DDOs concerned to recover amount due and provide record/ GST returns for verification. No progress was intimated to Audit till finalization of this Report.

Audit recommends early deposit of taxes and verification of status of GST deposited by the suppliers concerned.

[AIR Paras: 15, 6, 12, 7, 13, 2]

Value for money and service delivery issues

1.2.4.4 Unauthorized transfer and retention of pension contribution into DDO bank account – Rs 19.977 million

According to Rule 8(b) of the Punjab District Authorities (Accounts) Rules, 2017, the pension fund bank account of local government employees adjusted in erstwhile City District Government and District Government shall be operated by the Chief Executive Officer and Budget and Accounts Officer jointly.

Audit observed that CEO, District Education Authority, Chiniot drew pension contribution amounting Rs 19.977 million from Account-V of DEA and deposited the same into the DDO bank account number 4008643165 during 2020-21 instead of opening and maintaining a separate Pension Fund Account to be jointly operated by the CEO, DEA and Deputy Director Budget & Accounts (B&A). The details are as under:

(Rupees in million)

Sr. No.	Withdrawal Date	Head	Amount
1	28.07.2020	Pension Fund	1.359
2	18.09.2020	Pension Fund	1.359
3	16.11.2020	Pension Fund	2.165
4	01.12.2020	Pension Fund	1.359
5	14.01.2021	Pension Fund	2.083
6	21.01.2021	Pension Fund	1.357
7	29.03.2021	Pension Fund	2.755
8	16.04.2021	Pension Fund	1.397
9	07.05.2021	Pension Fund	6.143
Total			19.977

Due to poor financial management, pension fund was transferred into DDO bank account instead of opening and maintaining separate bank account which resulted in unauthorized withdrawal and retention of funds.

The matter was reported to the PAO/DDO in August, 2021. In DAC meeting held in October, 2021, it was replied that Pension Fund Account of DEA was maintained in Taqwa Islamic Bank, Chiniot which remained closed during

spread of COVID-19 pandemic. Hence, monthly pension was disbursed through the bank account of CEO, DEA Chiniot. However, since June 2021, pension was being paid through separate Pension Fund Account. The reply was not tenable as banks were closed for a short period of time during spread of COVID-19.

DAC directed ADC (F&P) to inquire the matter and submit the detailed report within two weeks. No progress was intimated to Audit till finalization of this Report.

Audit recommends early finalization of inquiry proceedings besides fixing responsibility on the person(s) at fault.

[AIR Para: 01]

1.2.4.5 Non-recovery of proportionate share of Pension Fund and profit realized thereon – Rs 10.626 million

According to Para 4(c) of Government of the Punjab, Finance Department letter No.FD(DG)1-Instructions-Act-13/2016 dated 25.05.2017, the liability of person of the retired and retiring employees of Health and Education Sectors of erstwhile local governments shall be borne by the respective District Authorities. Furthermore, the Pension Fund maintained by the erstwhile District Government shall be apportioned proportionately amongst the District Education Authority, District Health Authority and respective District Council.

Audit observed that Pension Fund was invested in Term Deposit Receipt (TDR) @ 9% profit per annum by the erstwhile District Government, Chiniot which included proportionate share amounting Rs 6.900 of District Education Authority, Chiniot. In violation of above rule, an amount of Rs 10.626 million on account of proportionate share of Pension Fund and profit realized thereon was not retrieved by the District Education Authority, Chiniot till 30.06.2021. The detail is given in the following table:

(Rupees in million)

TDR No. deposited in Bank of Punjab	Date of Deposit of TDR	Account No.	Amount Deposited	No. of Years	Interest @ 9% per Annum	Total Amount
3612	25.05.2015	9670-1	6.900	6	3.726	10.626

Due to non-compliance of Government instructions and laxity on the part of government functionaries, Pension Fund share was not recovered.

The matter was reported to the PAO/DDO in August, 2021. In DAC meeting held in October, 2021, it was replied that efforts were being made for reimbursement of Pension Funds of District Education Authority, Chiniot.

DAC directed Deputy Director (B&A) to take up the matter with Finance Department, Government of the Punjab for early transfer of funds.

Audit recommends concrete efforts for early retrieval of Pension Fund share from the authority concerned.

[AIR Para: 03]

1.2.4.6 Illegal occupation/encroachment over state land – Rs 8.375 million

According to Section 17(6) of the Punjab Local Government Act, 2013, the Chairman and Chief Executive Officer of the Authority (DEA / DHA) shall be personally responsible to ensure that the business of the Authority is conducted proficiently, in accordance with the law, and to promote the objectives of the Authority.

Audit observed that state land measuring 335 Marlas (Rs 25,000 per marla) valuing Rs 8.375 million of Government High School, Pakka Kandiwal, District Chiniot was unlawfully occupied /encroached by land grabbers. However, CEO, DEA, Chiniot did not take appropriate action to get the land vacated from illegal occupants.

Due to weak administrative controls, valuable land was not got vacated from illegal occupants which resulted in misuse of public resources.

The matter was reported to the DDO in August, 2021. In DAC meeting held in October, 2021, it was replied that the case of illegal occupation of state land was under trial in the court of Honourable Civil Judge, Chiniot. The department was vehemently contesting the case.

DAC directed litigation officer to pursue the court case vigorously for vacation of school land.

Audit recommends active perusal of the matter for vacation of land from illegal occupants at the earliest.

[AIR Para: 05]

Others

1.2.4.7 Irregular transfer and utilization of NSB – Rs 196.878 million

According to Para 2.4 of Non-Salary Budget Guidelines for High and Higher Secondary Schools, NSB will be used through District Accounts Office as per prescribed procedure. Furthermore, according to Paras 2.5 & 2.6 of the Guidelines *ibid*, High and Higher Secondary Schools shall submit their detailed head-wise budget in accordance with Chart of Accounts as per circulated total NSB entitlements for inclusion in respective district budget. Head teacher would utilize these funds as DDO after observing relevant rules such as Delegation of Financial Powers, PPRA Rules, Austerity Measures etc. Furthermore, according to the instructions for operation of SDA, no withdrawal from SDAs are permissible as advance withdrawals for en-block transfer of funds in commercial banks.

CEO, DEA, Chiniot transferred NSB amounting Rs 196.878 million during 2016-21 into commercial bank accounts of School Councils (SCs) from the Special Drawing Account (SDA). NSB was transferred into bank accounts of SCs of High / Higher Secondary Schools instead of school wise allocation of funds through Account-V and the DDOs utilized these funds through SCs without head wise allocation and without observing delegation of financial powers. Further, en-block transfer of funds was made to the commercial bank accounts of SCs of primary/elementary schools. The details are as under:

(Rupees in million)

Sr. No.	Formations	Period	Amount
1	CEO, DEA, Chiniot	2020-21	195.338
2	Government High School, Borani	2012-20	1.540
Total			196.878

Due to weak internal controls, prescribed procedure for the utilization of NSB was not observed which resulted in irregular transfer and utilization of funds without pre-audit / without involvement of DAO.

The matter was reported to the DDOs concerned during August and September, 2021. In DAC meeting held in October, 2021, it was replied that funds

were provided by the PMIU along with school wise break up. The practice of utilization of NSB funds involved post audit of vouched account rather than pre-audit. The matter would be taken up with the higher ups for necessary guidelines regarding pre-audit of NSB funds.

DAC directed Deputy Director (B&A) to take up the matter with the Finance Department, Government of the Punjab. No progress was intimated to Audit till finalization of this Report.

Audit recommends to probe the matter besides its regularization from the Competent Authority.

[AIR Paras: 8, 3]

2. District Education Authority (DEA) Faisalabad

CHAPTER 2.1

Public Financial Management Issues

Directorate General Audit, District Governments Punjab (South) Multan conducts Financial Attest Audit of the Accounts of District Education Authority Faisalabad on annual basis. The significant observations emerging from Management Letter as a result of Financial Attest Audit issued to the District Accounts Officer Faisalabad for the financial year 2020-21 have been reported in this chapter.

Analysis of Appropriation Accounts and Financial Statements (Financial Attest Audit 2021-22)

The following findings regarding financial management issues were also conveyed to the PAO during Financial Attest Audit of DEA Faisalabad for the financial year 2020-21.

- i. Non-transfer of receipts – Rs 1,304.779 million
- ii. Unauthorized utilization of Public Account Fund – Rs 1,284.975 million
- iii. Undue favour due to non-recovery of LD charges – Rs 0.937 million
- iv. Non-reporting of Fixed Assets – Rs 64.923 million
- v. Excess Payment of Pay & Allowances – 1.342 million
- vi. Unauthorized approval of budget / schedule of authorized expenditure.

These issues were discussed in the clearing house meeting and commitment to take remedial measures was made by the Accountant General and Finance Department. However, the issues regarding unauthorized approval of budget / schedule of authorized expenditure and non-transfer of receipts have been reported in Auditor's Report of DEA, Faisalabad as Emphasis of the Matter.

2.1.1 Audit Paras

2.1.1.1 Non-transfer of receipts – Rs 1,304.779 million

According to Section 3.3.7.7 of Manual of Accounting Principles (MAP), where an entity acts as an agent the revenues or expenses should not be recorded in the primary books of account other than as a matter of stewardship. For example, an entity collecting taxes will not normally control the future economic benefits embodied in the tax collections and as such would not recognize the taxes as revenues of the entity. The entity may however recognize “taxes collected on behalf of the Government” as subsidiary information on the overall performance of the entity.

During Financial Attest Audit of District Education Authority, Faisalabad for the period 2020-21, it was observed that District Accounts Officer, Faisalabad collected different receipts on behalf of the Federal and Provincial Government against various GL Accounts during 2020-21. Scrutiny of the record revealed that an amount of Rs 1,304.779 million out of the total collected amount was not transferred to the Governments concerned. The detail is as under:

(Rupees in million)

Sr. No.	GL Account	Description	Opening Balance / Previous Year's Receipt	Receipt during the year	Payment made during CFY	Balance not Transferred
1	G06103	General Provident Fund (Civil)	608.963	756.195	369.817	995.341
2	G06215	District Govt. Employee B. F	91.363	225.142	18.542	297.962
3	G06411	District Govt. Employee Insurance Fund	11.500	31.267	31.292	11.476
Total			711.826	1012.604	419.651	1304.779

Booking of liabilities in consolidated fund receipt resulted in overstatement of DEA receipts and non-transfer of receipts resulted in undue creation of liabilities in DEA accounts.

It was replied that the balances under these heads could not be transferred due to insufficient cash balance in Account-V of DEA, Faisalabad

during 2020-21. However, receipts of Rs 226.205 million have been transferred to Punjab Govt. Further, CEO Education is requested to take up matter with Finance Department for additional funds to meet with pending liabilities. The remaining amounts would be transferred immediately as and when the additional funds would be received.

DAC directed DAO to write letter to DEA Faisalabad in the light of Audit meeting to arrange funds for transfer of receipts and report progress to Audit. No progress was intimated to Audit till finalization of this Report.

Audit recommends transfer of receipts to the governments concerned at the earliest.

2.1.1.2 Unauthorized utilization of Public Account Fund – Rs 1,284.975 million

According to Note 14.1 of Financial Statements for the year 2020-21, the Public Account consist of those money received by the Government for which it has a fiduciary duty, but not at liberty to appropriate for the general services of Government, unless provided by legislation. The balance in the public account are carried forwarded at year end, to be used for the specific purpose for which they are established. Further, according to Section 100(3) of Punjab Local Government Act 2013, every local government shall maintain a Public Account to place all revenues received by the local government form the receipts accruing from trusts administered or managed by the local government, refundable deposits received by the local government and deferred liabilities.

During financial attest audit on the accounts of District Education Authority, Faisalabad for the period 2020-21, it was observed that authority's closing cash balance as on 30.06.2021 was Rs 40.197 million, while deferred liabilities (Public Account) balance was 1,325.172 million on same date. Hence, an amount of Rs 1,284.975 million was used from Public Account. The details are given in the following table:

(Rupees in million)

Sr. No.	GL Account	Description	Opening Balance/ Previous Year's Receipt	Receipt during the year	Payment made during CFY	Balance not Transferred	Closing Cash Balance	Shortfall
1	G06103	General Provident Fund (Civil)	608.963	756.195	369.817	995.340		
2	G06215	District Govt. Employee B.F	91.363	225.142	18.542	297.962		
3	G06411	District Govt. Employee Insurance Fund	11.500	31.267	31.292	11.476		
4	G10113	Public Works/Pakistan PWD Deposits	11.867	0	3.680	8.187		
5	G11278	Contribution to GSHF from members	15.896	28.334	32.024	12.207		
Total			739.589	1,040.938	455.355	1325.172	40.197	1,284.975

Non-availability of cash balance to pay outstanding payable amount resulted in unauthorized utilization of public account funds which badly hurts authority's trustworthiness.

It was replied that the balances under these heads could not be transferred due to insufficient cash balance in Account-V of DEA, Faisalabad during 2019-20. In this regard CEO DEA, has been requested to arrange additional funds so that pending amounts may be transferred to Account-I. Audit recommends to fix responsibility for unauthorized utilization of public funds because this practice repeated last two years.

DAC directed DAO, Faisalabad to take up the matter with authority and write letter/reminders for arrangement of cash so that amount may be transferred at the earliest and report progress to Audit.

Audit recommends justification for non-availability of cash balance.

2.1.1.3 Undue favor due to non-recovery of LD charges – Rs 0.937 million

According to Clause 04 of the supply order for the purchase of buses dated 28.05.2020, the supplier will have to ensure supply/ delivery of Buses on free delivery basis within the stipulated period i.e. sixty (60) day.

Chief Executive Officer, (DEA), Faisalabad procured three buses for special educational centers of District Faisalabad at an agreement cost amounting Rs 18.900 million. The buses were to be supplied within 60 days of issuance of the work order. However, the supplier failed to supply the buses within the stipulated period i.e., 27.07.2020. Buses were supplied after 74 days late in violation of above referred clause of the contract. Resultantly, LD charges amounting Rs 0.937 million were not recovered. The detail is as under:

(Rupees in million)

No. of Buses Ordered	PO Date	Time Period Granted (Days)	Due Date of Supply	Actual Supply Date	Delay (Days)	Amount	LD Charges (0.067% per day)
3	28.05.2020	60	27.07.2020	07.10.2020	74	18.900	0.937

Non-deduction of LD Charges resulted in undue favor and excess payment to the contractor and extra burden on financial exchequer of District Authority.

It was replied that according to the Financial Bid of supplier accepted by the procuring agency, the standard force Majeure clauses as recognized by Pakistan's law will be applicable. Due to COVID-19 Pandemic situation, the Government imposes strict lock down. Therefore, the delivery was not made schedule stipulated period i.e. 60 days. The reply was not tenable. Audit stressed to recover to recover the LD Charges at the earliest.

DAC directed DAO to pursue the matter vigorously with DEA, Faisalabad for deduction of LD Charges and report progress to Audit at the earliest.

Audit recommends to probe the matter besides justification for non-recovery of LD charges amounting Rs 0.937 million from the concerned.

2.1.1.4 Non-reporting of Fixed Assets – Rs 64.923 million

According to Section 13.4.1.1 of the APPM, the categories of assets shall include land & building, civil works, plant & machinery, vehicles, furniture & fixtures, office equipment and computer equipment. Further according to Section 13.4.5.2 of the ibid, all DAOs shall prepare a fixed asset report from the fixed asset account on quarterly basis. Furthermore, according to Section 13.4.5.4 of ibid, the AG shall consolidate the above information for including to the annual accounts.

District Accounts Officer, Faisalabad made payments of Rs 64.923 million on behalf of DEA, Faisalabad for procurement of transport, furniture & fixtures, IT equipment and plant & machinery during 2020-21. Contrary to the above referred Section of APPM, the expenditure was not included in statement of Capital Expenditure and assets side of Balance Sheet.

Non-reporting of Fixed Assets in annual accounts resulted in defective maintenance of accounts and assets of the Authority could not be ascertained from the accounts.

It was replied that fixed asset module has not been implemented in system yet. Therefore, the amounts could not be shown as capital expenditure at Asset side in balance sheet. However, the matter would be referred to higher ups in the O/o Accountant General Punjab for necessary guidance. The reply was not tenable because accounts were prepared in violation of APPM rules.

DAC decided the matter would be discussed in clearing house meeting. This issue has been reported in Auditor's Report of DEA, Faisalabad as Emphasis of the Matter.

Audit recommends justification for Non-reporting of Fixed Assets in the annual accounts of the Authority.

2.1.1.5 Excess drawl of pay and allowances – Rs 1.342 million

According to Accountant General Punjab, letter No.PR-C/Pay& ALL/2019-20/2120 dated 25.06.2021, when regular government servants

appointed on contract, pay shall be allowed as initial of pay scale in the light of letter issued by S&GAD vide No.DS(0&M)5-3/2004/Contract(MF) dated 05.04.2013. Further, according to Rule 2.31(a) of Punjab Financial Rules Vol-1, drawer of bill for pay, allowances, contingent and other expenses will be held responsible for any over charges, frauds and misappropriations.

An officer was appointed as Deputy DEO by the School Education Department, Government of the Punjab on contract basis through Punjab Public Service Commission on 5th December, 2014. His pay was not fixed at initial level of pay scale so he drew pay and allowances at excessive rates. Resultantly, amount of Rs 1.342 million was excess paid to officer concerned.

Excess drawl of pay & allowances resulted in overpayment and extra burden on the financial resources of District Education Authority.

It was replied that the payment of these allowances would be stopped and necessary recoveries would also be started before execution of current month's payroll. Audit stressed to provide evidence for recovery made at the earliest.

DAC directed DAO to provide evidences to Audit for recovery effected.

Audit recommends recovery of excess paid amount besides stoppage of further payment at excessive rate.

2.1.1.6 Unauthorized approval of budget / schedule of authorized expenditure

According to Government of the Punjab, LG&CD Department Notification No.SOR(LG)38-5/2014 dated 01.01.2017, District Education Authority was established in each District and Deputy Commissioner of the District was appointed as Administrator of the said Authority w.e.f. 01.01.2017 for a period not more two years.

During Financial Attest Audit on the accounts of District Education Authority Faisalabad, it was observed that DEA was established since

01.01.2017 under PLGA, 2013. Contrary to the above, Deputy Commissioner Faisalabad, continued to hold the office of Administrator of DEA and exercised the powers of the House / Authority beyond lawful tenure of two years that had already been expired on 31.12.2018. Therefore, conduct of business including approval / authentication of budget and incurrence of expenditure amounting to Rs 18,059.732 million during financial year 2020-21 was held irregular. Further, powers of the House / Authority were concentrated in and used by a government servant.

Exercising the powers of the House by the Government Servant resulted in poor performance, unauthorized utilization of public resources and unlawful conduct of business of DEA.

It was replied that para relates to District Education Authority Faisalabad and the matter has been taken up CEO DEA vide this office letter No.DAO/FSD/ADMN/868 dated 02.10.2021. Hence, the para may please be referred to CEO District Education Authority. The reply was not tenable because budget was approved by the Deputy Commissioner without any legal authority and payments were also made by the District Accounts Officer without approval of budget by the authorized person.

DAC directed DAO to take up the matter with CEO DEA, AG Punjab and Secretary Finance besides regularization of the matter. This issue has been reported in Auditor's Report of DEA, Faisalabad as Emphasis of the Matter.

Audit recommends regularization of the matter from the Competent Authority.

CHAPTER 2.2

DEA Faisalabad

2.2.1 Introduction

A. District Education Authority (DEA) Faisalabad was established on 01.01.2017 under Punjab Local Government Act 2013. DEA, Faisalabad 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.

Chief Executive Officer (CEO) is the Principal Accounting Officer (PAO) of the DEA, Faisalabad and is responsible to the Public Accounts Committee of the Provincial Assembly. He is responsible to ensure that the business of the DEA is carried out in accordance with the laws and to coordinate the activities of the groups of offices for coherent, effective and efficient functioning of DEA, Faisalabad.

The functions of DEA, Faisalabad as described in the Punjab Local Government Act, 2013 are to:

- i. establish, manage and supervise the primary, elementary, secondary and higher secondary schools as well as adult literacy & non-formal basic education / special education institutions of the Government in the District;
- ii. implement Government policies and directions including achievement of key performance indicators set by the Government for education;
- iii. ensure free and compulsory education for children of age five to sixteen years as required under Article 25-A of the Constitution;
- iv. ensure teaching, infrastructure, student safety & hygiene and minimum education standards for quality education;
- v. undertake student assessment and examinations, ranking of schools, promotion of co-curricular activities, award of scholarships and conduct of science fairs in Government and private schools;
- vi. approve the budget of the Authority and allocate funds to educational institutions;

- vii. 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;
- viii. constitute school management councils which may monitor academic activities;
- ix. plan and finance maintenance of school, support enrollment and retention, arrange donation and finances, plan development and perform any other function assigned by the Government, a Commission or a body established by law in the prescribed manner.

DEA, Faisalabad manages various administrative offices and educational institutes as given in the following table:

Table-1: Administrative Offices and Educational Institutes

Description	No. of Offices / Educational Institutes
Chief Executive Officer (DEA)	01
District Education Officer (Secondary Education)	01
District Education Officer (EE-M)	01
District Education Officer (EE-W)	01
District Education Officer (Literacy)	01
District Education Officer (Special Education)	01
Deputy District Education Officer (Secondary Education)	03
Deputy DEOs (EE-M)	06
Deputy DEOs (EE-W)	06
Higher Secondary Schools (Boys & Girls)	63
High Schools (Boys & Girls)	531
Special Education Schools / Centers	17
Elementary Schools	434
Primary Schools	1,181
Total	2,247

(*Source: Data received from CEO (DEA) Faisalabad)

The detail of total and audited formations of DEA, Faisalabad is provided in the table given on the following page.

Table-2: Audit Profile of DEA, Faisalabad

(Rupees in million)

Sr. No.	Description	Total Nos.	Audited	Expenditure Audited FY 2020-21	Revenue / Receipts Audited FY 2020-21
1	Formations	632	05	2,086.952	-
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities/Autonomous Bodies etc. under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

B. Comments on Budget and Accounts (Variance Analysis)

The detail of budget and expenditure of DEA, Faisalabad for the financial year 2020-21 is given in the following table:

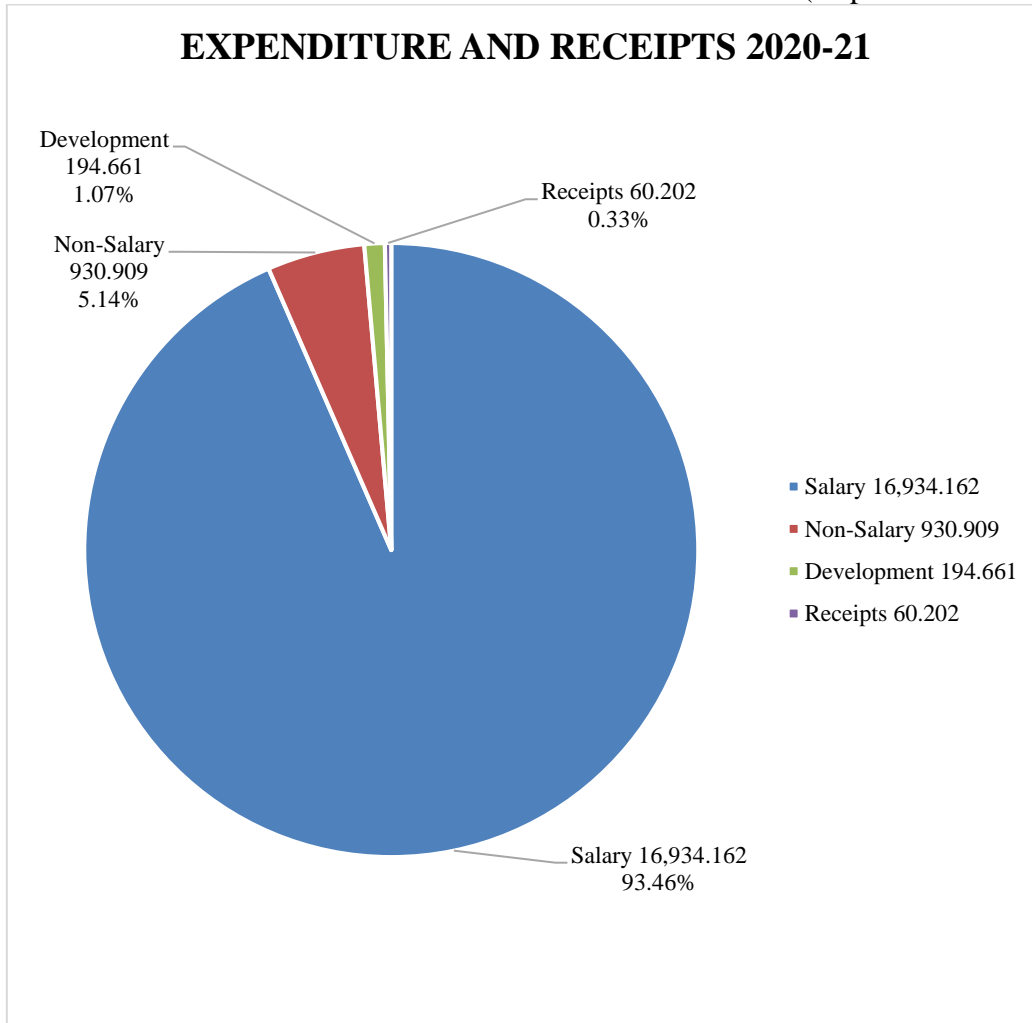
Table-3: Budget and Expenditure

(Rupees in million)

2020-21	Budget	Actual	Excess (+) / Lapse (-)	Lapse (Per Cent)
Salary	22,320.964	16,934.162	-5,386.802	24%
Non-Salary	1,405.379	930.909	-474.470	34%
Development	1307.735	194.661	-1,113.074	85%
Total	25,034.078	18,059.732	-6,974.346	28%
Receipts	-	60.202	-	-

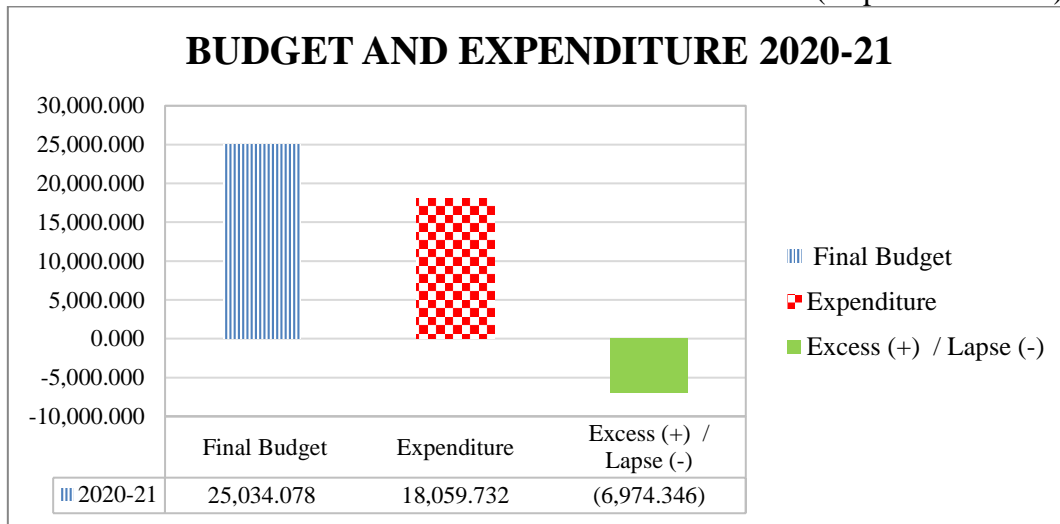
(Source: Appropriation Accounts 2020-21)

(Rupees in million)



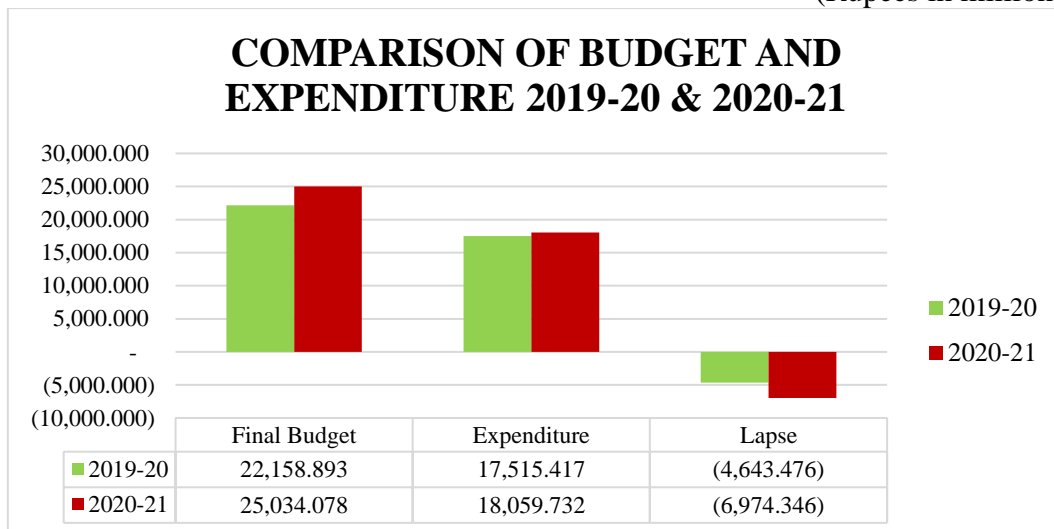
As per the Appropriation Accounts for financial year 2020-21 of District Education Authority Faisalabad, final budget (Development and Non-Development) was Rs 25,034.078 million against which total expenditure of Rs 18,059.732 million was incurred by District Education Authority during financial year 2020-21.

(Rupees in million)



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

(Rupees in million)



There was 11% increase in budget allocation and 3% increase in expenditure in financial year 2020-21 as compared to financial year 2019-20, while there was overall lapse of Rs 6,974.346 million during 2020-21.

C. Sectoral Analysis

i. Analysis of Financial Resources

Lapse of funds (as reflected in Table-3 above) equivalent to 24%, 34% and 85% of the budgeted amount against salary, non-salary and development heads respectively reflect poor financial management. especially considering that the DEA failed to achieve many of its core indicators and infrastructure targets during the year. Available funds to the tune of Rs 6,974.346 million were not utilized to help achieve the targets. The same resulted in depriving the students / populace from necessary facilities, such as provision of furniture & fixture, laboratory equipment and civil work.

ii. Status regarding provision of basic facilities in educational institutions

Key performance indicators were not achieved regarding provision of missing facilities in the schools such as boundary walls, toilet blocks, electricity and drinking water. Furthermore, students were also facing shortage of basic facilities including student furniture and classrooms. Quality of education was compromised due to non-availability of basic facilities to the students which also created hindrance towards educational outcomes. The detail of missing facilities is as under:

	Description	Numbers
Status of Missing Facilities	No. of schools without Boundary Walls	21
	No. of schools without Toilet Block	2
	No. of schools without Electricity	3
	No. of schools without Facility of Drinking Water	28
Shortage of Basic Facilities	No. of students for whom furniture is not available	3,666
	No. of schools facing shortage of Classrooms	1,144
	No. of class rooms required	3,281

iii. Service Delivery Issues

From the Data analysis of DEA, Faisalabad following service delivery issues were observed:

- i) CEO, DEA failed to devise effective monitoring mechanism to attract out of school children to improve student enrollment. Scrutiny of previous four years' data depicted that student enrollment was not in accordance with population annual growth rate in year 2019-20 and 2020-21.
- ii) Audit observed that there was acute shortage of basic facilities including class rooms, toilet blocks furniture etc. Schools without boundary wall/missing portions of boundary walls, dangerous building/classrooms, also exist in district Faisalabad.
- iii) Four development schemes were not completed by the executing agency till June, 2021 and work costing Rs 10.994 million remained incomplete.
- iv) NSB funds were not fully utilized by the School Councils and the same were utilized without pre-audit of expenditure from DAO Faisalabad.
- v) The Chief Executive Officer, DEA could not increase working strength of teaching staff. Recruitment of teaching staff was not made during 2019-21.
- vi) CEO, DEA failed to ensure teaching standards, student safety/hygiene standards and minimum education standards for quality education. Audit observed that 14 schools were running single classrooms and 15 schools have only one teacher posted in school within the jurisdiction of DEA, Faisalabad.
- vii) Teacher trainings were not conducted by the DEA for capacity building of staff to perform and impart knowledge according to modern education techniques. Further, learning intentions & success criteria for secondary school students were not prepared with reference to modern IT techniques.

iv. Expectation Analysis and Remedial Measures

DEA, Faisalabad did not achieve its overall targets regarding provision of missing facilities in the schools such as boundary walls, toilet blocks, electricity and drinking water. Moreover, students were also facing shortage of basic facilities including student furniture and classrooms. Quality of education was compromised due to non-availability of basic facilities to the students which also created hindrance towards educational outcomes. DEA could not utilize 85% funds of development budget to overcome these hindrances. Further, overall financial

management regarding achievement of budget utilization was not satisfactory as 24% of salary and 34% of Non-salary budget was lapsed.

Suggestions / Remedial Measures

- i) Strengthening of the regulatory framework, following the rules e.g. PPRA rules for purchasing, adhering to the rules of propriety and probity in use of development and Non-Development funds must be ensured. This can be checked by holding accountable those who are responsible for such irregularities at appropriate forums.
- ii) Concrete efforts should be made to ensure early provision of basic facilities in the Government schools.
- iii) Shortage of teaching staff at different levels should be overcome.
- iv) Efforts should be made for expediting the realization of recovery of overpayments.
- v) Establishment of internal control system and proper implementation of the monitoring system should be ensured.
- vi) Budget should be rationalized with respect to utilization.

2.2.2 Classified Summary of Audit Observations

Audit observations amounting Rs 1,666.615 million were raised as a result of this audit. This amount also includes recoverable of Rs 24.306 million as pointed out by Audit. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	12.256
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Procedural Irregularities	4.217
A	HR/Employees related irregularities	3.217
B	Procurement related irregularities	35.384
C	Management of Accounts with Commercial Banks	887.101

Sr. No.	Classification	Amount
4	Values for money and service delivery issues	724.440
5	Others	12.256
	Total	1,666.615

2.2.3 Comments on the Status of Compliance with PAC Directives

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

Status of Previous Audit Reports

Sr. No.	Audit Year	No. of Paras	Status of PAC Meetings
1	2017-18	15	PAC not constituted
2	2018-19	31	PAC not constituted
3	2019-20	36	PAC not constituted
4	2020-21	18	PAC not constituted

2.2.4 Audit Paras

Fraud / misappropriations

2.2.4.1 Fraudulent withdrawal of salaries through bogus appointment of teachers – Rs 12.150 million

According to Rule 2.33 of the 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, and that he will also be held personally responsible for any loss, arising from fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he contributed to the loss by his own action or negligence. Further, according to Rule 9(b) of the Punjab District Authorities (Accounts) Rules, 2017, the DDO and payee of the pay, allowances, contingent expenditure or any other expenses shall be personally responsible for overpayment, fraud or misappropriation and shall be liable to make good that loss.

CEO, DEA, Faisalabad made payment of pay and allowances amounting Rs 12.150 million to 05 bogus teachers employed on fake appointment letters during July, 2015 to September, 2019. The lapse occurred despite issuance of letter No.1245 dated 23.02.2015 by District Education Officer (W-EE) Faisalabad in which it was mentioned that 22 SESEs and ESEs were appointed through bogus appointment letters during 2014, as detailed below:

(Rupees in million)

Sr. No.	Personnel No.	Name of Bogus Appointee	Designation	Period of Salary	Amount
1	31698161	Samia Sarfraz	ESE	07/2015 to 02/2016	0.566
2	31698547	Shamim Akhtar	SESE	07/2015 to 09/2019	10.747
3	31698555	Samana Yaseen	SESE		
4	31698576	Zubaida Nazir	SESE		
5	31698157	Sana Rafique	SESE	07/2015 to 07/2017	0.837
Total					12.150

Due to poor financial management, the pay and allowances amounting Rs 12.150 million were allowed to be withdrawn despite known bogus appointment of teachers.

The matter was reported to the DDOs concerned in August and September, 2021. In DAC meeting held in December, 2021 the CEO, DEA replied that matter was probed by the committee constituted by the then District Coordination Officer, Faisalabad. Contract appointment agreement letters of 22 educators were found fake/bogus and FIR was lodged by the District Coordination Officer, Faisalabad with the Anti-Corruption Establishment, Faisalabad against the fake/bogus educators as well as their alleged facilitators. A report in this regard was also submitted to Government of the Punjab, School Education Department, Lahore with the recommendation to initiate disciplinary proceedings against 53 officers/officials found involved in this forgery. A regular inquiry under PEEDA, 2006 is under process against the accused officers/officials. Audit stressed on pursuance of case vigorously.

DAC directed the CEO, DEA to pursue the matter vigorously. No progress was intimated to Audit till finalization of this Report.

Audit recommends to probe the matter and initiate action against the culprits for recovery of loss and lodging FIR against the persons responsible for bogus appointment.

[AIR Para: 02]

2.2.4.2 Misappropriation of Government revenue by fictitious Tax CPRs – Rs 0.106 million

Section 153(1) of the Income Tax Ordinance, 2001, requires deduction of withholding tax by withholding agents, whereas Section 2(2) of Sales Tax Special Procedure (Withholding) Rules, 2007, lays down procedure of deposit of 1/5th of total deductible Sales Tax by withholding agents and balance amount by the vendors.

Principal, Government High School, 229/RB, District Faisalabad made payment of Rs 0.577 million to Madni Traders during 2017-18 out of Non Salary Budget (NSB) without deduction of amount of tax Rs 0.106 million. Further, the vendors provided bogus Computerized Payment Receipts (CPRs) of deposited

Income Tax and copy of Sales Tax return, which could not be verified from the website of the Federal Board of Revenue.

Due to negligence on the part of DDO, payment was made without deduction of taxes and bogus CPRs / Tax Returns were used which resulted in misappropriation of Government revenue amounting Rs 0.106 million.

The matter was reported to the DDO in September, 2021. In DAC meeting held in December, 2021, it was responded that the then Principal had been informed through registered post and detailed reply would be submitted after receiving his response. Audit stressed to probe the matter.

DAC directed the CEO, DEA to probe and effect recovery. No progress was intimated to Audit till finalization of this Report.

Audit recommends to probe into the matter besides recovery and fixing responsibility on the person(s) at fault.

[AIR Para: 07]

Procedural irregularities

2.2.4.3 Unauthorized withdrawal and retention of funds in DDO bank account – Rs 35.384 million

According to Rule 2.10(3) and 2.10(5) of PFR Vol-1, all inevitable payments are ascertained and liquidated at the earliest possible date and no money would be withdrawn from the treasury unless it is required for immediate disbursement or has already been paid out of the permanent advance. Furthermore, according to Para 2(II) of Government of the Punjab, Finance Department letter No.FD.SO(GOODS) 44-4/2016 dated 09.08.2019, unnecessary parking of public funds provided by the Provincial Government from its budgetary allocation in the commercial bank account of Companies, Authorities, Autonomous Bodies etc. shall not be allowed.

CEO, DEA, Faisalabad maintained commercial bank account bearing Account No.ICD-5010028866700065 for receipt and transfer of NSB to School Councils of various schools. Audit observed that an amount of Rs 35.384 million was transferred by CEO, DEA into a number of schools accounts as NSB funds but the same got credited back into the above account for want of an active account. These funds remained unauthorizedly in above bank account till 30.06.2021.

Due to poor financial management, funds were drawn from the Government treasury excess than requirement for immediate disbursement.

The matter was reported to the DDOs concerned in August, 2021. In DAC meeting held in December, 2021, CEO, DEA replied that verification of NSB Accounts of Schools is under process. The amount will be transferred to schools after completion of verification process. Audit stressed on regularization of matter from the Competent Authority besides disbursement of funds at the earliest.

DAC directed the CEO to get the expenditure regularized from the Competent Authority besides utilization of fund at the earliest under report to Audit. No progress was intimated to Audit till finalization of this Report.

Audit recommends to probe the matter besides fixing responsibility on the person(s) at fault and regularization of the matter from the Competent Authority.

[AIR Paras: 8, 9, 4, 5]

2.2.4.4 Unauthorized payment of pay and allowances without entitlement – Rs 4.217 million

According to Government of the Punjab, Services & General Administration Department Letter No.(O&M)S&GAD)5-3/2013 dated 01.03.2013 read with letter of even No. dated 19.08.2013, the contract employees will not be entitled for Social Security Benefit (SSB) after regularization of their services and their pay shall be fixed at the initial of the respective pay scales & the increment(s) already earned shall be converted into Personal Allowance. Furthermore, according to Rule 2.31(a) of the Punjab Financial Rules, Vol-1, drawer of bill for pay, allowances, contingent and other expenses will be held responsible for any over charges, frauds and misappropriations

Audit observed that two DDOs of DEA, Faisalabad made excess payment of pay and allowances amounting Rs 4.217 million during 2011-21 to 144 employees due to payment of pay and allowances during absent period / after regularization and payment on account of inadmissible Personal Allowance. The details are as under:

(Rupees in million)

Sr. No.	Name of DDO/Office	Description	No. of Employees	Financial Year(s)	Amount
1	CEO, DEA, Faisalabad	Non-recovery of SSB after regularization of services	6	2013-21	1.750
		Payment of inadmissible / irrelevant allowances to employees	130	2020-21	1.746
		Non-recovery of pay & allowances during absent period	2	2020-21	0.387
2	Principal Government Higher Secondary School, Satiana	Unauthorized payment of Personal Allowance	5	2011-21	0.219
		Non-recovery of overpayment after regularization of services	1	2011-16	0.115
Total			144		4.217

Due to poor financial management, payment of inadmissible pay and allowances was made which resulted in excess payment to the employees concerned.

The matter was reported to the DDOs concerned in August and September, 2021. In DAC meeting held in December, 2021 it was replied that DAO has been requested to effect recovery of overpayment.

DAC directed the DDOs to effect recovery within two weeks. No progress was intimated to Audit till finalization of this Report.

Audit recommends recovery of excess paid amount of Rs 4.217 million at the earliest from the employees concerned.

[AIR Paras: 14, 17, 12, 3, 12]

2.2.4.5 Irregular assigning of additional charge and DDO Powers – Rs 3.217 million

According to Rule 3(7) of the Punjab District Authorities (Delegation of Financial Powers) Rules 2017, the powers delegated under these rules shall not be further delegated, Furthermore, according to Para 2 of Government of the Punjab, Finance Department letter No.FD.SR-I/9-46/2015 dated 26.09.2016, additional charge may not be assigned to an officer for the second spell of three months without prior consultation with the Finance Department.

CEO, DEA, Faisalabad assigned the additional charge of the post of Principal / Headmaster of the three schools along with DDO powers without prior approval from Finance Department on completion of 1st spell of three months. Irregular expenditure of Rs 3.217 million was incurred during tenure of irregular additional charge and unauthorized DDO powers. The details are as under:

(Rupees in million)

Sr. No.	Post against which Additional Charge and DDO Powers were Assigned	Duration	Amount
1	Principal, Government High School Jaranwala	25.02.2020 to 30.06.2021	0.970
2	Headmaster, Government High School 229/RB	01.11.2013 to 20.08.15 & 02.04.2019 to 08.10.2019	1.583
3	Headmaster, Government High School Chak Jhumra	01.11.2020 to 30.06.2021	0.664
Total			3.217

Due to weak internal controls, period of additional charge was extended without prior approval from Finance Department and unauthorized DDO powers were delegated.

The matter was reported to the DDOs concerned in August, 2021. In DAC meeting held in December, 2021 DDO of GHS, Jaranwala replied that he did not know that the additional charge requires approval of the Government of Punjab, Finance Department after the expiry of each spell of 90 days. DDO of GHS, 229/RB replied that additional charge and DDO power were assigned by the higher authority. The replies were not tenable as additional charge was held beyond three months without prior approval of Finance Department and DDO powers were used in violation of rules.

DAC directed the DDOs concerned to get the matter regularized from the Competent Authority besides fixing responsibility on the person(s) at fault. No progress was intimated to Audit till finalization of this Report.

Audit recommends regularization of expenditure from the Competent Authority.

[AIR Paras: 2, 9, 5]

Value for money and service delivery issues

2.2.4.6 Expenditure on pension payment without creation of Pension Fund – Rs 573.020 million

According to Rule 6 of the Punjab District Authorities (Budget) Rules, 2017, the Budget and Accounts Officer shall be responsible to maintain Pension Fund for the Government employees of Education or Health sectors adjusted in the District Authority.

CEO, DEA, Faisalabad transferred funds amounting Rs 573.020 million under GL Accounts “A05270” & “A04110” to Pension Payment Bank Account of Local Government employees during 2020-21. The said amount comprised Pension Contribution of Ex-Local Fund Employees amounting Rs 163.495 million and transfer of funds from PFC share of DEA amounting Rs 409.525 million. Contrary to the above provisions, funds were transferred and pension payments were made without creation of Pension Fund as required by the Law.

Due to financial mismanagement and weak internal controls, pension fund was not created which resulted in extra financial burden on DEA, Faisalabad.

The matter was reported to the PAO/DDO in September, 2021. In DAC meeting held in December, 2021, it was replied that pension Account was opened in the Bank of Punjab as per policy of Government of the Punjab and all the payment of pension was made either through contribution or drawl of extra money from Account-V of District Education Authority Faisalabad. The reply was not tenable as funds were transferred and pension payments were made without creation of Pension Fund as required under the Law.

DAC directed the CEO, DEA to comply with the requirements of law regarding creation of Pension Fund besides regularization of the matter from the Competent Authority. No progress was intimated to Audit till finalization of this Report.

Audit recommends creation of requisite Pension Fund besides regularization of the matter from the Competent Authority.

[AIR Para: 16]

2.2.4.7 Irregular utilization of DFID Program funds – Rs 180.449 million

According to Government of the Punjab, Finance Department letter No.FD.SO(GOODS)44-4/2016 dated 09.08.2019, unnecessary parking of public funds provided by the Provincial Government from its budgetary allocation in the commercial bank account of Companies, Authorities, Autonomous Bodies etc. shall not be allowed. Finance Department will release funds to such entities in relevant SDAs or through normal release mode but the further transfer of funds into commercial bank accounts of such entities would be made as per cash flow requirements to avoid un-necessary parking of funds.

School Education Department issued different cheques of SDA amounting Rs 180.449 million in favour of CEO, DEA, Faisalabad for onward transfer to various School Councils (SCs) for development works under DFID Program during 2020-21. However, following discrepancies were observed in funds utilization and transfer to SCs:

- i. Funds were utilized through SDA and transferred to the commercial bank accounts of various SCs through CEO, DEA Faisalabad and the same were utilized without pre-audit of expenditure by the DAO Faisalabad in violation of financial rules, instruction of Finance Department and terms and conditions of operation of SDA;
- ii. Procurement process including competitive bidding, tendering, scrutiny of financial and technical bids, execution agreement with firms etc. was done jointly by PMIU of School Education Department, Lahore and CEO, DEA, Faisalabad. Thereafter, SCs were directed to make procurement from the finalized firms; and
- iii. Audit trail could not be established due to non-availability of record at one level and parking of record at different tiers / offices.

Due to poor financial management and weak monitoring mechanism, funds were utilized/transferred in violation of rules and instructions of the Government which resulted in unauthentic expenditure.

The matter was reported to the PAO in September, 2021. In DAC meeting held in December, 2021, it was replied that funds were drawn and transferred to the respective School Councils as per instructions issued by the Secretary, School, Education Department, Lahore vide letter No.SO(ADP-II)7-167/2017(Vol-V), dated 11.08.2020. The Provincial Cabinet had approved the disbursement / utilization of funds through the School Councils which was also the requirement of the donor agency. Further all the relevant records have been maintained by the School Councils concerned. Audit stressed on arranging complete record and production of the same to Audit for further scrutiny.

DAC directed CEO, DEA to arrange relevant record from Schools Councils concerned within two weeks for audit scrutiny. No progress was intimated to Audit till finalization of this Report.

Audit recommends to probe the matter besides regularization of expenditure from the Competent Authority.

[AIR Para: 5]

2.2.4.8 Irregular expenditure without observing prescribed procedure – Rs 109.138 million

Sections 3, 6, 9 to 12, 16 & 17 of the Punjab Seized and Freezed Institutions (Madaaris and Schools) Act, 2019, require constitution of Madaaris and Schools Management Board and lay down procedure for management & control of Seezed and Freezed Institution including acquiring/disposal/management of properties, budgeting, recruitment of employees, maintenance of books of accounts in prescribed manner and submission of statements of estimated receipts & expenditure in respect of the next financial year to the Government for approval.

CEO, DEA Faisalabad utilized funds amounting Rs 109.138 million during 2020-21 for management / fulfillment of financial needs of taken over properties (Madaaris) of proscribed organization JUD/FIF. However, the funds were utilized for payment of salaries of the staff and contingent expenditure of the JUD/FIF institutions without observing the provisions of the Act; as detailed below:

- i. Funds were utilized without establishing Madaaris & Schools Management Board and Directorate.
- ii. Rules, regulations, TORs, instructions, guidelines etc. regarding utilization of these funds were not forthcoming from record.
- iii. Funds were provided and utilized without formulation and approval of annual budget estimates of the institutions, laying down the procedure for the conduct of its business, forms and registers for keeping the accounts and annual financial statements were also not provided for audit scrutiny.
- iv. Expenditure on salaries and wages of staff was incurred without any authentication/ identification of detail of employees, their terms of appointment/service, salary structure etc.
- v. Record regarding delegation of administrative and financial powers were also not available in record and fund were disbursed without framing rules regarding procurement of goods and services etc. Contingent expenditure was incurred without authentic details and record i.e. payment vouchers, bills of vendors / service providers, sanction of competent authority etc.
- vi. Detail of properties, movable or immovable, owned by these institutes was also not available in record. Record regarding collection of fees and other sums received by the institutions was also not maintained.
- vii. Funds were transferred from SDA without pre-audit.

Due to poor financial management and weak administrative controls, funds were utilized without framing rules, regulations, maintenance of record mandate and authenticity so legitimacy of the expenditure could not be ascertained.

The matter was reported to the PAO in September, 2021. In DAC meeting held in December, 2021, it was replied that the funds pertained to Provincial Government which were transferred to joint SDA of Deputy Commissioner Faisalabad and CEO/DEA Faisalabad for further transfer to different proscribed institutions. Further, establishment of Madaaris Board, budgeting and record to fund utilization is the responsibility of Provincial

Government and institutes concerned. CEO, DEA complied with all necessary formalities according to its mandate. The necessary record has already been provided at the time of audit and other requisite record by the audit may be provided for verification. Audit stressed on consulting higher authority for production of supporting record for further scrutiny.

DAC directed the CEO, DEA to consult relevant higher authority for production of relevant record to Audit for further scrutiny. No progress was intimated to Audit till finalization of this Report.

Audit recommends to probe the matter besides regularization of expenditure from the Competent Authority.

[AIR Para: 3]

2.2.4.9 Non-accounting for the unspent balance of development schemes – Rs 18.246 million

According to Government of the Punjab, School Education Department Letter No.SO(ADP)Review-418/420/2017-18 dated 24.02.2017, unspent funds, if any, on completion of a scheme, may be retrieved, for accounting/ audit purpose.

Executive Engineer Buildings Division-I, Faisalabad executed 15 development schemes of Provincial ADP as deposit works pertaining to District Education Authority, Faisalabad during 2019-20. However, at close of financial year the executing agency returned unspent balance of Rs 29.051 million to CEO, DEA against these 15 schemes on 22.06.2020. CEO, DEA reauthorized/transferred funds amounting Rs 10.805 million against 5 non-completed schemes out of 15 schemes in March, 2021. Contrary to the above provisions, the remaining funds amounting Rs 18.246 million were not accounted for in books of accounts and same were not reflected in Annual Accounts of DEA for the FY 2020-21.

Due to weak financial management, funds were not accounted for in books of accounts which resulted in improper accounting and non-safeguarding the DEAs' financial resources pertaining to development funds.

The matter was reported to the PAO/DDO in September, 2021. In DAC meeting held in December, 2021, it was replied that executing agency did not demand for re-allocation / release of funds amounting Rs 18.246 million against remaining 10 Development Schemes and the same would be re-allocated / released on their demand. Audit recommends to produce reconciliation statement and accounts for the unspent balance.

DAC directed Budget and Accounts Officer to utilization statement duly reconciled with executing agency besides accounting for unspent balances. No progress was intimated to Audit till finalization of this Report.

Audit recommends to probe the matter besides proper accounting for the unspent balances to avoid unauthorized utilization of development funds.

[AIR Para: 6]

2.2.4.10 Irregular transfer of development funds and non-retrieval of unspent balance – Rs 6.248 million

According to Government of the Punjab, School Education Department Letter No.SO(ADP)Review-418/420/2017-18 dated 24.02.2017, unspent funds, if any, on completion of a scheme, may be retrieved, for accounting/ audit purpose. No adjustments of savings against a scheme may be left for utilization on another scheme of the DEA, under execution with the Executive Engineer (XEN) concerned. Final statement of expenditure against each scheme, on its completion, may be obtained duly verified by the XEN and Divisional Accounts Officer. Furthermore, according to Rule 41 of the Punjab District Authorities (Accounts) Rules, 2017, no payment for works shall be made unless administrative approval has been obtained and technical sanction of a detailed design and estimates has been accorded. The head of respective offices shall ensure that the claims submitted for payment are valid claims for the works actually executed at site in accordance with the specification and agreed quantity/quality and entered in the relevant books of accounts.

During 2020-21, CEO, DEA, Faisalabad got executed 28 development schemes as deposit work from Executive Engineers Buildings Divisions-I&II,

Faisalabad and transferred funds amounting Rs 114.155 million. However, the following discrepancies were observed in transfer and utilization of funds:

- i. Funds were transferred to executing agency without considering the cost of technically sanctioned estimates of works and the same were released as per estimated cost of administrative approvals of schemes based on rough cost estimates of works;
- ii. Scheme wise release of funds and their utilization reported by executing agency were not got reconciled with reference to funds transferred and actual expenditure incurred on schemes at close of the financial year. Moreover, final statement of expenditure against each scheme, on its completion, duly verified by the XEN and Divisional Accounts Officer was not forthcoming from the record.
- iii. The comparative analysis of scheme wise funds released by DEA, utilization reported by XEN Building and work orders cost indicated excess transfer of funds of Rs 6.248 million against 27 schemes during 2020-21.

Due to poor financial management and weak monitoring mechanism, excess funds released than the actual cost of the works were not retrieved from the XEN Buildings Divisions which resulted in unauthorized retention of funds of DEA by the executing agencies concerned.

The matter was reported to the DDO in September, 2021. In DAC meeting held in December, 2021, it was replied that the funds were released as Deposit Work with the approval of the Deputy Commissioner / Administrator, of DEA, Faisalabad. However, executing agency is responsible for utilization of funds as per TS cost of approved Development Schemes. Audit stressed to produce supporting record along with reconciliation statement for further scrutiny.

DAC directed the CEO, DEA to produce supporting record along with reconciliation statement to Audit within two weeks. No progress was intimated to Audit till finalization of this Report.

Audit recommends to probe the matter for retrieval of unspent balance besides regularization of matter from the Competent Authority.

[AIR Para: 3]

2.2.4.11 Non-constituting of District Education Authority and unlawful conduct of business

According to Sections 17, 30 and 93 of the Punjab Local Government Act 2013, the Government shall, by notification in the official Gazette, separately establish and determine the composition of District Education Authority for each District. The Authority shall consist of such number of indirectly elected members from the local governments and nominated technocrat members. The members of an Authority shall be elected by the local governments in the district, other than the Union Councils, from amongst their respective members in the prescribed manner. The Government shall appoint the Chairman and the Vice Chairman of an Authority and they shall serve during the pleasure of the Government. Furthermore, according to Government of the Punjab, LG&CD Department Notification No.SOR(LG)38-5/2014 dated 01.01.2017, District Education Authority was established in each District and Deputy Commissioner of the District was appointed as Administrator of the said Authority w.e.f. 01.01.2017 for a period not more than two years.

During audit of DEA, Faisalabad for the FY 2020-21, it was observed that DEA Faisalabad was established since 01.01.2017 under PLGA, 2013. However, following discrepancies were observed in establishment of District Education Authority and conduct of its business:

- i. Government of the Punjab did not constitute DEA despite issuing composition notification. Further, Chairman and Vice Chairman were not appointed by the Government as required under PLGA, 2013;
- ii. In violation of rules, Deputy Commissioner, Faisalabad continued to hold the office of Administrator of DEA Faisalabad and exercised the powers of the Authority beyond lawful tenure of 2 years which expired on 31.12.2018. Therefore, conduct of business including approval/ authentication of revised budget amounting to 21,339.273

million and incurrence of expenditure during financial year 2020-21 was held irregular.

Due to violation of Law, DEA Faisalabad was not constituted and existing management represented a poor performance which resulted in unlawful conduct of business of DEA.

The matter was reported to the PAO in September, 2021. In DAC meeting held in December, 2021, it was replied that establishment of District Education Authority was the preview of Govt. of the Punjab. Deputy Commissioner, Faisalabad exercised the powers of the Authority as Administrator of DEA, Faisalabad. The reply was not tenable as the provisions of Punjab Local Government Act, 2013 were not followed.

DAC directed the CEO, DEA to get the matter regularized from the Competent Authority. No progress was intimated to Audit till finalization of this Report.

Audit recommends to probe the matter besides regularization of expenditure from the Competent Authority.

[AIR Para: 1]

Others

2.2.4.12 Irregular transfer and utilization of NSB – Rs 722.855 million

According to Para 2.4 of Non-Salary Budget Guidelines for High and Higher Secondary Schools, NSB will be used through District Accounts Office as per prescribed procedure. Furthermore, according to Paras 2.5 & 2.6 of the Guidelines *ibid*, High and Higher Secondary Schools shall submit their detailed head-wise budget in accordance with Chart of Accounts as per circulated total NSB entitlements for inclusion in respective district budget. Head teacher would utilize these funds as DDO after observing relevant rules such as Delegation of Financial Powers, PPRA Rules, Austerity Measures etc. Furthermore, according to the instructions for operation of SDA, no withdrawal from SDAs are permissible as advance withdrawals for en-block transfer of funds in commercial banks.

CEO, DEA, Faisalabad transferred NSB amounting Rs 722.855 million during 2015-21 into commercial bank accounts of School Councils (SCs) from the SDA. NSB was transferred into bank accounts of SCs of High / Higher Secondary Schools instead of school wise allocation of funds through Account-V and the DDOs utilized these funds through SCs without head wise allocation and without observing delegation of financial powers. Further, en-block transfer of funds was made to the commercial bank accounts of SCs of primary/elementary schools. The details are as under:

(Rupees in million)

Sr. No.	Name of DDO	Description	Amount
1	CEO, DEA, Faisalabad	Utilization of NSB without pre-audit and non-submission of vouched accounts	712.226
2	Headmaster, Government High School, 229/RB	Irregular transfer and utilization of NSB through local/ commercial bank without involvement of DAO	8.221
3	Headmaster, Government High School, Chak Jhumra	Irregular transfer and utilization of NSB through local/ commercial bank without involvement of DAO	1.850
		Payment of salaries of 2 nd Shift staff from NSB without receipt of additional funds from PMIU	0.558
Total			722.855

Due to poor financial management, prescribed procedure for the utilization of NSB was not observed which resulted in irregular transfer and utilization of funds without pre-audit / without involvement of DAO.

The matter was reported to the DDOs concerned in August and September, 2021. In DAC meeting held in December, 2021, it was replied that NSB funds pertained to Account-I of Provincial Government of the Punjab. This office only plays the role of funds transferring agency between Provincial Government and Schools concerned. This mechanism of funds release /transfer and utilization is devised by the Provincial Government according to SDA operation policy, hence, being the policy matter the issue pertained to Provincial Government. The reply was not tenable as funds were drawn without pre-audit.

DAC directed the CEO, DEA to get the expenditure regularized from the Competent Authority. No progress was intimated to Audit till finalization of this Report.

Audit recommends to probe the matter besides its regularization from the Competent Authority.

[AIR Paras: 10, 1, 1, 3]

2.2.4.13 Excess payment due to non-deduction of taxes – Rs 1.585 million

Section 153(1) of the Income Tax Ordinance, 2001, requires deduction of withholding tax by withholding agents, whereas Section 2(2) of Sales Tax Special Procedure (Withholding) Rules, 2007, lays down procedure of deposit of 1/5th of total deductible Sales Tax by withholding agents and balance amount by the vendors. Furthermore, Rule 5 of the Punjab Sales Tax on Services (Withholding) Rules, 2012, requires deduction of Punjab Sales Tax on Services, at the applicable rate, by the withholding agent.

The following three DDOs of DEA, Faisalabad made payments against procurement of goods & services and execution of contracts during 2015-21. However, an amount of Rs 1.585 million on account of Income Tax,

General Sales Tax and Punjab Sales Tax on Services was not / less deducted before making payment to the suppliers / service providers. The details are as under:

(Rupees in million)

Sr. No.	DDOs	GST	Income Tax	Sales Tax on Exempted Items	IT / PST on Services	Non-Verification of GST	Total
1	Headmaster, Government High School, 229/RB	0.114	0.246	0.008	0.083	0.453	0.904
2	Headmaster, Government High School, Chak Jhumra	0.05	0.085	0.014	0.182	0.026	0.357
3	Principal, Government Higher Secondary School, Satiana	0.067	0.105	0	0.040	0.112	0.324
Total		0.231	0.436	0.022	0.305	0.591	1.585

Due to weak internal controls, taxes were not deducted / withheld at specified rates which resulted in excess payment of to the suppliers / service providers / contractors.

The matter was reported to the DDOs concerned in August and September, 2021. In DAC meeting held in December, 2021 Principal, GHS, 229/RB replied that concerned officer (Ex Principal) had been informed through registered post. Detailed reply would be submitted after consultation with principal concerned. Principal, GHS, Chak Jhumra replied that recovery made / verified. Principal, GHSS, Satiana replied that supplier would be directed to provide evidence of payment of taxes.

DAC directed to DDOs concerned to produce evidence of deposited taxes and effect remaining recovery within two weeks. No progress was intimated to Audit till finalization of this Report.

Audit recommends recovery of taxes amounting Rs 1.585 million from the concerned at the earliest.

[AIR Paras: 6, 9, 10, 11, 9, 13]

3. District Education Authority (DEA) Jhang

CHAPTER 3.1

Public Financial Management Issues

Directorate General Audit, District Governments Punjab (South) Multan conducts Financial Attest Audit of the Accounts of District Education Authority Jhang on annual basis. The significant observations emerging from Management Letter as a result of Financial Attest Audit issued to the District Accounts Officer Jhang for the financial year 2020-21 have been reported in this chapter.

Analysis of Appropriation Accounts and Financial Statements (Financial Attest Audit 2021-22)

The following findings regarding financial management issues were also conveyed to the PAO during Financial Attest Audit of DEA Jhang for the financial year 2020-21.

- i. Wrong booking of receipts – Rs 0.545 million
- ii. Booking of receipts under improper GL Account Head – Rs 0.761 million
- iii. Excess payment due to non-deduction of LD charges – Rs 1.081 million
- iv. Non-reporting of fixed assets – Rs 42.338 million
- v. Overstatement of receipts – Rs 0.320 million
- vi. Unauthorized approval of budget / schedule of authorized expenditure.

These issues were discussed in the clearing house meeting and commitment to take remedial measures was made by the Accountant General and Finance Department. However, the issue regarding unauthorized approval of budget / schedule of authorized expenditure. has been reported in Auditor's Report of DEA, Jhang as Emphasis of the Matter.

3.1.1 Audit Paras

3.1.1.1 Wrong booking of receipts – Rs 0.545 million

According to Section 5.5.10.2 of the APPM, if an error is identified in the classification or amount of receipt then an adjusting entry is required.

As per Chart of Accounts issued under NAM, receipts heads pertaining to Education Department are from C02801-22. During Financial Attest Audit of District Education Authority Jhang for the FY 2020-21, it was observed that receipts were booked under different wrong heads which did not relate with the Education Department. The detail is as under:

(Amount in Rupees)

Sr. No.	GL Account	GL Account Description	Document Type	Department	Amount
1	C03824	Recoveries of overpayments	AB	Other Receipts (Not elsewhere stated)	-1,132.00
2	C03824	Recoveries of overpayments	AB		-49,011.00
3	C03824	Recoveries of overpayments	AB		-62,762.00
4	C03824	Recoveries of overpayments	AB		-14,280.00
5	C03824	Recoveries of overpayments	AB		-40,993.00
6	C03824	Recoveries of overpayments	AB		-27,306.00
7	C03805	Rent, Rates and Taxes	AB		-41,048.00
8	C03805	Rent, Rates and Taxes	AB		-1,490.00
9	C02714	Communication Recoveries of Overpayments	AB	C&W	-42,566.00
10	C02801	Fees Government University Art Colleges	RT	Fee Govt University Art Colleges	-18,000.00
11	C02801	Fees Government University Art Colleges	RT		-51,600.00
12	C02801	Fees Government University Art Colleges	RT		-37,800.00
13	C02801	Fees Government University Art Colleges	RT		-3,900.00
14	C02801	Fees Government University Art Colleges	RT		-1,200.00
15	C02801	Fees Government University Art Colleges	RT		-1,200.00
16	C02801	Fees Government University Art Colleges	RT		-48,000.00
17	C02801	Fees Government University Art Colleges	RT		-19,800.00
18	C02801	Fees Government University Art Colleges	RT		-14,400.00
19	C02801	Fees Government University Art Colleges	RT		-24,000.00
20	C02801	Fees Government University Art Colleges	RT		-600
21	C02801	Fees Government University Art Colleges	RT		-600
22	C02801	Fees Government University Art Colleges	RT		-80
23	C02801	Fees Government University Art Colleges	RT		-600
24	C02714	Communication Recoveries of Overpayments	AB	C&W	-42,566.00
25	C02866	Health-Recoveries of overpayment	AB	Health recoveries of overpayments	-11,888.00
26	C02866	Health-Recoveries of overpayment	AB		-5,881.00
27	C02866	Health-Recoveries of overpayment	RT		5,881.00
28	C02866	Health-Recoveries of overpayment	RT		11,888.00
Total					-544,934

Booking of Provincial Government receipts as District Education Authority receipts resulted in wrong preparation of accounts and overstatement in figures of receipts.

DAO replied that receipt of C03824 was actually receipts of Education Authority and error was due to wrong punching of wage type. Necessary correction had been made. However, receipts of C02801 was collected by NBP Jhang in wrong Head of Account, there is no adjustment GL accounts available in SAP for rectification/correction of misrepresentation/understatement of receipts. Matter had already been taken with Accountant General Punjab for opening of new GL Account in SAP. The balances against GL account C02866 were transferred in June, 2021 against document No.1600134037. The reply was not tenable because no GL account for adjustment between district authority and provincial government was created for correction of wrong booking of receipts yet.

DAC directed DAO to pursue the matter vigorously with Accountant General Punjab, Lahore for creation of new GL account.

Audit recommends rectification of error so that true picture of accounts be presented.

3.1.1.2 Booking of receipts under improper GL Account Head – Rs 0.761 million

According to Section 5.5.10.2 of the APPM, if an error is identified in the classification or amount of receipt then an adjusting entry is required.

As per Chart of Accounts issued under NAM, receipt head C02701 pertains to Building Rent (Works- Building Department). During Financial Attest Audit of District Education Authority Jhang for the FY 2020-21, it was observed that receipts pertaining to building rent of Education Department amounting Rs 0.761 million were booked under GL Account C02701 which did not relate with the Education Department. Audit desired that the same may be booked to proper receipt head of Education Department or transferred to relevant department.

Booking of District Education Authority receipts as Provincial Government receipts resulted in wrong preparation of accounts.

DAO replied that there is no adjustment GL account available in SAP for rectification/correction of misrepresentation/understatement of receipts. Matter had already been taken with Accountant General Punjab for opening of new GL Account in SAP. The reply was not tenable because no GL account for adjustment between district authority and provincial government was created for correction of wrong booking of receipts yet.

DAC directed DAO to pursue the matter vigorously with Accountant General Punjab, Lahore for creation of new GL account.

Audit recommends rectification of error so that true picture of accounts be presented.

3.1.1.3 Excess payment due to non-deduction of LD charges – Rs 1.081 million

According to Terms and Conditions 3 of the supply order for the purchase of buses dated 17.03.2020, the supplier shall have to ensure supply/delivery of buses on free delivery basis within stipulated period i.e. (60) days after issuance of supply order. If the contractor fails/delays in performance of any of the obligations, under the contract/violates any of the provisions of the contract/commits a breach of any of the terms and conditions of the contract the purchaser may, without prejudice to any other right of action/remedy it may have, deduct from the contract price, as liquidated damages, a sum of money @ 2% of the total contract price which is attributable to such part of the goods in consequences of the failure/delay, be put to the intended use, for every month between the scheduled delivery date(s), with any extension of time therefore granted by the purchaser, and the actual delivery date(s) provided that the amount so deducted shall not exceed, in the aggregate, 10% of the contract price.

Chief Executive Officer, (DEA), Jhang procured 02 buses for special educational centers of District Jhang at an agreement cost of Rs 12.600 million. The buses were to be supplied within 60 days of issuance of the supply order.

Audit observed that the supplier failed to supply the buses within the stipulated period i.e. 16.05.2020. The supplier did not submit request for time extension within stipulated delivery period. DAO made payment to supplier without deduction of late delivery charges. Resultantly, excess payment of Rs 1.081 million was made to the supplier. The details are as under:

(Rupees in million)

No. of Buses Ordered	PO Date	Time Period Granted (Days)	Due Date of Supply	Actual Supply Date	Delay (Days)	Amount	LD Charges (0.067% per day)
2	17.03.2020	60	21.09.2020	16.05.2020	128	12.600	1.081

Non-deduction of LD charges resulted in extra financial burden on public exchequer.

DAO replied that a letter had been written by this office vide No.DAO/JNG/Pay-Roll/CD-608 dated 01.10.2021. Audit stressed upon early response.

DAC directed DAO to pursue the matter vigorously with the CEO DEA Jhang for deduction of LD Charges and report progress to Audit at the earliest.

Audit recommends to probe the matter besides justification for non-deduction of LD charges amounting Rs 1.081 million from the concerned.

3.1.1.4 Non-reporting of fixed assets – Rs 42.338 million

According to Section 13.4.1.1 of the APPM, the categories of assets shall include land & building, civil works, plant & machinery, vehicles, furniture & fixtures, office equipment and computer equipment. Further according to Section 13.4.5.2 of the ibid, all DAOs shall prepare a fixed asset report from the fixed asset account on quarterly basis. Furthermore, according to Section 13.4.5.4 of ibid, the AG shall consolidate the above information for including to the annual accounts.

District Accounts Officer, Jhang made payments amounting to Rs 42.338 million for procurement of vehicles, desk benches and IT equipment, the expenditure was charged against cost center JY-8996 of the District Education Authority Jhang during 2020-21. Contrary to the above referred

Section of APPM, the expenditure was not included in statement of Capital Expenditure and asset side of Balance Sheet.

Non-reporting of Fixed Assets in Financial Statements resulted in defective maintenance of accounts.

DAO replied that with reference to preface Financial Statement “Commitment, Asset and Liability Accounting Practices were not yet implemented and these Financial Statements had been prepared on cash basis of accounting according to International Public Sector Accounting Standards (IPSAS). Moreover, in future, this office would maintain (Form B3) as per APPM Rules. The reply was not tenable because accounts were prepared in violation of provisions of APPM.

DAC decided that the matter would be discussed in clearing house meeting.

Audit recommends fixing responsibility for non-maintenance of fixed assets account.

3.1.1.5 Overstatement of receipts – Rs 0.320 million

According to Section 3.3.7.7 of Manual of Accounting Principles (MAP), where an entity acts as an agent the revenues or expenses should not be recorded in the primary books of account other than as a matter of stewardship. For example, an entity collecting taxes will not normally control the future economic benefits embodied in the tax collections and as such would not recognize the taxes as revenues of the entity. The entity may however recognize “taxes collected on behalf of the Government” as subsidiary information on the overall performance of the entity.

District Accounts Officer, Jhang deducted Sales Tax on Services amounting Rs 0.320 million from various contingent bills of the District Education Authority during 2020-21. The same was collected / deducted on behalf of Provincial Government and therefore, required to be credited to Public Account in the analogy of Income Tax and Sales Tax. Contrary to the above mentioned principle, said tax was booked against receipt head B02385 and made

part of the Consolidated Fund Receipt in the Account-V of the District Education Authority.

Booking of Provincial Government receipts as District Education Authority receipts resulted in wrong preparation of accounts and misleading figures of receipts.

DAO replied that there is no adjustment GL account available in SAP for rectification/correction of misrepresentation/understatement of receipts Matter had already been taken with Accountant General Punjab for opening of new GL Account in SAP vide this office letter No.DAO/JNG/Admn/CD-410 dated 04.12.2020. The reply was not tenable because no GL account for adjustment between district authority and provincial government was created for correction of wrong booking of receipts yet.

DAC directed DAO to pursue the matter vigorously with Accountant General Punjab, Lahore for creation of new GL account.

Audit recommends that new GL accounts be created for reporting of Provincial Government receipts under Public Account instead of Consolidated Fund, so that true picture of accounts be presented.

3.1.1.6 Unauthorized approval of budget / schedule of authorized expenditure

According to Government of the Punjab, LG&CD Department Notification No.SOR(LG)38-5/2014 dated 01.01.2017, District Health Authority was established in each District and Deputy Commissioner of the District was appointed as Administrator of the said Authority w.e.f. 01.01.2017 for a period not more two years.

During Financial Attest Audit on the accounts of District Education Authority Jhang, it was observed that DEA was established since 01.01.2017 under PLGA, 2013. Contrary to the above, Deputy Commissioner, Jhang, continued to hold the office of Administrator of DEA and exercised the powers of the House/ Authority beyond lawful tenure of two years that had already been expired on 31.12.2018. Therefore, conduct of business including approval/

authentication of budget amounting Rs 11,172.372 million and incurrence of expenditure of Rs 8,031.024 million was held irregular during financial year 2020-21. Furthermore, powers of the House / Authority were concentrated in and used by a Government servant.

Exercising the powers of the House by the Government Servant resulted in poor performance, unauthorized utilization of public resources and unlawful conduct of business of DEA.

DAO replied that Para relates to DEA Jhang. Matter had been taken up with DEA Jhang with reference letter No.DAO/JNG/Management Report (2020-21)/CD-221 dated 30.09.2021. The reply was not tenable because budget was approved by the Deputy Commissioner without any legal authority and payments were also made by the District Accounts Officer without approval of budget by the authorized person.

DAC directed DAO to take up the matter with CEO DEA as well as with AG Punjab and Secretary Finance besides regularization of the matter.

Audit recommends regularization of matter from the Competent Authority.

CHAPTER 3.2

DEA Jhang

3.2.1 Introduction

A. District Education Authority (DEA) Jhang was established on 01.01.2017 under Punjab Local Government Act 2013. DEA, Jhang 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.

Chief Executive Officer (CEO) is the Principal Accounting Officer (PAO) of the DEA, Jhang and is responsible to the Public Accounts Committee of the Provincial Assembly. He is responsible to ensure that the business of the DEA is carried out in accordance with the laws and to coordinate the activities of the groups of offices for coherent, effective and efficient functioning of DEA, Jhang.

The functions of DEA, Jhang as described in the Punjab Local Government Act, 2013 are to:

- i. establish, manage and supervise the primary, elementary, secondary and higher secondary schools as well as adult literacy & non-formal basic education / special education institutions of the Government in the District;
- ii. implement Government policies and directions including achievement of key performance indicators set by the Government for education;
- iii. ensure free and compulsory education for children of age five to sixteen years as required under Article 25-A of the Constitution;
- iv. ensure teaching, infrastructure, student safety & hygiene and minimum education standards for quality education;
- v. undertake student assessment and examinations, ranking of schools, promotion of co-curricular activities, award of scholarships and conduct of science fairs in Government and private schools;
- vi. approve the budget of the Authority and allocate funds to educational institutions;

- vii. 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;
- viii. constitute school management councils which may monitor academic activities;
- ix. plan and finance maintenance of school, support enrollment and retention, arrange donation and finances, plan development and perform any other function assigned by the Government, a Commission or a body established by law in the prescribed manner.

DEA, Jhang manages various administrative offices and educational institutes as detailed in the following table:

Table-1: Administrative Offices and Educational Institutes

Description	No. of Offices / Educational Institutes
Chief Executive Officer (DEA)	01
District Education Officers (Secondary Education)	01
District Officer (Literacy)	01
District Education Officers (EE-M)	01
District Education Officers (EE-W)	01
District Education Officer (Special Education)	00
Deputy DEOs (EE-M)	04
Deputy DEOs (EE-W)	04
Higher Secondary Schools (Boys & Girls)	18
High Schools (Boys & Girls)	201
Special Education Schools / Centres	09
Elementary Schools	154
Primary Schools	1,119
Total	1,514

(*Source: Data received from CEO (DEA) Jhang)

The detail of total and audited formations of DEA, Jhang is provided in the table given on the following page.

Table-2: Audit Profile of DEA, Jhang

(Rupees in million)

Sr. No.	Description	Total Nos.	Audited	Expenditure Audited FY 2020-21	Revenue / Receipts Audited FY 2020-21
1	Formations	241	05	1,493.881	0.103
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities/Autonomous Bodies etc. under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

B. Comments on Budget and Accounts (Variance Analysis)

The detail of budget and expenditure of DEA, Jhang for the financial year 2020-21 is given in the following table:

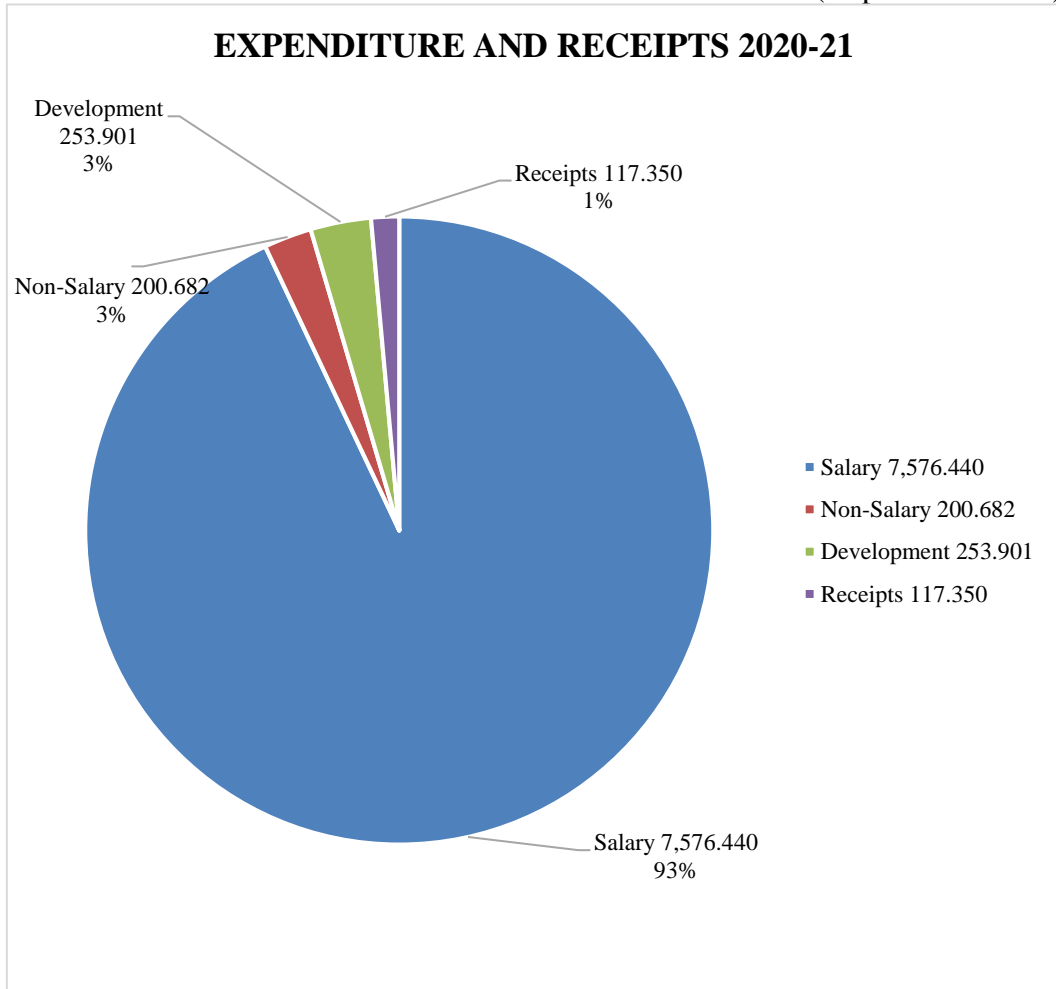
Table-3: Budget and Expenditure

(Rupees in million)

2020-21	Budget	Actual	Excess (+) / Lapse (-)	Lapse (Per Cent)
Salary	10,373.536	7,576.440	-2,797.096	27%
Non-Salary	579.713	200.682	-379.031	65%
Development	398.733	253.901	-144.832	36%
Total	11,351.982	8,031.023	-3,320.959	29%
Receipts	-	117.350	-	-

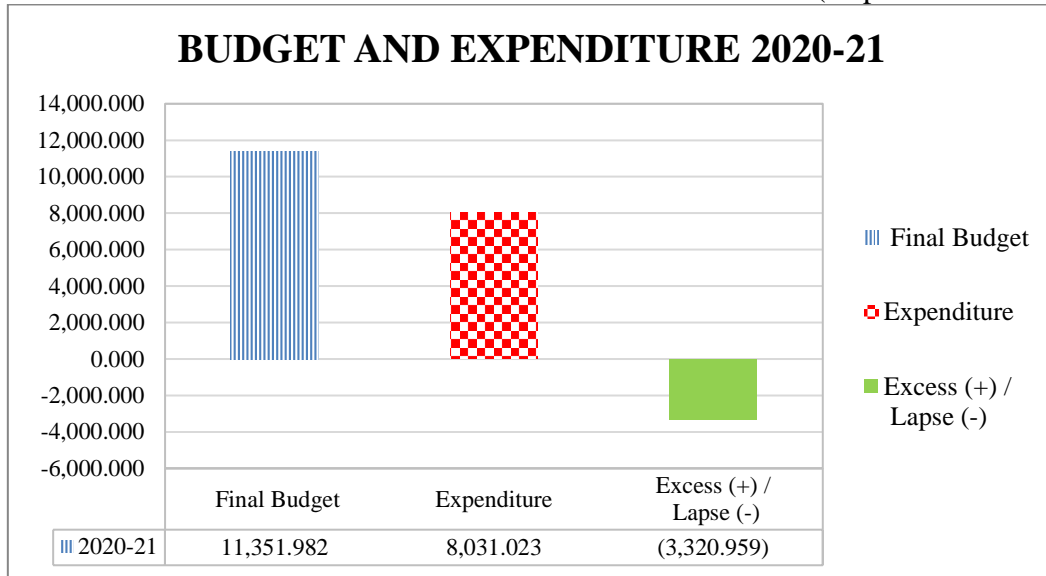
(Source: Appropriation Accounts 2020-21)

(Rupees in million)



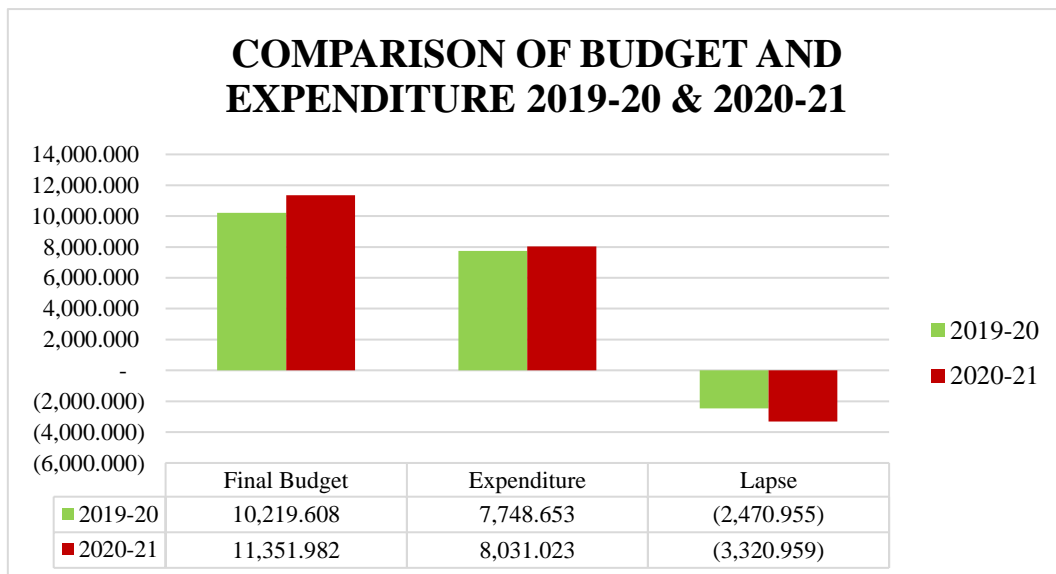
As per the Appropriation Accounts for financial year 2020-21 of District Education Authority, Jhang, final budget (Development and Non-Development) was Rs 11,351.982 million against which total expenditure of Rs 8,031.023 million was incurred by District Education Authority during financial year 2020-21.

(Rupees in million)



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

(Rupees in million)



There was 10% increase in budget allocation and 4% increase in expenditure in financial year 2020-21 as compared to financial year 2019-20, while there was overall lapse of Rs 3,320.959 million during 2020-21.

C. Sectoral Analysis

i. Analysis of Financial Resources

Lapse of funds (as reflected in Table-3 above) equivalent to 27%, 65% and 36% of the budgeted amount against salary, non-salary and development heads respectively reflect poor financial management especially considering that the DEA failed to achieve many of its core indicators and infrastructure targets during the year. Available funds to the tune of Rs 3,320.959 million were not utilized to help achieve the targets. The same resulted in depriving the students / populace from basic facilities, such as provision of furniture & fixture, laboratory equipment, classrooms, toilet blocks, boundary walls and teaching staff.

ii. Status regarding provision of basic facilities in educational institutions

Irrational resource allocation was observed as key performance indicators were not achieved regarding provision of missing facilities in the schools such as boundary walls, toilet blocks, electricity and drinking water. Furthermore, students were also facing shortage of basic facilities including student furniture and classrooms. Quality of education was compromised due to non-availability of basic facilities to the students which also created hindrance towards educational outcomes. The detail is given below:

Sr. No.	Description		No. of Schools
1	Status of Missing Facilities	No. of schools w/o facility of drinking water	17
2		No. of schools w/o electricity connection	11
3		No. of schools facing shortage of 630 washrooms	280
4		No. of schools with missing boundary wall	181
5	Shortage of Basic Facilities	No. of schools facing shortage of students' furniture	571
6		No. of schools facing shortage of classrooms	377
7		No. of schools with nil or one classroom each	79
8		No. of classrooms required	903

iii. Service Delivery Issues

From the Data analysis of DEA, Jhang following service delivery issues were observed:

- i) Education quality suffered with adverse impact in 13% of the schools as 50 to 109 students were being taught by each teacher against the STR of one teacher for every forty students.
- ii) Irrational deployment of teachers was made in 51% of the schools being run by the DEA, Jhang. Optimal use of human resources was not made in 650 schools due to excess deployment of teachers i.e. 6 to 30 students per teacher. Hence, the deployment of teachers was not uniform resulting in failure to ensure optimum utilization of human resources.
- iii) Fifteen percent of total posts of teaching staff remained unfilled during 2020-21.
- iv) NSB distribution / allocation was made without observing need based formula as allocation ranging from Rs 191 to Rs 8,570 per student was observed during 2020-21.
- v) P&D wing of DEA was not made functional due to non-filling of technical posts of Sub-Divisional Officer (SDO), Sub-engineer and Draftsman for execution / proper monitoring of works which caused delay in provision of missing facilities in the schools and deprivation of the students from learning atmosphere.

iv. Expectation Analysis and Remedial Measures

DEA, Jhang did not achieve its overall targets regarding provision of missing facilities in the schools such as boundary walls, toilet blocks, electricity and drinking water. Students were also facing shortage of basic facilities including student furniture and classrooms. Quality of education was compromised due to non-availability of basic facilities to the students which also created hindrance towards educational outcomes. DEA could not utilize 36% funds of development budget to overcome these hindrances. Further, overall financial management

regarding achievement of budget utilization was not satisfactory as 27% of salary and 65% of Non-salary budget was lapsed.

Suggestions / Remedial Measures

- i) Strengthening of the regulatory framework, following the rules e.g. PPRA rules for purchasing, adhering to the rules of propriety and probity in use of development and Non-Development funds must be ensured. This can be checked by holding accountable those who are responsible for such irregularities at appropriate forums.
- ii) Concrete efforts should be made to ensure early provision of basic facilities in the Government schools.
- iii) Deployment of teaching staff at different levels must be rationalized besides filling the vacant posts.
- iv) Efforts should be made for expediting the realization of recovery of overpayments.
- v) Establishment of internal control system and proper implementation of the monitoring system should be ensured.
- vi) Budget should be rationalized with respect to utilization.

3.2.2 Classified Summary of Audit Observations

Audit observations amounting Rs 361.964 million were raised as a result of this audit. This amount also includes recoverable of Rs 9.775 million as pointed out by Audit. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	-
2	Reported cases of fraud, embezzlement and misappropriation	3.822
3	Procedural Irregularities	-
A	HR/Employees related irregularities	7.156
B	Procurement of related irregularities	7.928

Sr. No.	Classification	Amount
C	Management of Accounts with Commercial Banks	-
4	Values for money and service delivery issues	17.228
5	Others	325.830
	Total	361.964

3.2.3 Comments on the Status of Compliance with PAC Directives

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

Status of Previous Audit Reports

Sr. No.	Audit Year	No. of Paras	Status of PAC Meetings
1	2017-18	17	PAC not constituted
2	2018-19	39	PAC not constituted
3	2019-20	28	PAC not constituted
4	2020-21	13	PAC not constituted

3.2.4 Audit Paras

Fraud / misappropriations

3.2.4.1 Withdrawal of funds by manipulating record – Rs 3.822 million

According to Rule 9(b) of the Punjab District Authorities (Accounts) Rules, 2017, the DDO and payee of the pay, allowances, contingent expenditure or any other expenses shall be personally responsible for overpayment, fraud or misappropriation and shall be liable to make good that loss. Furthermore, according to Section 23(1) of the Sales Tax Act 1990, a registered person making a taxable supply shall issue a serially numbered tax invoice at the time of supply of goods containing the complete particulars.

Principal Government Girls Higher Secondary School 170/JB, Jhang withdrew funds amounting Rs 3.822 million from NSB during 2015-20 through fake / managed invoices and allied record due to following reasons:

- i. Amount of Rs 2.134 million was withdrawn during 2017-20 through fake invoices which were prepared in one sitting and these were too without serial numbers and dates. Furthermore, funds were drawn without approval of School Council (SC) and without maintaining cash book, stock entries, minutes of meetings etc. as all this record was managed / prepared during audit execution just to show actual incurrence of expenditure.
- ii. Amount of Rest 1.453 million was withdrawn against the salaries of part time / temporary employees and electricity charges during 2017-21 without approval of the SC. Revenue stamps used in acquaintance roll for payee's acknowledgements were doubtful as these were issued by the Government even after the date of payment. Payment of electricity bills was made in lump sums. In some cases, payment of electricity bills was shown before date of meter reading / issuance of bills by the

FESCO. Moreover, funds were withdrawn in cash instead of making direct payments to FESCO through crossed / non-negotiable cheques.

- iii. Amount of Rs 0.041 million was withdrawn twice from the Government Treasury against same electricity bill.
- iv. Scrutiny of SAP FI data depicted that funds of Rs 0.194 million were drawn during 2016-17 without maintaining record as Principal had submitted her written statement during audit that no such expenditure was incurred. Subsequently, record was produced during DAC meeting which indicated that claim documents such as bills/ invoices, financial sanctions, expenditure statement etc. were managed just to show incurrance of expenditure. Furthermore, funds against two bills of electricity were drawn twice.

Due to prevalence of financial indiscipline and weak monitoring mechanism on the part of DEA, funds were misappropriated through manipulation of record.

The matter was reported to the DDO concerned in August and September, 2021. In DAC meeting held in October, 2021, DDO replied that NSB funds were utilized with the approval of School Council and requisite supporting record was maintained. As for as matter of fake invoice was concerned FBR did not raise any objection about it. Moreover, there was no overpayment involve in electricity bills, the amount was recorded twice in cash book due to clerical mistake. The reply was not tenable because whole the record was maintained in one sitting and funds were withdrawn without incurrance of actual expenditure. Audit stressed to probe the matter besides recovery of loss from the defaulters and also stressed to refer the case of fake invoices to FBR.

DAC directed CEO DEA to probe the matter and take appropriate action within three weeks. No progress was intimated to Audit till finalization of this Report.

Audit recommends to probe the matter for fixing responsibility on the person(s) at fault besides recovery of loss from defaulters and referring the case of fake invoices to FBR.

[AIR Paras: 1, 9, 10, 11]

Procedural irregularities

3.2.4.2 Irregular transfer of funds and uneconomical expenditure through manipulation – Rs 4.373 million

According to Rules 11, 33 & 41 of the Punjab District Authorities (Accounts) Rules, 2017, the DDO while submitting claims for payment and Accounts Officer while pre-auditing the payments, shall ensure that claims submitted for payment are valid claims for the works actually executed at site, or supply of goods actually made in accordance with the agreed quality and quantity and entered in the relevant books or register of accounts. The supporting documents and book of accounts (measurement books, stock register, logbook) accompanying the claims are verified by the DDOs and are valid/genuine. Further, according to Government of the Punjab, School Education Department letter No.SO(ADP-III) 9-3/2017 dated 18.10.2017, DEAs were required to make procurements through District Procurement Committees. Furthermore, according to Commissioner Office, Faisalabad letter No.Dir/(D&F)/46/203 dated 07.04.2021 read with Government of the Punjab, Finance Department release order No.SO(G-III)1-60/2020(CDP)/7727 dated 10.03.2021, funds were provided to DEA, Jhang as deposit work with the conditions that the same would be deposited in the Public Account of the executing agency and payment shall be made after pre-audit upon submitting the claim by the contractor.

CEO, DEA Jhang withdrew funds of Rs 4.373 million on account of revenue component of development schemes from Government Treasury in advance and transferred the amount into commercial bank accounts of various SCs. Audit observed following discrepancies in process of withdrawal and utilization of funds:

- i. Funds amounting Rs 1.311 million were withdrawn in advance and transferred to SCs accounts without pre-audit of claims in violation of condition of depositing the same in the Public Account of the DEA and withdrawal therefrom after pre-audit upon submitting the claim by the contractor.

- ii. Expenditure of Rs 3.062 million was incurred without inviting tenders despite the fact that each invoice crossed the quotation limit fixed by PPRA.
- iii. It was evident from record that all the procurement was made through so called procurement process as all documents for procurement of furniture such as SCs minutes of meetings, requests for quotations, bids opening process, comparative statements, supply orders, material inspection reports etc. were prepared at same time due to following reasons.
- iv. The SCs of all the schools, situated in different tehsils of district, sent requests for quotations to the same three firms for so called competitive bidding. Quotations were called on 08.04.2021 but supply orders were shown issued on 20.03.2021 i.e. before calling quotations.
- v. As per SC meeting quotations were called from 05 but as per request for quotation the same were called from three firms only. SC meeting for tender opening was shown held on 18.03.2021 but no minutes of meeting were found recorded in Karwai Register. It was further observed that Karwai No. 3 regarding SC meeting was recoded on 05.03.2021; whereas, Karwai No. 4 was shown recorded on 03.03.2021. Procurement was made through fake invoices as Invoice No. 1155 was issued on 17.04.2021 whereas Invoice No. 1156 was issued on 15.04.2021. Moreover, procurement of desk benches was made on higher rate as compared to the rate paid in other bill which resulted in excess expenditure of Rs 0.362 million.
- vi. Fake inspection reports of supplied furniture were prepared as these were shown issued before supply of furniture and even before receiving quotations / issuance of supply orders.
- vii. Head teachers of two schools withdrew funds of Rs 0.654 million from SCs' bank accounts without incurrence of actual expenditure as the material procured was not accounted for in stock register. Amount of Rs 0.309 million was withdrawn in cash without any detail of procurement and ancillary record. Further, the head teacher of one

School prepared fake School Council Notification by manipulating record.

Due to financial mismanagement, funds were shown utilized through SCs by manipulating official record which resulted in uneconomical expenditure and mis-procurement.

The matter was reported to the DDOs concerned in August and September, 2021. In DAC meeting held in October, 2021, DDOs replied that the Commissioner, Faisalabad transferred funds through SDA cheque as revenue component of three development schemes for purchase of IT material during 2020-21. However, due to procedural mistake the cheque was deposited into DDO Bank Account of the CEO DEA Jhang instead of Account-V of DEA Jhang. Subsequently, the funds were transferred to the school councils of concerned schools and payment was made after incurring actual expenditure. Moreover, funds amounting Rs 2.241 million, transferred to school councils of 06 Schools as revenue component of development schemes for purchase of furniture were as per prescribed procedure. The reply was not tenable because the funds were transferred in violation of prescribed procedure and same were utilized through unhealthy procurement procedure. Audit stressed to probe the matter for fixing responsibility on the person(s) at fault.

DAC directed CEO to probe the matter through ADC (F&P) to verify the source of development schemes from which this amount was transferred to Education Authority. Furthermore, a joint physical verification would be conducted to verify the actual procurement of goods. No progress was intimated to Audit till finalization of this Report.

Audit recommends to probe the matter for fixing responsibility on the person(s) at fault besides recovery of loss from the concerned.

[AIR Paras: 5, 6, 7]

3.2.4.3 Non-recovery of house rent and maintenance charges – Rs 3.795 million

According to Government of the Punjab, Finance Department letter No.FD(M-11)1-15/82-PT-I dated 15.01.2000, in case of availability of designated residence, the Government servants for whom these are meant cannot draw house rent allowance and shall pay maintenance charges 5% even if they do not reside in house. Furthermore, according to letter No.FD (M-1)1-15-82-P-I dated 15.01.2000, issued by the Finance department, Government of the Punjab, penal rent @ 60% of basic pay shall be recovered from the unauthorized occupants of government residences.

Three official residences of Government Comprehensive Model High School Jhang including Principal Residence, Hostel Superintendent Residence and Servant Quarter were remained under the custody of Lahore College for Women University (Jhang Campus) and used as staff residences of the university as depicted from affidavit submitted by occupants concerned. Scrutiny of record depicted that no rent in lieu of House Rent of designated residences was recovered from staff of the university and the occupants also not paid maintenance charges @ 5% of basic pay. Resultantly, an amount of Rs 3.795 million on account of House Rent and maintenance charges remained outstanding against the university staff/occupants of residences for the period July, 2008 to June, 2021. The details are as under:

(Rupees in million)

Sr. No.	Residences	Monthly Rent	Maintenance Charges	Per Month Recovery	Amount
1	Principal Residence (BS-20)	10,506	6,612	17,118	2.670
2	Hostel Superintendent Residence (BS-16)	2,727	2,390	5,117	0.798
3	Servant Quarter (BS-02)	1,367	730	2,097	0.327
Total					3.795

Due to weak financial controls and negligence, house rent and maintenance charges were not recovered from the occupants of official residences.

The matter was reported to the DDOs concerned in August and September, 2021. In DAC meeting held in October, 2021, it was replied that amount would be recovered from the officer/official concerned. Audit stressed to effect recovery of outstanding dues from the occupants besides initiating disciplinary action against the defaulters.

DAC directed the Principal to recover outstanding dues from the occupants besides initiating disciplinary action against the defaulter for non-depositing of house rent and maintenance charges into the Government Treasury. No progress was intimated to Audit till finalization of this Report.

Audit recommends initiation of disciplinary action against the defaulters for non-depositing of house rent and maintenance charges besides recovery of outstanding dues from the concerned.

[AIR Para: 02]

3.2.4.4 Unauthentic utilization of NSB – Rs 3.555 million

According to Paras 4 and 3.8 read with Provisions 4.4.7 and 3.4.7 of the Guide Book for Non-Salary Budget (NSB) read with Rules 4, 9, 12(1) and 59 (b) of PPRA Rules, 2014, procurement rules issued by the PPRA would be followed by the SCs while making procurements from NSB. Further, according to Rules 30 and 31 of the Punjab District Authorities (Accounts) Rules 2017, the DDO shall raise a sequentially numbered purchase order for all contingent expenditures, supplies made, services rendered, work done under a contract. Furthermore, according to Section 23(1) of the Sales Tax Act 1990 read with FBR Sales Tax Circular No.02 of 2019, issued vide C. No. ½-STB/2019, a registered person making a taxable supply shall issue a serially numbered tax invoice at the time of supply of goods containing the complete particulars. Sales Tax can only be recovered from customer if supplier is registered and reflects the STRN on the invoice issued to customer.

School Councils of Government High School Chak 263/JB and Government Comprehensive Model High School Jhang incurred expenditure of Rs 3.555 million out of NSB funds provided to the school during 2015-21. The

expenditure was incurred on execution of civil works, white wash of school buildings, procurement of student desk bench, furniture & fixtures, smartphone tablets, stationery, computer/laptops, repair of different items, other store items etc. The details are given below:

(Rupees in million)

Sr. No.	Name of DDOs	Description	Amount
1	Headmaster, Government High School, Chak 263 JB	Unauthentic utilization of NSB Funds	3.063
2	Principal, Government Comprehensive Model High School Jhang	Irregular expenditure on furniture and fixture without proper issuance record	0.492
Total			3.555

However, NSB was utilized in an unauthentic manner due to the following discrepancies / reasons observed during scrutiny of record:

- i. Funds of Rs 363,656 was withdrawn from bank account on account of expenditure incurred for installation of iron pipe barriers/fence, CCTV cameras, laying of tuff tile etc. However, physical inspection / verification of school building depicted that the tuff tile work and installation of CCTV cameras was neither done at site. Furthermore, the executed quantity at site for work installation of iron pipe barriers was 476 rft, whereas bill quantity was Rs 600 rft.
- ii. In all the cases the funds from NSB bank accounts were withdrawn in cash and payment was made accordingly. Expenditure against withdrawn funds was shown incurred in same date or near dates. It is pertinent to mention that for alike item or work different bills of same date were obtained from the vendor(s). In some cases, procurements were made without open competitive bidding by splitting the cost of procurement and keeping it below the financial limit of Rs 100,000.
- iii. Execution of civil works was not supported by technically sanctioned estimates of works, work orders, detail of labour muster rolls, detail of work done etc. Furniture and fixtures, desk bench, tablet smartphones, LED TVs, computers etc. were purchased without mentioning specifications of material, size, capacity etc.

- iv. Most of the expenditure was incurred through defective bills and flying sales tax invoices were issued by the vendor(s) because the vendor kept specified bill books for the school. A sequential/ consecutive serially numbered invoices were issued to the school with gap of more than one week or even more than one month. The invoices were not in chronological order in comparison to date of issuance. It depicted that 80% GST was not deposited by the supplier(s) into the Government treasury as the vendors did not furnish sales tax returns for audit scrutiny. Further, the vendors / suppliers charged sales tax against exempted or zero rated supplies.
- v. Stores were issued / utilized w/o proper issuance record. It was also depicted from the record that the authorities concerned i.e. Assistant Education Officer, Deputy District Education Officer, District Monitoring Officer etc. did not monitor the utilization of NSB funds.

Due to financial mismanagement and negligence of the authorities, NSB was utilized in violation of provisions of financial propriety and through unauthentic procurement process and fake invoices.

The matter was reported to the DDOs concerned in August and September, 2021. In DAC meeting held in October, 2021, DDOs replied that the funds were utilized after approval of school council on execution of civil works, white washing of the school building, procurement of student desk bench and furniture fixture etc. and same were accounted for in stock registers. Moreover, 80% GST was deposited by the supplier into Government Treasury. The reply was not tenable as the funds were withdrawn through fake invoices and amount of Rs 0.363 million was withdrawn without actual procurement and work done at site. Record of accountal of material procured and its issuance was not maintained properly. Audit stressed to investigate the matter for fixing of responsibility on the person(s) at fault recovery of loss.

DAC directed CEO to probe the matter for fixing responsibility and recovery of loss and report progress to Audit within two weeks. No progress was intimated to Audit till finalization of this Report.

Audit recommends investigation of the matter for fixing of responsibility on the person(s) at fault besides black listing of vendors and recovery of loss from defaulters.

[AIR Paras: 1, 5, 6, 5]

3.2.4.5 Excess payment of pay and allowances – Rs 2.158 million

Government of the Punjab, Services & General Administration Department letter No.(O&M)S&GAD)5-3/2013 dated 01.03.2013 and letter of even No. dated 19.08.2013, lay down the criteria for fixation of pay upon regularization of services of contract employees. Further, Rule 12 and 38 of the Punjab District Authorities (Accounts) Rules, 2017, require the Budget and Accounts Officer to monitor expenditure of the office(s) of a District Authority against approved budget, and ensure that the expenditure is charged to relevant object code and remains within allocation. Furthermore, the head of office is responsible for every pay drawn on a bill signed by him. The DDO and Accounts Officer shall maintain establishment check register and payroll on system respectively.

Fourteen employees of teaching cadre working under the administrative control of four DDOs of DEA, Jhang withdrew inadmissible allowances and salaries during absent period, maternity leave without pay and even after retirement from Government service amounting Rs 1.184 million. Furthermore, services of four employees of DEA, Jhang were regularized w.e.f. 19.10.2009, 30.08.2016 and 12.08.2020 but the employees withdrew excess pay & allowances amounting Rs 0.974 due to non-fixation of pay. The details are as under:

(Rupees in million)

Sr. No.	DDOs	Description	No. of Employees	Amount
1	CEO DEA, Jhang	Absent from duty and unauthorized withdrawal of salaries	01	0.102
		Unauthorized withdrawal of Personal Allowance and Charge Allowance	03	0.068

Sr. No.	DDOs	Description	No. of Employees	Amount
2	Principal Government Girls Higher Secondary School 170/JB, Jhang	Withdrawal of salary after retirement	01	0.202
		Withdrawal of salary during inadmissible maternity leave	01	0.175
		Withdrawal of salaries after retirement and transfer	01	0.298
3	Principal, Government Comprehensive Model High School Jhang	Overpayment of Qualification Allowance	03	0.064
		Payment of inadmissible allowances to employees	04	0.275
		Withdrawal of excess pay after regularization of service	02	0.839
		Payment of SSB after regularization of services	01	0.101
4	Headmaster, Government High School Dull, Jhang	Overpayment after regularization of service	01	0.034
Total			18	2.158

Due to financial mismanagement and weak internal controls, payment of inadmissible pay and allowances was made to the employees which resulted in overpayment of Rs 2.158 million.

The matter was reported to the DDOs concerned in August and September, 2021. In DAC meeting held in October, 2021, it was replied that recovery would be made from the concerned. Audit stressed upon recovery at the earliest.

DAC directed DDOs to recover the overpaid amount from the employees at the earliest. No progress was intimated to Audit till finalization of this Report.

Audit recommends recovery of overpaid amount of Rs 2.158 million from the employees concerned besides rectification of pay and allowances for stoppage of further overpayment.

[AIR Paras: 13, 16, 2, 3, 6, 11, 13, 7, 8, 12, 3]

3.2.4.6 Unauthorized recruitment of Class-IV employees – Rs 1.203 million

According to Government of the Punjab, School Education Department letter No.SE-REC) 2-40/2019 dated 08.09.2020, the DEAs / appointing authorities were instructed to recruit Class-IV employees strictly on merit in accordance with law, rules and Recruitment Policy, 2004. Furthermore, according to Rule 2(aa) of the Punjab District Authorities (Budget) Rules, 2017, drawing and disbursing officer means an officer, designated as such by principal accounting officer (PAO), who prepares estimates of expenditure and actually incurs expenditure and makes disbursement of amounts so withdrawn, in respect of a District Authority, office or institution under the supervision and management of Authority.

Post of Headmaster Government High School Chak 263/JB Jhang was remained vacant since June, 2015 and due to non-posting of regular incumbent the Executive District Officer (Education)/Chief Executive Officer DEA Jhang, as the case may be, delegated only DDO Powers to Mr. Zafar Abbas working as Secondary School Teacher in the School for running only the financial matters of the school. Contrary to the above provisions, Mr. Zafar Abbas (SST) being incompetent authority, for appointment/recruitment of employees, appointed two Class-IV employees in the school including a Security Guard and a Sweeper during February, 2016 and May, 2021 respectively. It is pertinent to mention that the said school teacher was neither assigned additional/regular charge for the post of Headmaster of the school. Resultantly, in the absence of regular incumbent headmaster appointment of Class-IV employees was made by unauthorized authority. Moreover, the employees withdrew salary of Rs 1.203 million after appointment since February, 2016.

Due to dereliction of duties and weak internal controls, employees were recruited in violation of recruitment policy by incompetent authority.

The matter was reported to the DDOs concerned in August and September, 2021. In DAC meeting held in October, 2021, it was replied that Government of the Punjab school education department issued latest instructions

that senior SST of each school had been nominated as In-charge Headmaster of the school for the interest of teaching and taught in the absence of regular incumbent. Therefore, in-charge Headmaster whom DDO powers were delegated appointed class-IV employees as the competent authority in the case. The reply was not tenable as no record of Government instructions was provided in support of reply. Furthermore, the incumbent to whom only DDO powers were assigned could not utilize administrative powers without prior approval of the competent authority.

DAC directed CEO to produce record in support of reply otherwise probe the matter for fixing responsibility on the defaulter. No progress was intimated to Audit till finalization of this Report.

Audit recommends to probe the matter and initiate disciplinary action against the incumbent(s) besides fixing responsibility for unauthorized use of administrative powers.

[AIR Para: 02]

Value for money and service delivery issues

3.2.4.7 Irregular expenditure without observing prescribed procedure – Rs 7.878 million

Sections 3, 6, 9 to 12, 16 & 17 of the Punjab Seized and Freezed Institutions (Madaaris and Schools) Act, 2019, require constitution of Madaaris and Schools Management Board and lay down procedure for management & control of Seezed and Freezed Institution including acquiring/disposal/management of properties, budgeting, recruitment of employees, maintenance of books of accounts in prescribed manner and submission of statements of estimated receipts & expenditure in respect of the next financial year to the Government for approval.

CEO DEA, Jhang made payment of Rs 7.878 million during 2020-21 for fulfillment of financial needs of taken-over properties (Madaaris) of proscribed organizations in respect of salaries of the staff and contingent expenditure of the institutions. However, following discrepancies were observed in utilization/transfer of funds:

- i. Funds were utilized without establishing Madaaris and Schools Management Board & Directorate.
- ii. Rules, regulations, TORs, instructions, guidelines etc. regarding utilization of funds were not framed / forthcoming from the available record.
- iii. Funds were provided and utilized without preparation & approval of annual budget estimates of the institutions and without formulating forms and registers for preparation of accounts and financial statements.
- iv. Expenditure on salaries and wages of staff was incurred without any authentication / identification of detail of employees, their terms of appointment/service, salary structure etc.
- v. Record regarding delegation of administrative and financial powers was also not available and funds were disbursed without framing/adoption of rules regarding procurement of goods and services etc. Contingent

expenditure was incurred without maintaining record such as bills of vendors/service providers, sanction of competent authority etc.

- vi. Neither detail of properties, movable or immovable, owned by the taken over institutions nor any record regarding collection of fees and other sums received by the institutions was maintained.

Due to lack of due diligence and weak administrative controls, funds were utilized without framing rules, regulations & mandate and maintaining prescribed record.

The matter was reported to the PAO in August, 2021. In DAC meeting held in October, 2021, it was replied that the Management Boards for management & control of FIF Institutions (Madaaris & Schools) was to be constituted by Government of the Punjab. The District Education Authority was only provided funds by the Government to meet the expenditure of taken over madaaris & schools functioning in District Jhang. The TORs of salaries of staff and other expenses was also provided by the Government through Home Department and Deputy Commissioner. Moreover, Administrators had also been appointed by the Government to regulate and monitor the administrative and financial matters of the institutions. The reply was not tenable as funds were utilized without formulation of budget, employees' services rules, procurement procedures and pre-audit of expenditure through DAO Jhang. Audit stressed to probe the matter for regularization of expenditure from the competent authority.

DAC directed CEO DEA to strengthen its internal control framework through appropriate actions and to avoid such unauthorized payments besides getting the expenditure regularized from the competent authority. No progress was intimated to Audit till finalization of this Report.

Audit recommends to probe the matter for fixing responsibility on the DEA authorities besides regularization of expenditure from the competent authority.

[AIR Para: 08]

3.2.4.8 Non-devising mechanism for utilization of savings – Rs 6.660 million

According to Rules 3(f) and 4(1)(l) of the Punjab District Authority (Budget) Rules, 2017, the Chairperson shall evaluate progress against key performance indicators for achieving economy, efficiency and effectiveness in expenditure, The CEO shall act as PAO and shall ensure the utilization of funds in the public interest and on specified objects.

Executive Engineer, Buildings Division, Jhang transferred funds amounting Rs 2.994 million to CEO, DEA, Jhang at the close of financial year 2020-21 as unspent balance / savings of three completed development schemes. Furthermore, savings of Rs 3.666 million pertaining to previous financial years were already lying unutilized in Account-V of DEA, Jhang till June, 2021. However, CEO, DEA did not make efforts for effective utilization of these savings/funds of Rs 6.660 million.

Due to weak financial management, no mechanism was developed for utilization of savings which resulted in non- provision of missing facilities in the educational institutions.

The matter was reported to the PAO/DDO in August, 2021. In DAC meeting held in October, 2021, it was replied that The Executive Engineer Buildings Division Jhang transferred funds of Rs 51.947 million to Chief Executive Officer (DEA) Jhang in June, 2021 on account of unspent balance of development schemes. This amount does not include any saving which had been mentioned in the audit para rather amount of Rs 2.994 million is unspent balance which had again been demanded by the Executive Engineer Buildings Division Jhang in August, 2021 for completion of the development schemes. As for as, the saving of Rs 3.666 million was concerned which pertained to previous five years' development schemes, the matter had been referred to Secretary School Education Department Lahore for further necessary action. Audit stressed that matter may be justified besides devising the mechanism for effective utilization of savings.

DAC directed CEO DEA to produce documentary evidence of compliance made in the subject matter. No progress was intimated to Audit till finalization of this Report.

Audit recommends devising the mechanism for effective utilization of savings without further delay.

[AIR Para: 17]

3.2.4.9 Abnormal flow of expenditure on utility bills – Rs 2.690 million

According to Para 4.8 of School Council Policy, 2007 and the Guide Book for utilization of Non-Salary Budget (NSB), the School Council Funds may be utilized for student welfare on following components including procurement of furniture, sports material, stationery, school education allied material, repair & maintenance of furniture, school building including new construction, payment of utility bills etc.

School Council of Government Comprehensive Model High School, Jhang incurred expenditure of Rs 4.194 million out of NSB funds for payment of utility bills including Electricity, Gas, telephone and internet during 2018-21. Scrutiny of record depicted an abnormal flow of funds amounting Rs 2.690 million for payment of utility bills resulting in unauthentic expenditure due to following discrepancies / reasons:

- i. Expenditure on utility bills included payment electricity and gas bills of hostel of the school amounting Rs 1.061 million and 1.018 million respectively which was 50% of total expenditure. It was observed that during summer / winter vacations and COVID-19 lockdown both school and hostel remained closed for a period of more than twenty months but the utility bills remained almost constant and school authorities did not curtail the use of utilities during closure of school/hostel and expenditure on hostel utilities was Rs 1.020 million and electricity bill of primary and elementary wings of school was Rs 0.604 million. However, no plausible explanation about use of electricity and gas

during closure of school and hostel was provided by school management.

- ii. Furthermore, expenditure of Rs 6,660 was incurred during September, 2018 on provision of CTC line to troops of Pakistan Army camped at the school. However, reasons for incurrence of expenditure for provision of CTC line facility to Pakistan Army Personnel was best known to the school management.

Due to lack of due diligence and weak internal controls, NSB fund was utilized in violation of provisions of financial propriety.

Abnormal use of utilities including electricity and gas resulted in unauthentic expenditure of Rs 2.690 million.

The matter was reported to the DDO concerned in August, 2021. In DAC meeting held in October, 2021, it was replied that during previous years Pakistan Army troops were camped at school building in connection with COVID-19 pandemic duty, Moharram-ul-Haram security arrangements, Population Census & flood relief activities etc. and they utilized school resources including electricity, gas and telephone which caused abnormal flow of funds towards payment of utilities. However, amount had been claimed from the Deputy Commissioner Jhang. Moreover, some officers of DEA remained resided in hostel of the school and used air conditioners which also caused increase in utility bills. Audit stressed to probe the matter for fixing of responsibility on the person(s) at fault besides recovery of utility charges from the quarters concerned.

DAC directed CEO to probe the matter for recovery of utility charges besides fixing responsibility on incumbent(s) at fault at the earliest. No progress was intimated to Audit till finalization of this Report.

Audit recommends to probe into the matter for fixing of responsibility on the school management besides recovery of loss from the concerned.

[AIR Para: 01]

3.2.4.10 Non-constituting of District Education Authority and unlawful conduct of business

According to Sections 17, 30 and 93 of the Punjab Local Government Act 2013, the Government shall, by notification in the official Gazette, separately establish and determine the composition of District Education Authority for each District. The Authority shall consist of such number of indirectly elected members from the local governments and nominated technocrat members. The members of an Authority shall be elected by the local governments in the district, other than the Union Councils, from amongst their respective members in the prescribed manner. The Government shall appoint the Chairman and the Vice Chairman of an Authority and they shall serve during the pleasure of the Government. Furthermore, according to Government of the Punjab, LG&CD Department Notification No.SOR(LG)38-5/2014 dated 01.01.2017, District Education Authority was established in each District and Deputy Commissioner of the District was appointed as Administrator of the said Authority w.e.f. 01.01.2017 for a period not more than two years.

During audit of DEA, Jhang for the FY 2020-21, it was observed that District Education Authority Faisalabad was established since 01.01.2017 under PLGA, 2013. However, following discrepancies were observed in establishment of District Education Authority and conduct of its business:

- i. Government of the Punjab did to constitute District Education Authority despite issuing composition notification. Further, Chairman and Vice Chairman were not appointed by the Government as required under PLGA, 2013;
- ii. In violation of rules, Deputy Commissioner, Faisalabad continued to hold the office of Administrator of DEA Faisalabad and exercised the powers of the Authority beyond lawful tenure of 2 years which was expired on 31.12.2018. Therefore, conduct of business including approval/ authentication of revised budget and incurrence of expenditure during financial year 2020-21 was held irregular.

- Furthermore, powers of the House / Authority were concentrated in and used by a Government Servant;
- iii. Scrutiny of record portrayed poor performance of District Education Authority since its establishment as various development schemes remained incomplete;
 - iv. Monitoring and inspection of schools was not conducted through School Improvement Framework;
 - v. Funds provided under NSB and DFID Program were not utilized to its optimum level;
 - vi. Human resource management and capacity development of academic staff was also poor as the Schedule of Establishment of DEA was not prepared and made part of the budget book. No progress was shown regarding capacity building and training of personnel;
 - vii. Performance towards achievement of key performance indicators set by the Government for service delivery was also poor as DEA failed to achieve its intended objectives and KPIs during 2020-21 and previous years.
 - viii. District Performance Monitoring Committee to monitor / review the performance of the Authority was also not constituted.
 - ix. Amount of PFC share was never communicated to DEA Jhang by Government of the Punjab in violation of Accounts Rules. Authorities of DEA also did not make efforts to get the PFC share communicated to it for assessing the resources available for optimized budgeting. Hence, the amount of actual share of DEA and pending amount due from Government of the Punjab since 2017 could also not be ascertained/claimed.

Due to violation of Law, DEA Jhang was not constituted and existing management represented a poor performance which resulted in unlawful conduct of business of District Education Authority.

The matter was reported to the PAO in August 2021. In DAC meeting held in October, 2021, it was stated by the CEO that the said anomaly had been removed by the Government of Punjab but no documentary evidence was submitted in support of this statement.

DAC directed the CEO to submit documentary evidence in support of reply within one week. No progress was intimated to Audit till finalization of this Report.

Audit recommends to take up the matter with Administrative Department for enquiry besides regularization of the same from the Competent Authority.

[AIR Para: 21]

Others

3.2.4.11 Irregular transfer and utilization of NSB – Rs 325.830 million

According to Para 2.4 of Non-Salary Budget Guidelines for High and Higher Secondary Schools, NSB will be used through District Accounts Office as per prescribed procedure. Furthermore, according to Paras 2.5 & 2.6 of the Guidelines *ibid*, High and Higher Secondary Schools shall submit their detailed head-wise budget in accordance with Chart of Accounts as per circulated total NSB entitlements for inclusion in respective district budget. Head teacher would utilize these funds as DDO after observing relevant rules such as Delegation of Financial Powers, PPRA Rules, Austerity Measures etc. Furthermore, according to the instructions for operation of SDA, no withdrawal from SDAs are permissible as advance withdrawals for en-block transfer of funds in commercial banks.

CEO, DEA, Jhang transferred NSB amounting Rs 325.830 million during 2017-21 into commercial bank accounts of School Councils (SCs) from the SDA. NSB was transferred into bank accounts of SCs of High / Higher Secondary Schools instead of school wise allocation of funds through Account-V and the DDOs utilized these funds through School Councils without head wise allocation and without observing delegation of financial powers. Furthermore, en-block transfer of funds was made to the commercial bank accounts of SCs of primary/elementary schools.

Due to weak internal controls, prescribed procedure for the utilization of NSB was not observed which resulted in irregular transfer and utilization of funds without pre-audit / without involvement of DAO.

The matter was reported to the PAO and DDO concerned in August, 2021. In DAC meeting held in October, 2021, it was replied that the NSB funds were released in joint SDA of CEO and DEO (S.E) and same were transferred to School Council Accounts through SDA cheques after fulfillment all codal formalities under rules. The reply was not tenable as the funds were utilized without pre-audit of expenditure in violation of financial procedures. Audit stressed to

probe the matter besides regularization of expenditure from the competent authority.

DAC directed the management to strengthen its internal control framework through appropriate actions and to avoid such unauthorized payments. DAC further directed to refer the case to appropriate higher level for regularization. No progress was intimated to Audit till finalization of this Report.

Audit recommends to probe the matter besides its regularization from the Competent Authority.

[AIR Paras: 9 & 13]

4. District Education Authority (DEA) Toba Tek Singh

CHAPTER 4.1

Public Financial Management Issues

Directorate General Audit, District Governments Punjab (South) Multan conducts Financial Attest Audit of the Accounts of District Education Authority Toba Tek Singh on annual basis. The significant observations emerging from Management Letter as a result of Financial Attest Audit issued to the District Accounts Officer Toba Tek Singh for the financial year 2020-21 have been reported in this chapter.

Analysis of Appropriation Accounts and Financial Statements (Financial Attest Audit 2021-22)

The following findings regarding financial management issues were also conveyed to the PAO during Financial Attest Audit of DEA, Toba Tek Singh for the financial year 2020-21:

- i. Payments by violating internal controls – Rs 35.805 million
- ii. Booking of receipts of other Governments as Consolidated Fund Receipt of Authority – Rs 1.338 million
- iii. Unauthorized approval of budget / schedule of authorized expenditure.

These issues were discussed in the clearing house meeting and commitment to take remedial measures was made by the Accountant General and Finance Department. However, the issue regarding unauthorized approval of budget / schedule of authorized expenditure. has been reported in Auditor's Report of DEA, Toba Tek Singh as Emphasis of the Matter.

4.1.1 Audit Paras

4.1.1.1 Payments by violating internal controls – Rs 35.805 million

According to provision 4.5.6.9 of the Accounting Policy and Procedure Manual, once the certifying officer is satisfied with the claim, he/she shall sign and date the claim voucher, update the Certification and Authorization Register and pass on the claim to the authorizing officer. Further, according to AG Punjab letter No.FI Lab/Restriction/CD-72 dated 31.10.2016, it has been decided by the competent authority that a specific cost center should be allotted to a specific user of level 0 (Auditor), level 1 (Assistant Accounts Officer) & level 2 (District Accounts Officer).

During Financial Attest Audit of District Education Authority Toba Tek Singh it was observed from scrutiny of sample vouchers that District Accounts Officer–II, Toba Tek Singh made payments of Rs 35.805 million on account of different claims of District Education Authority. It was observed from SAP report that same claims were approved at level 2 (DAO) & forwarded to level 3 (Cheque) by the District Accounts Officer-I. Resultantly, misuse of authority and SAP user ID was made by the DAOs in violation of above referred instructions of AG Punjab.

Due to weak internal controls payments were made by unauthorized person because payment authorizing officers in system and on physical claim were different.

Payments by violating internal controls resulted chances of wrong payments.

It was replied that emergent payments on account of corona-related activities were made when DAO-I is away on official duties. The reply was not tenable because no corona related procurements were made by District Education Authority and claims pointed out by Audit relates to routine expenditure.

DAC directed to probe the matter regarding misuse of authority and SAP user ID in violation of instructions of AG Punjab for fixing of responsibility on the person(s) at fault.

Audit recommends to probe the matter regarding use of SAP user ID and authorizing payments by unauthorized officer(s).

4.1.1.2 Booking of receipts of other Governments as Consolidated Fund Receipt of Authority – Rs 1.338 million

According to Section 3.3.7.7 of Manual of Accounting Principles (MAP), where an entity acts as an agent the revenues or expenses should not be recorded in the primary books of account other than as a matter of stewardship. For example, an entity collecting taxes will not normally control the future economic benefits embodied in the tax collections and as such would not recognize the taxes as revenues of the entity. The entity may however recognize “taxes collected on behalf of the Government” as subsidiary information on the overall performance of the entity.

District Accounts Officer, Toba Tek Singh made different deductions amounting Rs 1.338 million on behalf of Provincial & Federal Government from employees and various contingent bills of the District Education Authority during 2020-21. The same were required to be booked / credited as Public Account Receipt in the analogy of Income Tax and Sales Tax. Contrary to the above mentioned principle, said receipt was made part of the Consolidated Fund Receipt in the Account -V of the District Education Authority. The detail is as under:

(Amount in Rupees)

Sr. No.	GL Account	GL Account Description	Government	Amount
1	B01603	Deduction at Source	Punjab	871,400
2	B02385	Sales Tax on Services (Punjab)	Punjab	317,077
3	B01131	Income Tax	Federal	999
4	B02341	Ordinary Collection (Sales Tax)	Federal	645
5	E02501	House Building Advance	Federal	57,464
6	E02502	Motor Car Advance	Federal	90,000
Total				1,337,585

Showing of Provincial Government receipts as District Education Authority receipts resulted in wrong preparation of accounts and misleading figures of receipts.

It was replied that transfer of Funds has been made. No documentary evidence in support of reply was provided to Audit for verification till finalization of minutes of meeting i.e. up to 11.10.2021.

DAC directed DAO to produce the record to Audit for verification. No record was provided to Audit for verification. Para was kept pending.

Audit recommends that new GL accounts be created for reporting of Provincial Government receipts under Public Account instead of Consolidated Fund so that true picture of accounts be presented.

4.1.1.3 Unauthorized approval of budget / schedule of authorized expenditure

According to Government of the Punjab, LG&CD Department Notification No.SOR(LG)38-5/2014 dated 01.01.2017, District Education Authority was established in each District and Deputy Commissioner of the District was appointed as Administrator of the said Authority w.e.f. 01.01.2017 for a period not more two years.

During Financial Attest Audit on the accounts of District Education Authority Toba Tek Singh, it was observed that DEA was established since 01.01.2017 under PLGA, 2013. Contrary to the above, Deputy Commissioner Toba Tek Singh, continued to hold the office of Administrator of DEA and exercised the powers of the House / Authority beyond lawful tenure of two years that had already been expired on 31.12.2018. Therefore, conduct of business including approval / authentication of budget amounting Rs 9,784.660 million and incurrence of expenditure amounting Rs 7,672.876 million during financial year 2020-21 was held irregular. Further, powers of the House / Authority were concentrated in and used by a Government servant.

Exercising the powers of the House by the Government Servant resulted in poor performance, unauthorized utilization of public resources and unlawful conduct of business of DEA.

It was replied that matter relates to policy-making authority. The reply was not tenable because budget / schedule of authorized expenditure of the authority was approved without competency and DAO made payments against said schedule of authorized expenditure which has no authority.

DAC directed DAO to take up the matter with CEO DEA as well as with AG Punjab and Secretary Finance besides regularization of the matter.

Audit recommends regularization of the matter from the Competent Authority.

CHAPTER 4.2

DEA Toba Tek Singh

4.2.1 Introduction

A. District Education Authority (DEA) Toba Tek Singh was established on 01.01.2017 under Punjab Local Government Act 2013. DEA, Toba Tek Singh 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.

Chief Executive Officer (CEO) is the Principal Accounting Officer (PAO) of the DEA, Toba Tek Singh and is responsible to the Public Accounts Committee of the Provincial Assembly. He is responsible to ensure that the business of the DEA is carried out in accordance with the laws and to coordinate the activities of the groups of offices for coherent, effective and efficient functioning of DEA, Toba Tek Singh.

The functions of DEA, Toba Tek Singh as described in the Punjab Local Government Act, 2013 are to:

- i. establish, manage and supervise the primary, elementary, secondary and higher secondary schools as well as adult literacy & non-formal basic education / special education institutions of the Government in the District;
- ii. implement Government policies and directions including achievement of key performance indicators set by the Government for education;
- iii. ensure free and compulsory education for children of age five to sixteen years as required under Article 25-A of the Constitution;
- iv. ensure teaching, infrastructure, student safety & hygiene and minimum education standards for quality education;
- v. undertake student assessment and examinations, ranking of schools, promotion of co-curricular activities, award of scholarships and conduct of science fairs in Government and private schools;

- vi. approve the budget of the Authority and allocate funds to educational institutions;
- vii. 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;
- viii. constitute school management councils which may monitor academic activities;
- ix. plan and finance maintenance of school, support enrollment and retention, arrange donation and finances, plan development and perform any other function assigned by the Government, a Commission or a body established by law in the prescribed manner.

DEA, Toba Tek Singh manages various administrative offices and educational institutes as detailed in the following table:

Table-1: Administrative Offices and Educational Institutions

Description	No. of Offices / Educational Institutes
Chief Executive Officer (DEA)	01
DEO (Secondary Education)	01
District Officer (Literacy)	01
District Education Officer (EE-M)	01
District Education Officer (EE-W)	01
Deputy DEOs (EE-M)	04
Deputy DEOs (EE-W)	04
Higher Secondary Schools (Boys & Girls)	16
High Schools (Boys & Girls)	198
Elementary Schools	287
Primary Schools	680
Special Education Schools / Centers	07
Total	1201

(*Source: Data received from CEO (DEA) Toba Tek Singh)

The detail of total and audited formations of DEA, Toba Tek Singh is provided in the table given on the following page.

Table-2: Audit Profile of DEA, Toba Tek Singh

(Rupees in million)

Sr. No.	Description	Total Nos.	Audited	Expenditure Audited FY 2020-21	Revenue / Receipts Audited FY 2020-21
1	Formations	234	05	440.138	-
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities/Autonomous Bodies etc. under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

B. Comments on Budget and Accounts (Variance Analysis)

The detail of budget and expenditure of DEA, Toba Tek Singh for the financial year 2020-21 is given in the following table:

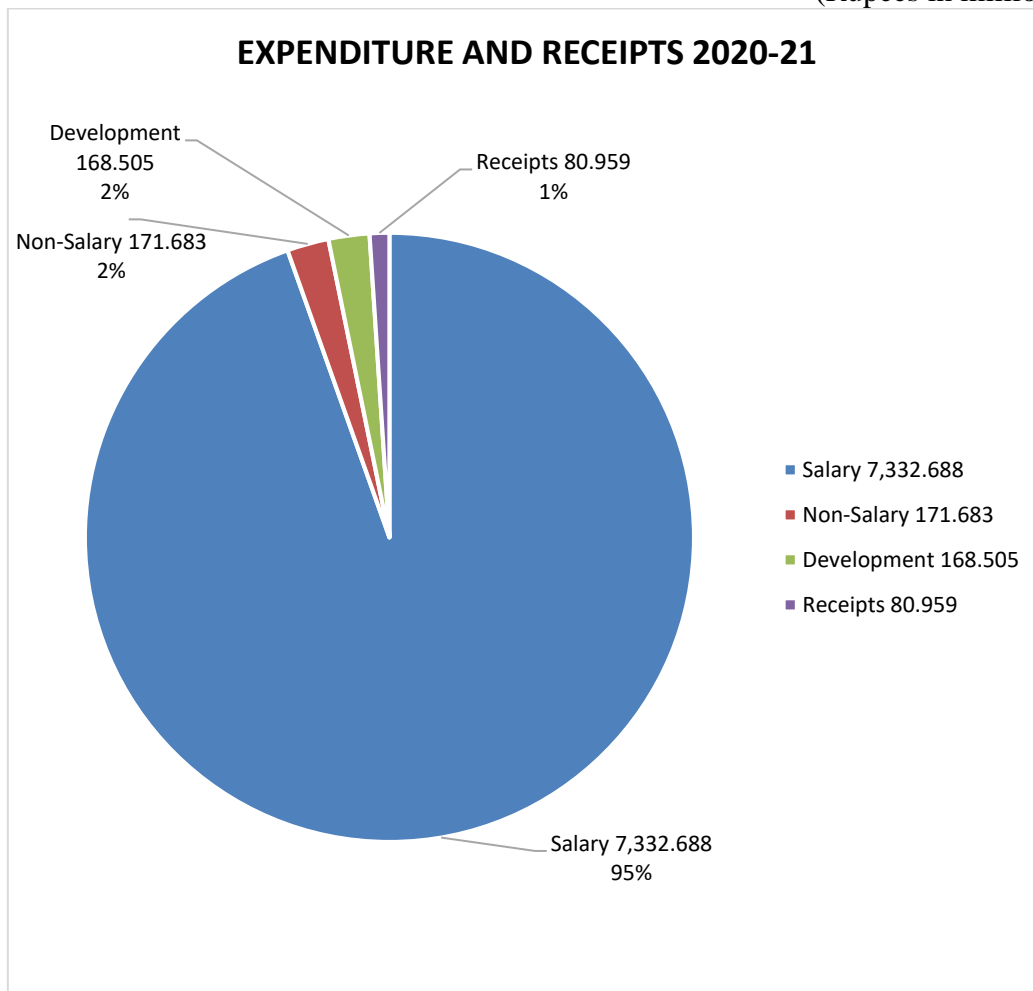
Table-3: Budget and Expenditure

(Rupees in million)

2020-21	Budget	Actual	Excess (+) / Lapse (-)	Lapse (Per Cent)
Salary	8,963.770	7,332.688	-1,631.082	18%
Non-Salary	327.779	171.683	-156.096	48%
Development	493.111	168.505	-324.606	66%
Total	9,784.660	7,672.876	-2,111.784	22%
Receipts	-	80.959	-	-

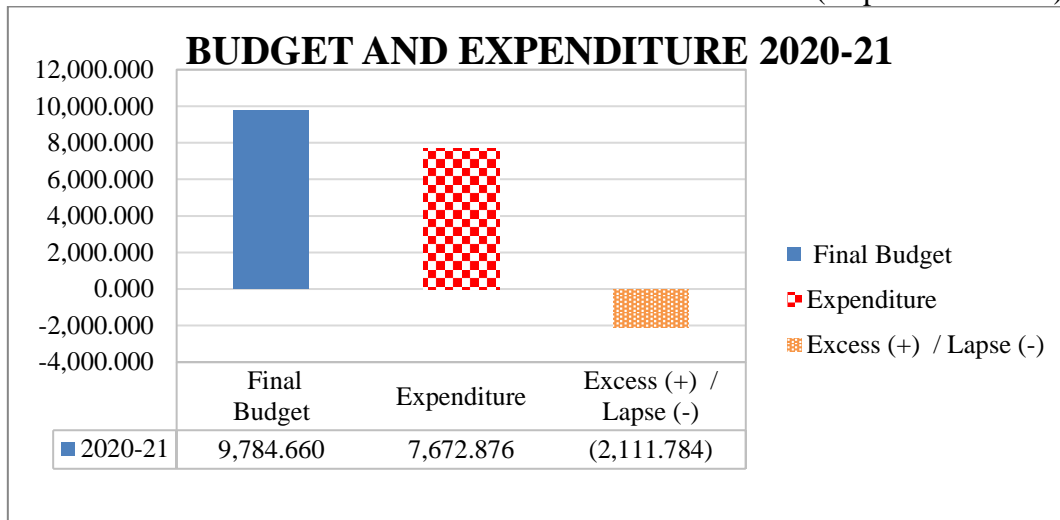
(Source: Appropriation Accounts 2020-21)

(Rupees in million)



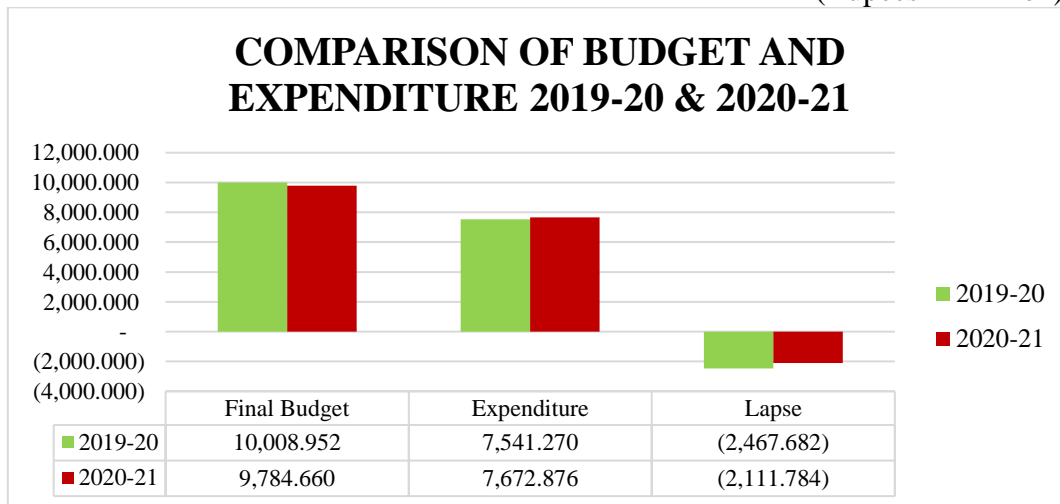
As per the Appropriation Accounts for financial year 2020-21 of District Education Authority, Toba Tek Singh, final budget (Development and Non-Development) was Rs 9,784.660 million against which total expenditure of Rs 7,672.876 million was incurred by District Education Authority during financial year 2020-21.

(Rupees in million)



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

(Rupees in million)



There was 2 decrease in budget allocation and 2% increase in expenditure in financial year 2020-21 as compared to financial year 2019-20, while there was overall lapse of Rs 2,111.784 million during 2020-21.

C. Sectoral Analysis

i. Analysis of Financial Resources

Lapse of funds (as reflected in Table-3 above) equivalent to 18%, 48% and 66% of the budgeted amount against salary, non-salary and development heads respectively reflect poor financial management especially considering that the DEA failed to achieve many of its core indicators and infrastructure targets during the year. Available funds to the tune of Rs 2,111.784 million were not utilized to help achieve the targets. The same resulted in depriving the students / populace from necessary facilities, such as provision of furniture & fixture, laboratory equipment and civil work.

ii. Status regarding provision of basic facilities in educational institutions

Irrational resource allocation was observed as key performance indicators were not achieved regarding provision of missing facilities in the schools such as boundary walls, toilet blocks, electricity and drinking water. Furthermore, students were also facing shortage of basic facilities including student furniture and classrooms. Quality of education was compromised due to non-availability of basic facilities to the students which also created hindrance towards educational outcomes. The detail of missing facilities is given in the following table:

Sr. No.	Description		Numbers
1	Status of Missing Facilities	No. of schools without Boundary Walls	19
2		No. of schools without Toilet Block	13
3		No. of schools without Electricity	4
4		No. of schools without facility of Drinking Water	23
5	Shortage of Basic Facilities	No. of students for whom furniture is not available	2,422
6		No. of schools facing shortage of Classrooms	490
7		No. of classrooms required	1722

iii. Service Delivery Issues

From the Data analysis of DEA, Toba Tek Singh, following service delivery issues were observed:

- i) Audit obtained the figures of enrollment of last three years and revealed that enrollment was decreased despite increasing population. The decreasing trend evidently shows the weak performance of education sector in achieving the SDG goal-4.
- ii) There was acute shortage of basic facilities including class rooms, toilet blocks furniture etc. Schools without boundary wall/missing portions of boundary walls, dangerous building/classrooms, were also exist in district Toba Tek Singh.
- iii) The Chief Executive Officer, DEA could not increase working strength of teaching staff. Recruitment of teaching staff was not made during 2019-21.
- iv) CEO, DEA failed to ensure teaching standards, student safety/hygiene standards and minimum education standards for quality education. Audit observed that 14 schools were running single classrooms and 15 schools have only one teacher posted in school within the jurisdiction of DEA, Toba Tek Singh.
- v) Teacher trainings were not conducted by the DEA for capacity building of staff to perform and impart knowledge according to modern education techniques. Further, learning intentions & success criteria for secondary school students were not prepared with reference to modern IT techniques.

iv. Expectation Analysis and Remedial Measures

DEA Toba Tek Singh did not achieve its overall targets regarding provision of missing facilities in the schools such as boundary walls, toilet blocks, electricity and drinking water. Moreover, students were also facing shortage of basic facilities including student furniture and classrooms. Quality of education was compromised due to non-availability of basic facilities to the students which also created hindrance towards educational outcomes. DEA could not utilize 66% funds of development budget to overcome these hindrances. Further, overall financial management regarding achievement of budget utilization was not satisfactory as 18% of salary and 48% of Non-salary budget was lapsed.

Suggestions / Remedial Measures

- i) Strengthening of the regulatory framework, following the rules e.g. PPRA rules for purchasing, adhering to the rules of propriety and probity in use of development and Non-Development funds must be ensured. This can be checked by holding accountable those who are responsible for such irregularities at appropriate forums.
- ii) Shortage of teaching staff at different levels should be overcome.
- iii) Efforts should be made for expediting the realization of recovery of overpayments.
- iv) Establishment of internal control system and proper implementation of the monitoring system should be ensured.
- v) Budget should be rationalized with respect to utilization.

4.2.2 Classified Summary of Audit Observations

Audit observations amounting Rs 489.475 million were raised as a result of this audit. This amount also includes recoverable of Rs 39.331 million as pointed out by Audit. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-Production of Record	7.119
2	Reported cases of fraud, embezzlement and misappropriation	0
3	Irregularities	0
A	HR/Employees related irregularities	79.387
B	Procurement related irregularities	29.377
C	Management of Accounts with Commercial Banks	0
4	Values for money and service delivery issues	61.735
5	Others	311.857
Total		489.475

4.2.3 Comments on the Status of Compliance with PAC Directives

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

Status of Previous Audit Reports

Sr. No.	Audit Year	No. of Paras	Status of PAC Meetings
1	2017-18	13	PAC not constituted
2	2018-19	28	PAC not constituted
3	2019-20	25	PAC not constituted
4	2020-21	11	PAC not constituted

4.2.4 Audit Paras

Non-production of record

4.2.4.1 Non-production of record – Rs 7.119 million

According to Clause 14(1)(b) and 14(2) of the Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001, the Auditor-General shall, in connection with the performance of his duties under this Ordinance, 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. The officer incharge of any office or department 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.

Headmaster, Government Special Education Centre, Pirmahal did not produce record of expenditure amounting Rs 7.119 million incurred under different objects for the period 2013-21. (**Annexure-2**)

Due to negligence on the part of management, record of expenditure was not produced which created doubts about the legitimacy of expenditure.

The matter was reported to the DDO in August, 2021. In DAC meeting held in October, 2021, it was replied that most of the record had been retrieved, whereas, bills of uniform, stipend & cost of other store were demanded by District Accounts Office, Toba Tek Singh for audit purpose and not returned yet. Audit stressed to produce relevant record for verification at the earliest.

DAC directed the Headmaster to compile the relevant record after retrieval and produce to Audit for verification within two weeks. No progress was intimated to Audit till finalization of this Report.

Audit recommends to probe the matter for fixing responsibility on the person(s) at fault.

[AIR Para: 13]

Procedural irregularities

4.2.4.2 Undue payment of Social Security Benefit – Rs 41.662 million

According to Government of the Punjab, Services & General Administration Department (Regularization Wing) Regularization Service Act, 2018 issued vide No.SO(ERB) (S&GAD)5-19/2018 dated 18.05.2018, the services of the contract employees were required to be regularized upon attainment of four-year service before issuance of the Act *ibid*. Furthermore, according to Government of the Punjab, School Education Departemtn Lahor, Notification No. SO(SE-III) 2-16/2007(P-V) dated 07.08.2015, the Social Security Benefit (SSB) shall not be paid to the employees upon regulaization of their services.

CEO and other DDOs of DEA, Toba Tek Singh paid SSB amounting to Rs 41.662 million during 2020-21 to the employees having more than four years' services as contract employees. However, as per provisions of the above referred Act their services were required to be regularized and upon such regularization payment of SSB was to be discontinued.

Due to weak internal controls and financial indiscipline, undue payment of SSB was made to the employees which resulted in extra financial burden on the financial resources DEA, Toba Tek Singh.

The matter was reported to the PAO and DDOs concerned in August, 2021. In DAC meeting held in October, 2021, it was replied that necessary instructions had been made to the concerned for compliance.

DAC decided to communicate the matter to all DEOs for submission of working papers for regularization of entitled employees and recovery in case of services regularized. No progress was intimated to Audit till finalization of this Report.

Audit recommends regularization of services of employees concerned besides recovery of SSB.

[AIR Paras: 6, 5]

4.2.4.3 Payment of inadmissible pay & allowances – Rs 37.725 million

According to Rule 1.15(2) of the Punjab Travelling Allowance Rules, Conveyance Allowance will be admissible only for the period during which the civil servant held the post to which the Conveyance Allowance is attached and will not be admissible during leave or joining time. Furthermore, according to Government of the Punjab, Finance Department, letter No.FD.PR.21-31/2013 dated 11.10.2018, all the Elementary School Teachers who were availing the benefit of advance increments were required to refund the amount of benefit received after 08.05.1998, in easy installments and get their pay re-fixed accordingly. The employees who availed the benefit of advance increments on acquiring B.Ed. and MA/M.Sc. before 08.05.1998 were also required to get their pay re-fixed. Furthermore, according to Government of the Punjab, Finance Department letter No.FD.SR, 19-4/86(P) (PR) dated 21.4.2014, the officers / officials availing government vehicles including bikes (sanctioned / pool) are not entitled to the facility of Conveyance Allowance w.e.f 01.03.2014.

Three DDOs of DEA, Toba Tek Singh made excess payment of pay & allowances amounting Rs 37.725 million to 9,327 employees on account of Conveyance Allowance, Personal Allowance, Charge Allowance and advance increments without admissibility during 2013-21. The details are as under:

(Rupees in million)

Sr. No.	DDOs	Description	Amount
1	Chief Executive Officer, DEA, TT Singh	Conveyance Allowance during vacations	35.196
		Charge Allowance without admissibility	0.149
		Conveyance Allowance during vacations	0.120
		Personal Allowance without admissibility	0.178
2	Government Model High School, Toba Tek Singh	Advance Increments without admissibility	1.712
		Conveyance Allowance during vacations	0.185
3	Government Special Education Center, Toba Tek Singh	Conveyance Allowance during vacations	0.170
		Pay & Allowances after relieving from job	0.015
Total			37.725

Due to violation of Government instructions and negligence, payment of inadmissible pay & allowances was made which resulted in excess payment to the employees concerned.

The matter was reported to the DDOs concerned in August, 2021. In DAC meeting held in October, 2021, it was replied that necessary instructions had been issued to the concerned employees for deposit of excess drawn amount of pay & allowances. Audit stressed to recover the overdrawn amount from the employees at the earliest.

DAC directed the Deputy Director (B&A) to pursue the matter vigorously through communication to relevant DDOs for recovery of overpaid amount of inadmissible allowance from the employees concerned. No progress was intimated to Audit till finalization of this Report.

Audit recommends early recovery of excess paid amount of Rs 37.725 million from the employees concerned.

[AIR Paras: 5, 12, 14, 15, 2, 8, 3, 12]

4.2.4.4 Irregular expenditure without observing prescribed procedure – Rs 20.373 million

Sections 3, 6, 9 to 12, 16 & 17 of the Punjab Seized and Freezed Institutions (Madaaris and Schools) Act, 2019, require constitution of Madaaris and Schools Management Board and lay down procedure for management & control of Seized and Freezed Institution including acquiring/disposal/management of properties, budgeting, recruitment of employees, maintenance of books of accounts in prescribed manner and submission of statements of estimated receipts & expenditure in respect of the next financial year to the Government for approval.

CEO DEA, Toba Tek Singh made payment of Rs 20.373 million during 2020-21 for fulfillment of financial needs of taken over properties (Madaaris) of proscribed organizations in respect of salaries of the staff and contingent expenditure of the institutions. However, following discrepancies were observed in utilization of funds:

- i. Funds were utilized without establishment of Madaaris and Schools Management Board / Directorate;
- ii. Rules, regulations, TORs, instructions, guidelines regarding utilization of funds were not formulated;
- iii. Funds were provided and utilized without approval of annual budget estimates;
- iv. Annual financial statements were not provided;
- v. Expenditure on salaries and wages of staff was incurred without authentication/ identification of detail of employees;
- vi. Record regarding delegation of administrative and financial powers was not available; and
- vii. Detail of properties, owned by institutions was not maintained/available in record.

Due to weak administrative controls and poor financial management, funds were utilized without framing rules, regulations & mandate and without maintaining prescribed record.

The matter was reported to the PAO in August, 2021. In DAC meeting held in October, 2021, it was replied that expenditure related to JUD/FIF was not the part of the Annual Budget of DEA, Toba Tek Singh. However, the formalities were being observed. The reply was not tenable because the expenditure was incurred without formulating SOPs and observing instructions regarding incurrence of expenditure.

DAC directed Deputy Director (B&A) to produce documentary evidence in support of reply within two weeks. No progress was intimated to Audit till finalization of this Report.

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

[AIR Para: 7]

4.2.4.5 Irregular payments to the vendors – Rs 3.544 million

According to Rule 4 (b) of the Punjab District Authorities (Accounts) Rules, 2017, the payment exceeding Rs 1000 shall be made through crossed, non-negotiable. Furthermore, according to Serial No. 5 of the Punjab Delegation of Financial Powers Rules, 2006, payment of rent of non-residential buildings shall be made subject to the conditions that accommodation is according to the scale approved by the Government and the rent does not exceed the tax assessed by the Excise & Taxation Department. In case rent exceeds from the rent assessed by the Excise & Taxation Department, the Administrative Department shall give rent reasonability certificate. Further, non-availability certificate would be obtained from the Communication & Works Department.

Audit observed that during 2013-21, two DDOs of DEA, Toba Tek Singh made payment of Rs 3.544 million in cash instead of crossed, non-negotiable cheques. Further, Principal Government Special Education Center, Pirmahal made payment of rent of building without getting the rent assessed from the Excise & Taxation Department. The details are as under:

(Rupees in million)

Sr. No.	DDOs	Period	Amount
1	Principal, Government Special Education Center, Toba Tek Singh	2017-20	0.997
2	Headmaster, Government Special Education Center, Pirmahal	2013-21	2.547
Total			3.544

Due to dereliction of duties, irregular payments were made in cash and without assessment of rent from the Excise & Taxation Department

The matter was reported to the DDOs concerned in September, 2021. In DAC meeting held in October, 2021, it was replied that all payments had been made to the vendor's through cheques. However, in some case the vendors requested to pay the amount in cash due to non-opening of vendor accounts and all the payments would be made through crossed cheques in future. Further, rent of building was paid in accordance to the agreed and assessed monthly rate. The reply was not

tenable because payments were made in cash instead of crossed cheques. Further, no documentary evidence was provided in support of reply regarding assessment of rent.

DAC showed concern for crossing the limit of cash payment in violation of rules and directed DDOs to get the expenditure regularized from the Competent Authority and report progress within two weeks. No progress was intimated to Audit till finalization of this Report.

Audit recommends to probe the matter besides its regularization from the Competent Authority.

[AIR Paras: 6, 1]

4.2.4.6 Non-competitive and doubtful procurements – Rs 1.801 million

According to Rule 4 of the Punjab Procurement Rules, 2014, a procuring agency, while making any procurement, shall ensure that the procurement is made fairly and transparently, the object of procurement brings value for money to the procuring agency and the procurement process is efficient and economical. Furthermore, according to Rule 2.33 of the Punjab Financial Rules, Vol-I, every Government servant should realize fully and clearly that he will be held personally responsible for any loss sustained by the Government through fraud or negligence on his part.

The following DDOs of DEA, Toba Tek Singh incurred expenditure of Rs 1.801 million for procurement of construction material, machinery, white wash material, repair & maintenance of vehicle and machinery/equipment during 2011-21, as detailed below:

(Rupees in million)

Sr. No.	DDOs	Description	Amount
1	Principal, Government Model High School, Toba Tek Singh	Procurement through fake competition	0.659
		Drawl of funds through fictitious billing	0.213
2	Headmistress, Government Girls High School, 735/GB	Drawl of funds through fictitious billing	0.296

Sr. No.	DDOs	Description	Amount
3	Headmaster, Government Special Education Center, Pirmahal	Drawl of funds through fictitious billing	0.475
		Drawl of funds through fictitious billing	0.158
Total			1.801

However, the following discrepancies were observed in incurrence of expenditure:

- i) Procurements were made by using fake quotations as the same spelling mistakes were repeated in all the quotations shown to be submitted by the so-called competitors, comparative statements and requests for quotations;
- ii) Expenditure was incurred by using doubtful / fictitious invoices as the same were not in chronological order e.g. Invoice No.806 was issued on 15.03.2021 and Invoice No. 808 was issued on 09.03.2021; Invoice Nos. 925 to 931 were issued on 29.05.2019 and Invoice Nos. 932 & 933 were issued on 28.05.2019; and
- iii) Neither the acknowledgements / requisitions were obtained nor history sheets of vehicles, machinery and equipment were maintained.

Due to connivance, non-competitive and doubtful procurements were made by using fictitious invoices and fake quotations.

The matter was reported to the DDOs concerned in August and September, 2021. In DAC meeting held in October, 2021, it was replied that the matter would be inquired and compliance would be shown at the earliest.

DAC directed DEO (SE) to inquire the matter of fake quotations for fixing responsibility on the person(s) at fault and report progress within two weeks. No progress was intimated to Audit till finalization of this Report.

Audit recommends to probe the matter for fixing responsibility on the DDOs at fault besides regularization of expenditure from the Competent Authority.

[AIR Paras: 4, 6, 6, 14, 16]

4.2.4.7 Non-verification of General Sales Tax – Rs 1.326 million

According to Para 1.3 and 4(b) of the Sales Tax Special Procedure (Withholding) Rules, 2007, 1/5th (20 percent) of total Sales Tax shall be withheld and withholding agent / DDO concerned shall prepare the return for each month and forward the same to the Collector, by the 1/5th of the following month along with other tax liability. Furthermore, according to Section 4(3) of the Rules *ibid*, the Collector shall periodically ensure that the suppliers mentioned in the return filed by the withholding agents are filing returns and are duly declaring the supplies made to withholding agents.

Three DDOs of DEA, Toba Tek Singh made payments to different suppliers during 2011-21 on account of supplies and provision of services. The DDOs/Purchasing authorities made payments to the suppliers after deducting 1/5th of Sales Tax but monthly returns were not submitted to the FBR due to which deposit of remaining 4/5th of GST amounting to Rs 1.326 million by the suppliers, could not be verified by the Sales Tax Department. The details are as under:

(Rupees in million)

Sr. No.	DDOs	Amount
1	Govt. Girls High School 735/GB	0.892
		0.133
2	Govt. Special Education Center TT Singh	0.042
		0.021
3	Govt. Special Education Center Pirmahal	0.238
Total		1.326

Due to weak internal controls and negligence, monthly returns were not submitted for verification of GST.

The matter was reported to the DDOs concerned during August, 2021. In DAC meeting held in October, 2021, DDOs replied that the firms had been directed to produce relevant record of deposited amount of GST for verification. Audit stressed to produce proof of deposit of GST.

DAC directed DDOs concerned to recover amount due and produce record / GST returns for verification. No progress was intimated to Audit till finalization of this Report.

Audit recommends early deposit of taxes and verification of status of GST deposited by the suppliers concerned.

[AIR Paras: 4, 8, 8, 9, 15]

4.2.4.8 Loss due to procurement of buses at higher rates – Rs 1.225 million

According to Rule 4 of the Punjab Procurement Rules, 2014, a procuring agency, while making any procurement, shall ensure that the procurement is made in a fair and transparent manner, the object of procurement brings value for money to the procuring agency and the procurement process is efficient and economical.

CEO, DEA, Toba Tek Singh and Headmistress, Government Special Education Center, Toba Tek Singh procured three busses for students of Special Education Centers at Rs 6.300 million and Rs 4.900 million per bus respectively. Audit observed that excess expenditure of Rs 1.225 million was incurred as the procurements were made at higher rates as compared to the rates offered by the same manufacturers, as detailed below:

(Rupees in million)

Sr. No.	Name of Formation	Supply Order Date	Rejected Rate	Purchase Rate	Quantity	Amount
1	CEO, DEA, TT Singh	14.05.2020	5.900	6.300	2	0.800
2	Govt. Special Education Center TT Singh	14.05.2020	4.475	4.900	1	0.425
Total						1.225

Due to negligence, procurement of buses was made at higher rates.

The matter was reported to the DDO during August, 2021. In DAC meeting held in October, 2021, it was replied that Euro-II bus was selected by the Competent Authority as the same was equipped with latest technology. The District Procurement Committee accepted the financial bid of MS Fuso Master Motors

(PVT) Ltd. and supply orders were issued after approval of the Competent Authority. Difference in rate was due to difference in Horse Power and tender period. The reply was not tenable because the price difference was due to non-considering the capacity and financial bids.

DAC directed Assistant Director (Development) to produce approval of the Competent Authority and approved technical proposals within two weeks. No progress was intimated to Audit till finalization of this Report.

Audit recommends to probe the matter for fixing responsibility on the Purchase Committee.

[AIR Paras: 3, 1]

4.2.4.9 Non-functional Information Technology Lab – Rs 1.108 million

According to Section 17(6) of the Punjab Local Government Act, 2013, the Chairman and CEO of the Authority shall be personally responsible to ensure that the business of the Authority is conducted proficiently and to promote the objectives of the Authority. Furthermore, according to Rule 5(2)(m) of the Punjab District Authorities (Budget) Rules, 2017, the head of office and institution shall be responsible for guarding against waste and loss of public money.

Information Technology laboratory (IT Lab) was established in Government Girls High School Chak No.735/GB Kamalia in 2014 with expenditure of Rs 1.108 million. Audit observed that IT Lab was not made functional and IT / Computer teachers was also not recruited / posted till July, 2021.

Due to poor HR management and weak administrative controls, IT laboratory was not made functional which resulted in non-provision of IT education to the students besides blockage of public resources.

The matter was reported to the DDO in August, 2021. In DAC meeting held in October, 2021, DDO replied that the matter regarding non-appointment of IT teacher would be taken up with CEO, DEA.

DAC directed DEO (SE) to probe the matter regarding establishment of IT laboratory without sanctioned seat of IT teacher. DAC further directed to take appropriate action either to operationalize the Lab or to shift its material for utilization in any other appropriate school. No progress was intimated to Audit till finalization of this Report.

Audit recommends to inquire the matter for non-functioning the IT laboratory besides fixing responsibility on the person(s) at fault.

[AIR Para: 2]

Value for money and service delivery issues

4.2.4.10 Illegal occupation/encroachment over state land – Rs 60.400 million

According to Section 17(6) of the Punjab Local Government Act, 2013, the Chairman and Chief Executive Officer of the Authority (DEA / DHA) shall be personally responsible to ensure that the business of the Authority is conducted proficiently, in accordance with the law, and to promote the objectives of the Authority.

Audit observed that land measuring 60 Kanals and 08 Marlas valuing Rs 60.400 million (@ Rs 50,000 per marla) of various schools of DEA, Toba Tek Singh was unlawfully occupied /encroached by land grabbers. However, CEO and DDOs of DEA Toba Tek Singh did not take appropriate action to get the land vacated from illegal occupants.

Due to weak administrative controls, valuable land was not got vacated from illegal occupants which resulted in misuse of public resources.

The matter was reported to the DDO concerned in August, 2021. In DAC meeting held in October, 2021, it was replied that the case for vacation of school land is under process in the office of the Assistant Commissioners concerned. All District Education Officers, Toba Tek Singh had also been directed to approach the concerned Competent Authority and get the land vacated from the illegal occupants.

DAC directed DEO (SE) to pursue the matter vigorously for early vacation of encroached land and report progress within two weeks. No progress was intimated to Audit till finalization of this Report.

Audit recommends active pursue of the matter for vacation of land from illegal occupants at the earliest.

[AIR Para: 4]

4.2.4.11 Loss due to non-auction of trees and non-lease of land – Rs 1.335 million

According to Rule 5(2)(m) of the Punjab District Authorities (Budget) Rules, 2017, the head of office and institution shall be responsible for guarding against waste and loss of public money.

Audit observed during physical verification of stores, stocks and school building of Government Girls High School, 735/GB, that agricultural land measuring 2 acres was not leased out and dried trees valuing Rs 0.235 million were not auctioned by the DDO. Resultantly, DEA could not realize income of Rs 1.335 million, as detailed below:

(Rupees in million)

Sr. No.	Description	Amount
1	Loss due to non-leasing of agricultural land	1.100
2	Non-auction of dried trees	0.235
	Total	1.335

Due to weak administrative controls and negligence, agricultural land and dried trees were not leased out/auctioned.

The matter was reported to the DDO concerned in August 2021. In DAC meeting held in October, 2021, it was replied that the matter would be taken up with the Authority for leasing agricultural land and auction of dried trees.

DAC directed DEO (SE) to initiate appropriate action for leasing of agriculture land / auction of trees and report progress within three weeks. No progress was intimated to Audit till finalization of this Report.

Audit recommends appropriate action for revenue generation besides fixing responsibility on the headmistress.

[AIR Paras: 3, 9]

4.2.4.12 Non-constituting of District Education Authority and unlawful conduct of business

According to Sections 17, 30 and 93 of the Punjab Local Government Act 2013, the Government shall, by notification in the official Gazette, separately establish and determine the composition of District Education Authority for each District. The Authority shall consist of such number of indirectly elected members from the local governments and nominated technocrat members. The members of an Authority shall be elected by the local governments in the district, other than the Union Councils, from amongst their respective members in the prescribed manner. The Government shall appoint the Chairman and the Vice Chairman of an Authority and they shall serve during the pleasure of the Government. Furthermore, according to Government of the Punjab, LG&CD Department Notification No.SOR(LG)38-5/2014 dated 01.01.2017, District Education Authority was established in each District and Deputy Commissioner of the District was appointed as Administrator of the said Authority w.e.f. 01.01.2017 for a period not more than two years.

Audit observed that DEA, Toba Tek Singh was established since 01.01.2017 under the PLGA, 2013. However, following discrepancies were observed in establishment of DEA and conduct of its business:

- i. Government of the Punjab failed to constitute the DEA despite issuing notification of its composition;
- ii. Chairman and Vice Chairman were not appointed by the Government as required under the PLGA, 2013;
- iii. Deputy Commissioner, Toba Tek Singh continued to hold the office of Administrator of DEA, Toba Tek Singh and exercised the powers of the Authority beyond lawful tenure of two years which was expired on 31.12.2018;
- iv. Monitoring and inspection of schools were not conducted through School Improvement Framework;

- v. Schedule of Establishment of DEA was not prepared;
- vi. DEA authorities failed to achieve its intended objectives and KPIs during 2020-21; and
- vii. District Performance Monitoring Committee was not constituted to review the performance of the Authority.

Due to negligence and non-compliance of Law, Authority was not constituted and powers of the house were unlawfully exercised by the Deputy Commissioner, Toba Tek Singh.

The matter was reported to the PAO in August, 2021. In DAC meeting held in October, 2021, it was replied that the Government appointed Deputy Commissioner as Administrator w.e.f 01.01.2017 two years and no extension was granted in their appointment thereafter. The authority to grant extension did not fall within the purview of CEO, DEA rather it was the responsibility of the Government of the Punjab. Audit stressed to communicate the matter to the Government of the Punjab for constitution of DEA according to the approved format besides regularization of expenditure from the Competent Authority.

DAC directed the CEO to communicate the matter to the Government of the Punjab for constitution of DEA according to the approved format for efficient utilization of resources of the Authority. No progress was intimated to Audit till finalization of this Report.

Audit recommends regularization of expenditure from the Competent Authority besides fixing responsibility on the person(s) at fault.

[AIR Para: 1]

Others

4.2.4.13 Irregular transfer and utilization of NSB – Rs 302.027 million

According to Para 2.4 of NSB Guidelines for High and Higher Secondary Schools, NSB will be used through District Accounts Office as per prescribed procedure. Furthermore, according to Paras 2.5 & 2.6 of the Guidelines *ibid*, High and Higher Secondary Schools shall submit their detailed head-wise budget in accordance with Chart of Accounts as per circulated total NSB entitlements for inclusion in respective district budget. Head teacher would utilize these funds as DDO after observing relevant rules such as Delegation of Financial Powers, PPRA Rules, Austerity Measures etc. Furthermore, according to the instructions for operation of SDA, no withdrawal from SDAs are permissible as advance withdrawals for en-block transfer of funds in commercial banks.

CEO, DEA, Toba Tek Singh transferred NSB amounting Rs 302.027 million during 2014-21 into commercial bank accounts of School Councils (SCs) from the Special Drawing Account (SDA). NSB was transferred into bank accounts of School Councils of High / Higher Secondary Schools instead of school wise allocation of funds through Account-V and the DDOs utilized these funds through School Councils without head wise allocation and without observing delegation of financial powers. Furthermore, en-block transfer of funds was made to the commercial bank accounts of SCs of primary/elementary schools. The details are as under:

(Rupees in million)

Sr. No.	Name of Office / Institution	Period	Amount
1	Chief Executive Officer, DEA TT Singh	2020-21	295.157
2	Govt. Model High School, TT Singh	2015-20	4.773
3	Govt. Girls High School, Chak 735/GB	2014-20	2.097
Total			302.027

Due to weak internal controls, prescribed procedure for the utilization of NSB was not observed which resulted in irregular transfer and utilization of funds without pre-audit / without involvement of DAO.

The matter was reported to the PAO and DDOs concerned in August, 2021. In DAC meeting held in October, 2021, it was replied that Government of the Punjab, Finance Department opened special drawing accounts of NSB funds and after transfer of NSB grant the funds are utilized by the approval of Head Teacher & members of School Councils. The reply was not tenable as the funds were utilized pre-audit.

DAC directed Deputy Director (B&A) to obtain clarification from the Finance Department. No progress was intimated to Audit till finalization of this Report.

Audit recommends to probe the matter besides its regularization from the Competent Authority.

[AIR Paras: 8, 1, 1]

4.2.4.14 Non-devising mechanism for utilization of savings – Rs 8.224 million

According to Rules 3(f) and 4(1)(l) of the Punjab District Authority (Budget) Rules, 2017, the Chairperson shall evaluate progress against key performance indicators for achieving economy, efficiency and effectiveness in expenditure, The CEO shall act as PAO and shall ensure the utilization of funds in the public interest and on specified objects.

During 2020-21, CEO, DEA, Toba Tek Singh kept unspent balance of 16 development schemes amounting Rs 8.224 million. However, Authority did not make efforts for effective utilization of these savings.

Due to weak financial management, no mechanism was developed for utilization of savings which resulted in non-provision of missing facilities in the educational institutions.

The matter was reported to the PAO / DDO in August, 2021. In DAC meeting held in October, 2021 it was replied that utilization plan had been prepared and saving would be utilized for purchase of generator and remaining balance for the cost of SNE for creation of new posts in upgraded of primary schools. Audit

stressed to produce admin Approval of the schemes and progress relating to utilization of the funds.

DAC directed Assistant Director (Development) to produce Admin Approvals of the schemes and progress relating to utilization of funds. No progress was intimated to Audit till finalization of this Report.

Audit recommends fixing responsibility on the CEO besides effective utilization of savings.

[AIR Para: 17]

4.2.4.15 Non-recovery of Liquidated Damages – Rs 1.606 million

According to Clause 11 of the supply order for the purchase of buses dated 14.05.2020, if the contractor fails/delays in performance of any of the obligations, under the contract/ commits a breach of any of the terms and conditions of the contract the purchaser may, without prejudice to any other right of action, deduct from the contract price, as liquidated damages, a sum of money @ 2% of the total contract price which is attributable to such part of the goods in consequences of the failure/delay, be put to the intended use, for every month between the scheduled delivery date(s), with any extension of time therefore granted by the purchaser, and the actual delivery date(s) provided that the amount so deducted shall not exceed, in the aggregate, 10% of the contract price.

During 2020-21, CEO, DEA, Toba Tek Singh procured five buses at cost of Rs 30.300 million for Special Education Centers. However, buses were supplied after lapse of stipulated period mentioned in the supply orders but payment was made without deducting late delivery (LD) charges amounting Rs 1.606 million. The details are as under:

(Rupees in million)

Sr. No.	No. of Buses	Date of Supply Order	Due Date of Supply	Actual Date of Supply	Delay (No. of Days)	Contract Amount	LD Charges Amount
1	3	14.05.2020	13.07.2020	25.09.2020	72	17.700	0.850
2	2	14.05.2020	13.07.2020	14.10.2020	90	12.600	0.756
Total						30.300	1.606

Due to negligence, LD charges were not recovered which resulted in excess payment to the supplier.

The matter was reported to the PAO / DDO in August, 2021, In DAC meeting held in October, 2021, it was replied that due to the worldwide compulsory lock-down and restriction on import and export during COVID-19 pandemic, all the shipments were delayed worldwide. The reply was not tenable as no record relating to requests for extension in time limit and its approval, was produced for audit scrutiny.

DAC decided to probe the matter by DEO (SE) regarding justification of the vendor in the light of request of extension and verification of application from the diary register and report progress within three weeks. No progress was intimated to Audit till finalization of this Report.

Audit recommends recovery of LD Charges amounting Rs 1.606 million from the supplier concerned.

[AIR Para: 2]

CHAPTER 5

Thematic Audit

5.1 Public Service Delivery and Performance of DEAs Faisalabad Region

5.1.1 Introduction

Pakistan is the first country in the world to adopt the Sustainable Development Goals (SDGs) as part of its national development agenda in 2016. To meet the international commitments under SDG 4 (Quality Education), School Education Department, Government of the Punjab, established District Education Authorities under PLGA 2013 to improve quality of education in formal/ non-formal basic education institutions and special education institutions of the districts. DEAs are also responsible to ensure free and compulsory education for children from five to sixteen years and ensure implementation/achievement of pre-defined key performance indicators. Further, it shall maintain minimum standards for quality education regarding teaching, infrastructure, student safety and hygiene in educational institutions.

5.1.2 Background

The Article 25-A of the Constitution of Islamic Republic of Pakistan binds the Government of Pakistan “to provide free and compulsory education to all children of the age five to sixteen years. The international covenants like Sustainable Development Goals (SDGs), agreed by the United Nations Member States in 2015, emphasized on the quality aspect of education in SDG-4 and also binds the signatory countries to ensure inclusive, equitable and quality education for all by 2030 and promote lifelong learning. Pakistan has designed a comprehensive National SDG Framework which was approved by the National Economic Council (NEC), the country’s highest economic policy-making forum, in March 2018. This Framework sets baselines and targets for SDG indicators and will feed into

the SDGs' Monitoring and Evaluation Framework. The SDG 4 (Quality Education) composed of 07 outcome targets consisting of universal primary and secondary education, early childhood development and universal pre-primary education, equal success to technical/vocational and higher education, relevant skills for decent work, gender equality and inclusion, universal youth literacy and education for sustainable development and global citizenship. School Education Department, Government of the Punjab, in order to provide quality education, implemented the Punjab Education Sector Reforms Program and Punjab School Sector Plan. The plans are based on provision of inclusive and conducive learning environment and convenient access to school, so that the children are able to enroll, continue their schooling and learn well enough to gain meaningful employment and to contribute to society. The Government intended to achieve it by getting children into school at the right age, providing appropriate learning material and competent / responsive teachers in well-resourced environment.

5.1.3 Establishing the Audit Theme

The main audit theme and sub-themes were established on the basis of outcomes of sectoral analysis carried out during previous audit years, recurring observations made during the previous years. The objective of Thematic Audit was to assess the achievements of the DEA against the desired outcomes of following main themes and its sub-themes.

Main Theme

Public Service Delivery and Performance of District Education Authorities for the Financial Years 2017-18 to 2020-21.

Sub-Themes

- A. Enrolment
- B. Quality Education
- C. Result of Schools
- D. Achievement of Key Performance Indicators

5.1.3.1 Reasons for Selection

The Audit Theme “Public Service Delivery and Performance of District Education Authorities” was taken up considering that it encompassed the broad spectrum of terms of reference of DEAs established by the Government of the Punjab. It was also relevant to the SDG 4 ‘Quality Education’, which was included as one of the sub themes along with student enrolment, result of schools and achievement of Key Performance Indicators (KPIs). It will be helpful in assessing the overall performance of the DEAs concerned as well as help the Government of Pakistan and Government of the Punjab measure their achievements with respect to SDG-4.

5.1.3.2 Purpose / Objectives

The Government of Punjab had planned to improve following indicators for better service delivery of Education up to year 2030:

- i. Ensuring the enrollment of all children
- ii. Provision of quality education
- iii. High result of schools and
- iv. Achievement of Key Performance Indicators (KPIs)

Thematic Audit of District Education Authorities was carried out with the objectives to assess:

- i. coverage of enrollment of children, equitable and quality primary and secondary education leading to relevant and effective learning outcomes was available
- ii. whether quality education have been maintained as per standards of teaching, infrastructure, student safety and hygiene
- iii. evaluate the results of the schools
- iv. achievement of Key Performance Indicators (establishment, management and supervision of the primary, elementary, secondary

and higher secondary schools, adult literacy and non-formal basic education, special education institutions of the Government and free and compulsory education for children of the age from five to sixteen years as required).

5.1.3.3 Scope

Scope of the Thematic Audit was limited to District Education Authorities Chiniot, Faisalabad, Jhang and Toba Tek Singh. The Performance of the DEAs was assessed through comparative analysis and critical reviews of previous four years' data (2017-18 to 2020-21) collected from these DEAs. The analytical/critical reviews were performed in the light of Audit sub-themes on collected data regarding funds allocation (development & non-development) and financial management of funds with a view to evaluate trickledown effect of funds to the beneficiaries. Student teacher ratio was assessed on the basis of available data of student enrollment, sanctioned & working strength of teaching staff. Environmental impact was covered through critical reviews of availability of basic infrastructure/facilities and provision of missing facilities in educational institutions.

5.2 Legal frame work governing the Theme

The 18th Constitutional Amendment provided strategic opportunities and fiscal space to the provinces for devising evidence-based, contextual approaches towards education issues within the province and define their own priorities and targets. Further, Pakistan's national and provincial assemblies established SDG Taskforces to supervise progress on the goals. PLGA, 2013 provided the framework for establishing the DEAs in the Punjab in 2017.

5.3 Stakeholders and governmental organizations identified as directly/ indirectly involved

School Education Department Punjab, Directorate of Public Instructions (DPI) Schools, Lahore, Directorate Literacy Department

Punjab Lahore and District Education Authorities are the key stakeholders involved in execution and operation/ maintenance of the said Program.

5.4 Role of important organizations

School Education Department, Directorate of Public Instructions-Elementary Education (DPI-EE), Directorate of Literacy Punjab and District Education Authorities are departments of Government of Punjab, Pakistan. The functions of the departments are to enact legislation, formulate policy and manage primary/ middle/secondary/higher secondary education as well as maintain standards of education in these fields. These departments are responsible for financing, monitoring and performance of the Program activities besides evaluation of the outcomes according to the objectives at provincial level. DEAs in audit jurisdiction of RDA Faisalabad are responsible to execute and implement the educational activities in their respective districts through group of offices at primary, elementary, high / higher secondary schools and special education institutions. The DEAs are also responsible to implement the non-formal basic education system in the districts and to maintain necessary/relevant data for requisite reporting to stakeholders.

5.5 Organization's Financials

The detail of budget and expenditure for the financial years 2017-18 to 2020-21, is given below:

Table-1 Summary of budget and expenditure of DEAs

(Rupees in million)

DEA Name	Budget			Actual		
	Non-Development	Development	Total	Non-Development	Development	Total
DEA Chiniot	14,803.305	732.925	15,536.230	11,861.645	358.098	12,219.743
DEA, Faisalabad	79,723.749	3,902.602	83,626.351	66,360.389	1,002.934	67,363.323
DEA, Jhang	35,405.036	1,299.767	36,704.803	29,197.892	648.987	29,846.879
DEA Toba Tek Singh	14,803.305	732.925	15,536.230	11,861.645	358.098	12,219.743
Total	144,735.395	6,668.219	151,403.614	119,281.571	2,368.117	121,649.688

5.6 Field Audit Activity

5.6.1 Methodology

Audit was carried out against predefined objectives of the program and functions of the Authority, financial governance provided in relevant rules, strategies and policies of the Government which were formulated to govern the Authorities. Audit activity comprised data collection regarding sub-themes, study of relevant reports/literature and field surveys. Critical analysis regarding optimal utilization of human and financial resources of the Authority was done in accordance with educational activities carried out in last four years. On spot examination/ verification of record and activities was also carried out in accordance with the applicable laws / rules and according to the INTOSAI auditing standards.

5.6.2 Audit Analysis

5.6.2.1 Audit Analysis of DEA, Chiniot

5.6.2.1.1 Review of Internal Controls

Effectiveness of internal controls was assessed on test check basis and a sample was selected for the purpose. Following issues of potential significance were observed regarding weaknesses of internal controls:

- i. District wise targets for enrollment of children were not set.
- ii. No teaching standards, infrastructure standards, student safety, hygiene standards and minimum education standards for quality education were set.
- iii. Record of result of schools was not centralized / available.
- iv. No mechanism was available to maintain the record of KPIs, its evaluation and remedial measures.
- v. No mechanism was available for rationalization of postings of teachers and refilling of vacant posts by new recruitments.

5.6.2.1.2 Critical Review

- i. In District Chiniot, no legal framework was existing in the Education Department to eliminate the child labour and catchment of out of school children and to ensure the enrollment of all the kids in schools.
- ii. The Deputy Commissioner Chiniot was working as administrator of authority after expiry of two years' legal tenure. Therefore, conduct of business of the Education Authority, Chiniot including approval / authentication of budget amounting to Rs 4,525.805 million and incurrence of expenditure of Rs 3,266.183 million during 2020-21 was held unlawful. Furthermore, powers of the House / Authority were concentrated in and used by a Government servant.

A. Enrolment

- iii. Student enrollment is the key performance indicator of the DEA for which no effective mechanism was developed by the DEA Authorities to ensure maximum enrollment of out of school children and a decreasing trend was observed in student enrollment in 2020-21. Moreover, non-enforcement of legal framework regarding child labor and poor socioeconomic condition of the society is one of the major cause of decrease in student enrollment. Strenuous efforts were not made by DEA authorities to increase new admissions in Government schools. The detail is as under:

Sr. No.	Year	No. of Students Enrolled	% age Increase / (Decrease)
1	2017-18	179,823	-
2	2018-19	185,215	3.00%
3	2019-20	186,588	0.74%
4	2020-21	182,487	(2.20%)

B. Quality Education

- iv. A decreasing trend was observed in availability of number of teachers in each subsequent year as 3% posts of teachers were vacant during 2017-18 shortage of which increased to 17% (vacant posts) during 2020-21, as detailed below:

Year	Sanctioned Posts	Filled Posts	Vacant Posts	%age of Vacant Posts
2017-18	5,120	4,973	147	3%
2018-19	5,160	4,851	309	6%
2019-20	5,160	4,243	917	18%
2020-21	5,400	4,506	894	17%

- v. Audit observed that DEA could not rationalize number of teachers required in proportion to the number of students. Data analysis of student teacher ratio depicted that one teacher was available for every 80 students. Moreover, in various schools, one teacher was available in each school.

C. Result of Schools

DEA, Chiniot could not achieve the targeted results of students, as detailed below:

Target	Achieved (District Chiniot)	Shortfall
100%	85%	15%

D. Achievement of Key Performance Indicators

- vi. Irrational resource allocation was observed as Key Performance Indicators were not achieved regarding provision of basic facilities in the schools. Non-availability of boundary walls, toilet blocks and shortage of classrooms and furniture was observed in various schools of the district, as detailed below:

Sr. No.	Tehsil	Schools without Boundary Walls	Schools w/o Toilet Block	Schools Facing Shortage of Furniture	Schools Facing shortage of Classrooms
1	Primary & Elementary Schools Bhowana	6	1	56	15

Sr. No.	Tehsil	Schools without Boundary Walls	Schools w/o Toilet Block	Schools Facing Shortage of Furniture	Schools Facing shortage of Classrooms
2	Primary & Elementary Schools Chiniot	2	1	56	77
3	Primary & Elementary Schools Lalian	9	5	26	47
4	High/Higher Secondary Schools District Chiniot	14	89	-	-
Total		31	96	138	139

- vii. DEA, Chiniot failed to provide class rooms with the proportion of students and some schools had only single class room each.

5.6.2.1.3 Significant Audit Observations

- i. Decrease in enrollment despite increasing population growth was observed in public sector schools of DEA, Chiniot. **Annexure-3**
- ii. A decreasing trend was observed in availability of number of teachers in each subsequent year as 3% posts of teachers were vacant during 2017-18 shortage of which increased to 17% (vacant posts) during 2020-21. **Annexure-4**
- iii. Schools were being run by single teacher each. **Annexure-5**
- iv. No mechanism was available for rationalization of postings of teachers and refilling of vacant posts by new recruitments.
- v. Non-observance of teaching standards, student safety / hygiene & minimum education standards for quality education.
- vi. Non-utilization of NSB by the SCs and poor performance to attract the children towards education were also observed. **Annexure-6**
- vii. Pass percentage of students was 85% against the target of 100%.
- viii. DEA could not achieve targets of KPIs such as provision of class rooms, toilet blocks, furniture, boundary walls etc. **Annexure-7**

- ix. KPIs could also not be achieved due to non-conduction of teacher trainings by the DEA; non-preparation of learning intentions / success criteria for secondary students and non-developing mechanism for exchanging professional experiences & expertise between schools.

5.6.2.2 Audit Analysis of DEA, Faisalabad

5.6.2.2.1 Review of Internal Controls

Effectiveness of internal controls was assessed on test check basis and a sample was selected for the purpose. Following issues of potential significance were observed regarding weaknesses of internal controls:

- i. District wise targets for enrollment of children were not set.
- ii. No teaching standards, infrastructure standards, student safety, hygiene standards and minimum education standards for quality education were set.
- iii. Record of result of schools was not centralized / available.
- iv. No mechanism was available to maintain the record of KPIs, its evaluation and remedial measures.
- v. No mechanism was available for rationalization of postings of teachers and refilling of vacant posts by new recruitments.

5.6.2.2.2 Critical Review

- i. In District Faisalabad, no legal framework was existing in the Education Department to eliminate the child labour and catchment of out of school children and to ensure the enrollment of all the kids in schools.
- ii. The Deputy Commissioner Faisalabad was working as administrator of authority after expiry of two years' legal tenure. Therefore, conduct of business of the Education Authority, Faisalabad including approval / authentication of budget

amounting to Rs 25,034.078 million and incurrence of expenditure of Rs 18,059.732 million during 2020-21 was held unlawful. Furthermore, powers of the House / Authority were concentrated in and used by a Government servant.

A. Enrolment

- iii. Approximately 9% of the children of primary school age remained out of school. This number rises drastically as children grow older – more than 28% of children between the ages of 14 and 16 are out of school. This high dropout rate can be linked to the poor state of public schools, and the incentive to work in the local textile industry to supplement family income. As a result, every 6th child in District Faisalabad is out of school. The detail is as under:

Sr. No.	Year	No. of Schools	No. of Students Enrolled	% age Increase / (Decrease)
1	2017-18	2,325	855,450	-
2	2018-19	2,319	871,188	1.84%
3	2019-20	2,211	854,644	-1.90%
4	2020-21	2,209	871,554	1.98%

B. Quality Education

- iv. A decreasing trend was observed in availability of number of teachers in each subsequent year in comparison to 2018-19 despite increase in number of students. Decrease in number of teachers resulted in increase in teacher student ratio in 2020-21. The detail is as under:

Sr. No.	Year	No. of Schools	No. of Students	No. of Teachers	Student Teacher Ratio
1	2017-18	2,325	855,450	23,308	37
2	2018-19	2,319	871,188	24,012	36
3	2019-20	2,211	854,644	22,740	38
4	2020-21	2,209	871,554	21,338	41

- v. Audit observed that DEA could not rationalize number of teachers required in proportion to the number of students. Data analysis of

student teacher ratio depicted that 1 teacher was available for students in following 15 schools. The detail is given below:

Sr. No.	School ID	Name of School	Enrollment
1	15534	GPS 488 GB	151
2	16596	GPS Thatha Bharwana	23
3	16575	GPS 53/4 Tukra	82
4	15543	GGPS Chak 43 GB Samundri	42
5	15196	GGPS Chak No. 365 GB	126
6	16057	GGPS Chak 273 RB III Sadiq Abad	58
7	16470	GGPS Thatha Phularwan	90
8	16619	GPS Chak 516 GB I Mamunkanjan	120
9	14889	GPS 57 RB II	86
10	16704	GGPS 450/GB	187
11	15005	GPS 560 GB	120
12	15265	GGPS 92 RB II	59
13	16318	GPS 129 RB II	10
14	53960	GGPS Thaha Tarhana	62
15	16471	GPS Basti Jammo Dulu	29

C. Result of Schools

DEA, Faisalabad could not achieve the targeted results of students, as detailed below:

Target	Achieved (District Faisalabad)	Shortfall
100%	79%	21%

D. Achievement of Key Performance Indicators (KPIs)

- vi. Irrational resource allocation was observed as KPIs regarding provision of missing facilities in the schools such as boundary walls, toilet blocks, electricity and drinking water were not achieved. Moreover, students were also facing shortage of basic facilities including student furniture and classrooms. Quality education was compromised due to non-availability of basic facilities to students and created hindrance towards educational outcomes. The detail is as under:

Sr. No.	Financial Year	2017-18	2018-19	2020-21
1	Schools w/o Boundary Walls	50	33	21
2	Schools w/o Toilet Block	5	5	2

Sr. No.	Financial Year		2017-18	2018-19	2020-21
3	Status of Missing Facilities	Schools w/o Electricity	28	12	3
4		Schools w/o Facility of Drinking Water	9	2	28
5	Shortage of Basic Facilities	Furniture Required (Desk Bench)	59,597	51,835	3,666
6		Schools Facing shortage of Classrooms	1,521	1,658	1,144
7		No. of classrooms required	5,216	5,730	3,281

- vii. DEA could not provide classrooms with the proportion of students and various schools were working with single classroom.

5.6.2.2.3 Significant Audit Observations

- i. Decrease in enrollment despite increasing population growth was observed in the public sector schools of DEA, Faisalabad.
- ii. CEO, DEA failed to devise effective monitoring mechanism to attract out of school children to improve student enrollment as the same was not in accordance with population annual growth rate during 2019-20 & 2020-21.
- iii. Working strength of teaching staff could not be increased due to non-recruitment of teachers during 2019-21.
- iv. Pass percentage of students was 79% against the target of 100%.
- v. There was acute shortage of basic facilities including class rooms, toilet blocks furniture etc. Schools without boundary wall/missing portions of boundary walls, dangerous building/classrooms were also existing in district Faisalabad.
- vi. Electricity and drinking water were not available in 03 and 28 Government schools respectively. Hence, the basic requirements were overlooked by the management due to which insecure and unsuitable environment was provided to the students and teachers as well.
- vii. 14 schools had single classroom each and 15 schools had only one teacher each in the public sector schools of DEA, Faisalabad.
- viii. Teacher trainings were not conducted by the DEA for capacity building of staff to perform and impart knowledge according to modern education techniques. Further, learning intentions &

success criteria for secondary school students were not prepared with reference to modern IT techniques.

5.6.2.3 Audit Analysis of DEA, Jhang

5.6.2.3.1 Review of Internal Controls

Effectiveness of internal controls was assessed on test check basis and a sample was selected for the purpose. Following issues of potential significance were observed regarding weaknesses of internal controls:

- i. District wise targets for enrollment of children were not set.
- ii. No teaching standards, infrastructure standards, student safety, hygiene standards and minimum education standards for quality education were set.
- iii. Record of result of schools was not centralized / available.
- iv. No mechanism was available to maintain the record of KPIs, its evaluation and remedial measures.
- v. No mechanism was available for rationalization of postings of teachers and refilling of vacant posts by new recruitments.

5.6.2.3.2 Critical Review

- i. In District Jhang, no legal framework was existing in the Education Department to eliminate the child labour and catchment of out of school children and to ensure the enrollment of all the kids in schools.
- ii. The Deputy Commissioner, Jhang was working as administrator of authority after expiry of two years' legal tenure. Therefore, conduct of business of the Education Authority, Jhang including approval / authentication of budget amounting to Rs 11,351.982 million and incurrence of expenditure of Rs 8,031.023 million during 2020-21 was held unlawful. Furthermore, powers of the

House / Authority were concentrated in and used by a Government servant.

A. Enrolment

- iii. No effective mechanism was developed by the DEA to ensure maximum enrollment of out of school children. Strenuous efforts were not made by DEA to increase new admissions in Government schools. The detail of year wise enrollment is as under:

Sr. No.	Year	No. of Teachers Working	No. of Students Enrolled	% age Increase / (Decrease)
1	2017-18	8,525	320,037	-
2	2018-19	10,272	339,375	6.04%
3	2019-20	10,767	351,655	3.62%
4	2020-21	9,672	365,846	4.04%

(Source: Data received from CEO DEA, Jhang)

B. Quality Education

- iv. Comparative analysis of sanctioned and working position of teaching staff is as under:

Sr. No.	Year	Sanctioned Post	Filled Posts	Vacant Posts	% age of Vacant Posts
1	2017-18	9815	8464	1351	14%
2	2018-19	10775	8525	2250	21%
3	2019-20	11445	10272	1173	10%
4	2020-21	11384	9672	1712	15%

(Source: Data received from CEO DEA, Jhang)

- v. Data regarding deployment of teachers was analyzed to assess the students being taught by each teacher / student teacher ratio which portrayed irrational deployment of teachers, as detailed below:

Sr. No.	Range (No. of Students per Teacher)	No. of Schools	% age	Remarks
1	6-3	650	51%	Non-optimal use of human resources
2	31-49	456	36%	Optimal use of HR as each teacher was deployed for reasonable range i.e. 31 to 49 students

Sr. No.	Range (No. of Students per Teacher)	No. of Schools	% age	Remarks
3	50-109	160	13%	Education quality suffered with adverse impact
Total		1,266	100%	

(Source: Data collected through questionnaire from heads of schools)

- vi. Provision of clean and secure environment in the public sector educational institutions is the responsibility of the Government. Data regarding deployment of sweepers and security guards / chowkidars was collected through questionnaire to analyze provision of clean and secure environment in the Government Schools. The status regarding availability of sweepers and security guards / chowkidars in the Government Schools of DEA, Jhang is given below:

Description	Sweepers	Security Guards / Chowkidars
Total No. of schools	1492	1492
No. of schools in which sweepers & security guards / Chowkidars are available	233	677
No. of schools in which sweepers & security guards / Chowkidars are not available	1259	815
% age of non-availability	84%	55%

(Source: Data collected through questionnaire from heads of schools)

C. Result of Schools

DEA, Jhang could not achieve the targeted results of students, as detailed below:

Target	Achieved (District Jhang)	Shortfall
100%	83%	17%

D. Achievement of Key Performance Indicators (KPIs)

- vii. Irrational resource allocation was observed as key performance indicators were not achieved regarding provision of basic facilities in the schools.

- viii. The following analysis regarding availability of classrooms depicted shortage of 320 and 583 classrooms in 95 and 282 boys' and girls' schools respectively. The details are given below:

School Level and Gender	Shortage of Classrooms in Boys' Schools	Shortage of Classrooms in Girls' Schools	Total Shortage
Shortage of classrooms in 251 Primary & Elementary Schools	51	320	371
Shortage of classrooms in 126 High & Higher Secondary Schools	269	263	532
Total Shortage of classrooms	320	583	903

(Source: Data collected through questionnaire from heads of schools)

- ix. There was no classroom in 30 schools and 49 schools had only one classroom each, as detailed below:

Description	No. of Schools	No. of Teachers	No. of Students
Schools without useable classrooms	30	111	2,733
Schools with one useable classroom (each)	49	180	5,333
Total	79	291	8,066

(Source: Data collected through questionnaire from heads of schools)

- x. 280 Government schools faced shortage of 630 washrooms and 115,877 Rft boundary walls were missing in 181 schools. Furthermore, electricity and drinking water were not available in 11 and 17 Government schools respectively. The details are given below:

Sr. No.	Description	Total No. of Schools	No. of Schools Facing Shortage / Without Facility	% age
1	No. of schools facing shortage of 630 washrooms	1492	280	19%
2	No. of schools facing shortage of 115,877 Rft Boundary Wall	1492	181	12%
3	No. of schools without electricity	1492	11	1%
4	No. of Schools without clean drinking water	1492	17	1%

(Source: Data collected through questionnaire from heads of schools)

- xi. From the analysis of data regarding availability of furniture in the Government schools, it was observed that proper furniture for sitting

of 36,541 students was not provided in 571 Government schools of District Jhang. It was also observed that furniture with sitting capacity of 45,222 students was surplus in 878 Government schools. The details are as under:

Sr. No.	Description	No. of Schools	No. of Students / Seats
1	Non-availability of Furniture	571	36,541
2	Surplus Furniture	878	45,242

(Source: Data collected through questionnaire from heads of schools)

- xii. Analysis of NSB distribution depicted that an amount of Rs 322.019 million was provided to 1,491 schools of DEA, Jhang during financial year 2020-21 without observing need based formula. Allocation / distribution of NSB ranging from Rs 191 to Rs 8,570 per student was observed, as detailed below:

Range of NSB per Student	No. of Schools	% age
191 to 1000	838	56%
1001 to 2000	600	40%
2001 to 3000	40	3%
3001 to 8570	14	1%
Total	1491	100%

(Source: Data received from CEO DEA, Jhang)

5.6.2.3.3 Significant Audit Observations

- i. A gradual increase in students' enrolment in Government Schools of DEA, Jhang was observed during 2017-21.
- ii. Irrational deployment of teachers was made in 810 Government schools. Optimal use of human resources was not made in 650 schools due to excess deployment of teachers i.e. each teacher for 6 to 30 students. Further, quality of education suffered with adverse impact in 160 schools due to short deployment of teachers i.e. 50 to 109 students per teacher. It appeared that deployment of teachers was not uniform resulting in failure of optimum utilization of

human resources and adverse impact on quality of education.

Annexure-8

- iii. Audit observed that 10% to 21% posts of teaching staff remained vacant in DEA, Jhang during 2017-21.
- iv. DEA, Jhang could not provide clean and secure environment in various Government schools as sweepers and security guards / chowkidars were not available in 1259 and 815 Government schools respectively. The basic requirements were overlooked by the management due to which clean and secure teaching environment was not provided in the Government Schools. **Annexure-9**
- x. Pass percentage of students was 83% against the target of 100%.
- v. There was no classroom in 30 schools and 49 schools had only one classroom each. Further, shortage of 903 classrooms was observed in boys' and girls' schools of DEA Jhang which resulted in poor service delivery by the DEA. **Annexure-10**
- vi. Shortage of 630 washrooms and 115,877 Rft boundary wall was in public sector schools. Furthermore, electricity and drinking water were not available in 11 and 17 Government schools respectively. Hence, the basic requirements were overlooked by the management due to which insecure and unsuitable environment was provided to the students and teachers as well. **Annexure-11**
- vii. It was observed that furniture for sitting of 36,541 students was not provided in 571 Government schools of District Jhang. On the other hand, furniture with sitting capacity of 45,222 students was surplus in 878 Government schools. However, DEA did not make efforts for provision of furniture in the schools facing acute shortage either by procurement of new furniture or shifting of surplus furniture in the deserving schools. **Annexure-12**

- viii. NSB distribution / allocation was made without observing need based formula as allocation / distribution of NSB ranging from Rs 191 to Rs 8570 per student was observed. **Annexure-13**
- ix. DEA, Jhang could not utilize funds for procurement of furniture, fixture and IT material during 2020-21 due to inefficiency and financial mismanagement. **Annexure-14**
- x. Amount of PFC share was never communicated to DEA Jhang by Government of the Punjab in violation of Accounts Rules. The Authorities of DEA also did not make efforts to get the PFC share communicated to it for assessing the resources available for optimized budgeting. **Annexure-15**
- xi. Planning & Development wing of DEAs was not made functional due to non-filling of requisite posts of Sub-Divisional Officer (SDO), Sub-engineer and Draftsman for execution / proper monitoring of works. Hence, all development schemes were left on the sweet will of Buildings Department which caused delay in provision of basic infrastructure / missing facilities in the schools and deprivation of the students from learning atmosphere. **Annexure-16**

5.6.2.4 Audit Analysis of DEA, Toba Tek Singh

5.6.2.4.1 Review of Internal Controls

Effectiveness of internal controls was assessed on test check basis and a sample was selected for the purpose. Following issues of potential significance were observed regarding weaknesses of internal controls:

- i. District wise targets for enrollment of children were not set.
- ii. No teaching standards, infrastructure standards, student safety, hygiene standards and minimum education standards for quality education were set.
- iii. Record of result of schools was not centralized / available.

- iv. No mechanism was available to maintain the record of KPIs, its evaluation and remedial measures.
- v. No mechanism was available for rationalization of postings of teachers and refilling of vacant posts by new recruitments.

5.6.2.4.2 Critical Review

- i. In District Toba Tek Singh, no legal framework was existing in the Education Department to eliminate the child labour and catchment of out of school children and to ensure the enrollment of all the kids in schools.
- ii. The Deputy Commissioner Toba Tek Singh was working as administrator of authority after expiry of two years' legal tenure. Therefore, conduct of business of the Education Authority, Toba Tek Singh including approval / authentication of budget amounting to Rs 9,784.660 million and incurrence of expenditure of Rs 7,672.876 million during 2020-21 was held unlawful. Furthermore, powers of the House / Authority were concentrated in and used by a Government servant.

A. Enrolment

- iii. No effective mechanism was developed by the DEA to ensure maximum enrollment of out of school children. Strenuous efforts were not made by DEA to increase new admissions in Government schools. The detail of year wise enrollment is given on next page:

Sr. No.	Year	No. of Students Enrolled	% age Increase / (Decrease)
1	2017-18	208,760	-
2	2018-19	212,100	1.60%
3	2019-20	267,229	25.99%
4	2020-21	232,355	(13.05%)

(Source: Data received from CEO DEA, Toba Tek Singh)

B. Quality Education

- iv. Audit observed that 2,146 teachers were posted for 107,363 students in 369 schools which resulted in shortage of 538 (i.e. 25%) teachers in these schools. The detail is as under:

No. of schools	No. of Students	Teachers Posted	Teachers Required	Shortage of Teachers	% age of Shortage
369	107,363	2,146	2,684	538	25%

- v. Management did not take appropriate action to get the vacant posts filled with suitable candidates. Detail is given in the following table:

Description	2017-18	2018-19	2019-20	2020-21
Sanctioned Strength	11,631	11,526	11,385	11,000
Occupied	10,271	10,217	9,768	9,139
Vacant Posts	1,360	1,309	1,617	1,861

- vi. Further, 7,387 teachers were posted for 215,728 students in 793 schools of DEA Toba Tek Singh. However, according to proportionate of students 5,393 teachers were required. Resultantly, 1,994 teachers were posted in excess of actual requirement. The detail is as under:

No. of Schools with Surplus Teachers	No. of Students	Teachers Posted	Teachers Required	Surplus Teachers	% age of Surplus Teachers
793	215,728	7,387	5,393	1,994	27%

- vii. School Education Department allocated NSB of Rs 91.909 million for 1,170 schools of DEA Toba Tek Singh during 2020-21. Audit analyzed that allocation was made without observing need based formula and without considering number of students. The detail is given below:

Sr. No.	NSB Allocation Per Student	No. of Schools
1	100-1000	789
2	1001-2000	357
3	2001-3000	15
4	3001-4000	9

C. Result of Schools

- viii. DEA, Jhang could not achieve the targeted results of students, as detailed below:

Target	Achieved (District Toba Tek Singh)	Shortfall
100%	79%	21%

D. Achievement of Key Performance Indicators (KPIs)

- ix. Audit analyzed that furniture for 15,873 students was available in 107 schools having enrolment of 23,139 students, whereas 7,266 students were sitting on mats. The detail is given below:

No. of Schools	No. of Students Enrolled	No. of Students for which Furniture was Available	No. of Students for which Furniture was Not Available
107	7,713	5,291	2,422

- x. There was shortage of 1726 classrooms in 490 schools as per benchmark (ratio 1:40), as detailed below:

Total No. of schools	Total Enrolment	Classrooms Required	Classrooms Available	Shortage	% age of Short Classrooms
490	170,067	4,252	2,613	1,726	61%

- xi. 8% of the schools of DEA Toba Tek Singh were facing shortage of toilet blocks whereas boundary walls were missing in 14% of the schools, as detailed below:

KPI	Target	Achievement 2017	Achievement 2021
Toilets	100%	100	92
Boundary Wall	100%	93	86

5.6.2.4.3 Significant Audit Observations

- i. Decreasing trend in enrollment was observed in DEA, Toba Tek Singh during 2020-21.
- ii. There was shortage of 1861 teaching posts in DEA Toba Tek Singh but no concrete efforts were made to fill these posts to improve quality of education and service delivery of DEA. **Annexure-17**
- iii. Distribution of NSB funds was not in accordance to the strength of students and these funds were utilized by School Councils for school maintenance only. Efforts were not made to attract the children towards education. **Annexure-18**
- iv. Standards of teaching, infrastructure, student safety & hygiene standards and minimum education for quality education were not ensured by the DEA authorities.
- v. Pass percentage of students was 85% against the target of 100%.
- vi. There was acute shortage of class rooms, desk benches, toilet blocks, boundary wall and barbed wires for student safety. **Annexure-19**
- vii. 8% of the schools of DEA Toba Tek Singh were facing shortage of toilet blocks whereas boundary walls were missing in 14% of the schools.

5.7 Departmental Responses

The matter was reported to the CEOs, DEAs / PAOs concerned during July and August, 2021 but replies were not submitted by the management till finalization of this Report.

5.8 Conclusion

Provision of quality education services to public is the primary responsibility of the Government. Government of the Punjab launched an ambitious program to achieve high standards of public service delivery in education sector under PLGA, 2013 by establishing the District Education Authorities. Many of its aims coincided with the national and provincial

commitments under MDGs and their successor SDGs. However, the efforts could not meet the intended targets, as detailed below:

- i. DEAs did not recruit adequate teaching staff in schools resultantly student teacher ratio was not satisfactory.
- ii. A declining trend of student enrollment was observed despite gradual increase in population which reflected that either the children remained out of school or their parents preferred the private schools over the public sector educational institutions.
- iii. Education authorities did not utilize human resource optimally for provision of quality education.
- iv. Authorities also failed to ensure teaching standards, infrastructure standards, student safety and hygiene standards and minimum education standards for quality education in schools.
- v. There was acute shortage of furniture, toilet blocks, classrooms, boundary walls etc. in the public sector schools.
- vi. Non-availability of data for tracking the progress towards the implementation of SDG-4 was a serious concern and consequently a major hurdle in tracking the progress towards the achievement of SDG-4.
- vii. The overall achievement of SDG-4 was found unsatisfactory in all DEAs.

5.9 Recommendations

- i. Strengthening of internal control system for proper achievement of SDG-4 and other targets of DEAs.
- ii. Comprehensive monitoring system may be introduced for effective service delivery.
- iii. Allocation of financial resources for provision of missing facilities (toilet blocks, boundary walls, furniture) and up gradation of schools may be ensured for provision of quality environment.
- iv. Recruitment of staff against vacant posts may be made to overcome the shortage of teachers / allied support staff.

- v. Rationalization of teaching staff in the schools according to the student - teacher ratio.
- vi. Strenuous efforts for construction and provision of requisite classrooms in the Government schools and active pursuance of development schemes for their completion without further delay.
- vii. Immediate procurement of furniture, fixture and IT equipment for schools.
- viii. Formulation of need based budgeting formula to ensure provision of equitable resources to all schools.
- ix. Capacity building of School Councils and proper utilization of NSB funds.
- x. Trainings of teaching staff to improve quality of education.

5.10 References

- i. School Council Policy, 2007 (Amended Edition 2013)
- ii. Summary for National Economic Council on SDGs National framework, March 2018
- iii. Appropriation Accounts of DEAs Chiniot, Faisalabad, Jhang and Toba Tek Singh.
- iv. Local Government Summit on SDGs, March 9, 2017

Annex-A

Part-I

**Memorandum for Departmental Accounts Committee Paras
Pertaining to the Audit Year 2021-22**

(Rupees in million)

Sr. No.	DDOs	AIR Para No.	Title of Para	Amount
District Education Authority, Chiniot				
1	CEO (DEA) Chiniot	7	Irregular procurement without specification	0.425
2		10	Unauthorized withdrawal of Personal Allowance	0.200
3		11	Non-recovery of loss due to theft	0.657
4		12(a)	Non-recovery of penalties imposed by the authority	0.420
5		12(b)	Non-deposit of auction and fine amount into the treasury	0.043
6		12(c)	Non-recovery of fine imposed by the authority	0.041
7		12(d)	Drawl of different allowances without admissibility	0.021
8		13	Recovery on account of General Sales Tax	0.046
9		14	Irregular expenditure on repair of official vehicle	0.240
10		16	Unjustified payment of electricity bill	0.029
11		17	Excess payment due to rate difference, recovery thereof	0.052
12		18	Excess drawal of POL without consumption	0.014
13	Govt Special Education Center Chiniot	1	Unauthorized payment of Conveyance Allowance during lockdown / COVID-19	0.064
14		5	Incurrence of expenditure by using doubtful bills	0.336
15		7	Wasteful expenditure due to non-utilization of vehicle	0.400
16		8	Irregular purchase of uniform without calling tenders	0.296
17		9	Irregular retention of stipend in DDO bank account	0.208
18		10	Non-maintenance of different registers on prescribed format	0.506
19		12	Non-deduction of Income Tax and Punjab Sales Tax on services	0.016
20		13	Excess payment of Special Allowance	0.067
21		1	Incorrect reporting of financial information	-
22		5	Unauthorized expenditure during Maternity Leave	0.857
23	Govt Special Education Center Bhowana	6	Drawl of funds through fake invoices and shortage of stock	0.199
24		7	Irregular expenditure due to non-compliance of PPRA Rules	2.102
25		13	Loss due to inadmissible payment of Conveyance Allowance	0.001

Sr. No.	DDOs	AIR Para No.	Title of Para	Amount
26	GHS, Bhorani	4	Irregular expenditure due to non-observing PPRA Rules	0.784
27		10	Non-maintenance of record of moveable / immoveable property/assets register on prescribed format	-
28	GHS 185 JB Chiniot	3	Non/less deduction of Income Tax/Punjab Sales Tax on services	0.032
29		9	Inadmissible payment of Conveyance during winter vacations and lockdown	0.237
District Education Authority, Faisalabad				
1	CEO, DEA, Faisalabad	7	Withdrawal of Conveyance Allowance during Covid-19 leave period	134.839
2		11	Non-imposition of penalty for delay in completion of works	10.994
3		13	Unauthorized booking of expenditure by DAO	0.584
4		15	Expenditure excess than the release of Budget	-
5		18	Payment of salaries to irrelevant employees	-
6		19	Approval of budget without preparation of Schedule of Establishment	-
7		20	Payment of Conveyance Allowance to OSD Posts	0.154
8		21	Non-compliance of observations issued in previous years	-
9	Principal, Government Higher Secondary School, Satiana	1	Non-deposit of sales proceeds into Government Treasury	1.597
10		2	Payment of Conveyance Allowance during Covid-19 leave period	0.766
11		4	Incurrence of expenditure by using doubtful bills	0.177
12		5	Unauthorized drawl of Conveyance Allowance during Summer / winter vacations	0.528
13		6	Irregular expenditure without tenders/quotations	2.565
14		7	Unjustified payment of salaries through adjustments in payroll	2.733
15		8	Irregular expenditure on civil works without approval of design and specifications	0.451
16		10	Unauthorized cash withdrawal from DDO Bank Account	0.865
17		11	Withdrawal of funds without supporting record	2.803
18		14	Non-maintenance of different registers on prescribed format	4.110
19	Headmaster, Government High School, 229/RB	2	Doubtful drawl of funds against same bill	0.100
20		3	Irregular expenditure on civil works without approval of design and specifications	2.991

Sr. No.	DDOs	AIR Para No.	Title of Para	Amount
21		4	Non-maintenance of record of moveable / immoveable property/assets register on prescribed format	1.672
22		5	Irregular expenditure due to non-observing PPRA Rules	3.857
23		8	Irregular expenditure on pay and allowances due to shifting of Headquarter	1.034
24		10	Doubtful/unauthentic expenditure due to non-maintenance of consumption record	0.782
25		11	Excess drawl of Conveyance Allowance during summer/winter vacation – Rs 0.465 million	0.465
26		12	Excess drawl of fund by charging higher rates	0.037
27		Principal, Government High School, Jaranwala	1	Irregular expenditure without tenders/quotations
28	3		Unknown whereabouts of farogh-e-taleem fund	0.419
29	4		Unauthorized withdrawal of funds without need for immediate disbursement	0.214
30	5		Doubtful drawal of funds	0.015
31	6		Non-taking over of charge of record, furniture and bank accounts	1.384
32	7		Excess payment of Conveyance Allowance	0.045
33	8		Unauthorized regularization of service of employee with retrospective effect	0.240
34	9		Excess drawl of pay and non-deduction of GI, BF and GPF after regularization of service	0.065
35	Headmaster, Government High School, Chak Jhumra	2	Doubtful procurement through managed invoices	1.275
36		4	Withdrawal of funds without actual incurrence of expenditure	0.316
37		6	Irregular procurement without inviting tenders	0.300
38		7	Non-competitive procurements by using managed quotations	0.296
39		8	Unauthorized payment of Conveyance Allowance	0.202
40		12	Encroachment over School Land measuring 19 marlas	-
District Education Authority, Jhang				
1	CEO DEA Jhang	3	Unauthorized payment of Conveyance Allowance	78.802
2		10	Overpayment to employees after their retirement from service	-
3		11	Establishment of private schools and non-recovery registration fee	0.467
4		12	Non-recovery of amount of penalty	0.336
5		14	Unauthorized deduction of Income Tax by banks	0.076

Sr. No.	DDOs	AIR Para No.	Title of Para	Amount
6		18	Irregular creation of liabilities	176.212
7		20	Recruitments through irregular and non-transparent recruitment process	-
8		21	Non-compliance of previous years audit observation	-
9	Government Girls Higher Secondary School 170 JB	4	Overpayment due to wrong time scale promotion	0.14
10		5	Unauthorized payment of Conveyance Allowance	0.199
11		7	Unauthorized payment of Conveyance Allowance	0.130
12		8	Unauthorized payment of Income Tax and non-deduction of taxes	0.507
13		14	Non-verification of deposit of GST	0.089
14	GHS Dull	1	Payment of conveyance allowance Covid-19 leave period	0.055
15		2	Non-maintenance of different registers on prescribed format	0.247
16		5	Unauthorized drawl of Conveyance Allowance during winter vacations	0.104
17		6	Non/less deposit/verification of General Sales Tax	0.089
18		8	Physical verification of stores and stocks not carried out	-
29		9	Non-preparation of account of white wash and building material	0.546
20		10	Non-completion / maintenance of service books of employees	-
21		11	Loss to Government due to non-auction of dried trees worth	0.012
22		12	Irregular expenditure on the repair of machinery and equipment	0.025
23		13	Irregular expenditure on the repair of furniture and fixture	0.095
24	GHS Chak No.263 JB	3	Poor performance regarding provision of education facilities	-
25		4	Recovery on account of General Sales Tax	0.088
26		8	Non-deduction of Punjab Sales Tax on Services	0.029
27		9	Withdrawal of Conveyance Allowance during Covid-19 leave period	0.199
28	GCMH Jhang	3	Illegal occupation of school building and non-imposition of penalty in lieu of rent of building	0.035
29		6	Irregular charging of income tax and PST by the supplier	0.067
30		9	Withdrawal of Conveyance Allowance during Covid-19 leave period	0.430
31		14	Non-compliance of previous years audit observation	-

Sr. No.	DDOs	AIR Para No.	Title of Para	Amount
District Education Authority, Toba Tek Singh				
1	CEO, DEA, TT Singh	9	Non provision of funds for construction of boundary walls	-
2		13	Loss due to non-registration of private schools	0.293
3		16	Less collection of Pension Contribution from MC	0.492
4		18	Irregular payment of pay & allowances against abolished post	4.872
5	Govt. Model High School, TT Singh	3	Irregular expenditure on civil works by the School Council	1.489
6		5	Posting of excess teaching staff against Student-Teacher Ratio	-
7		7	Shortage of stock of computers and printer of IT Lab	0.195
8		10	Poor performance regarding school annual results	-
9	Govt Special Education Center, TT Singh	2	Loss due to cancellation of agreement of rent of building	0.806
10		4	Unjustified disbursement of stipend	0.382
11		5	Double drawal of monthly rent recovery thereof	0.043
12		7	Irregular purchase process of uniform	0.075
13	Govt. Special Education Center, Pirmahal	2	Unauthorized withdrawals without DDO powers	0.742
14		4	Doubtful withdrawal of pay and allowances without date of joining	0.643
15		6	Doubtful payment of pay and allowances through adjustments	0.495
16		8	Excess charging of rates of POL than the rates given by OGRA	0.02
17		9	Loss to Government due to misappropriation of used mobil oil	0.024
18		10	Expenditure incurred in excess of budget	0.011
19		11	Non-surrender of anticipated savings	13.077
20		Govt. High School 735 GB	7	Loss due to non / less deposit of GST

Annexure-A

Part-II

**Memorandum for Departmental Accounts Committee Paras
Pertaining to the Audit Year 2020-21**

(Rupees in million)

Sr. No.	Name of Formation	Para No.	Title of Para	Amount
District Education Authority, CHINIOT				
1	CEO, DEA, Chiniot	1	Non-recovery of embezzled amount	0.468
2		2	Payment without receipt of library books	0.300
3		5	Procurement through fake competition by using managed quotations	0.394
4		12	Unauthorized payment of House Rent Allowance	0.106
5		13	Excess payment of transfer grant and luggage charges	0.094
6		16	Excess payment to contractor beyond agreement cost	0.283
7		17	Unknown whereabouts of fund drawn from Government treasury	0.424
8		20	Non-inspection of private schools and non-recovery of inspection fee	0.178
9		21	Irregular and unauthentic expenditure on repair and POL of vehicle	0.931
10		23	Irregular payment of Cash Award	0.400
11		24	Utilization of NSB funds without pre-audit and non-submission of vouched accounts	-
12		25	Withdrawal of funds without maintaining supporting record	0.095
13		26	Unauthorized payment of GST on exempted items	0.040
14		27	Execution of works without executing Contract Agreements	45.195
15		28	Non-deduction of Social Security Contribution	0.518
16	Deputy DEO (EE-M) Chiniot	1	Irregular drawl of pay and allowances after expiry of prescribed tenure	1.450
17		2	Irregular payment of cash award	0.150
18		3	Unauthorized drawl of Charge Allowance	0.027
19		4	Unauthorized drawl of pay after completion of tenure of service at one office / station	0.878
20		8	Unjustified payment of Inspection Allowance	1.950
21		10	Irregular expenditure beyond the competence of School Councils	1.619

Sr. No.	Name of Formation	Para No.	Title of Para	Amount
22	Deputy DEO (EE-W) Bhowana	1	Irregular cash payments by School Councils	9.290
23		7	Non-deduction / verification of General Sales Tax	0.609
24		8	Payments without mentioning particulars of payees	0.334
25		10	Excess payment of pay and allowances on regularization	0.012
26		11	Unauthorized withdrawal of Charge Allowance	0.052
27		12	Unauthorized withdrawal of Qualification Allowance	0.035
28		14	Unauthorized payment of GST on exempted items	0.022
29		Deputy DEO (EE-W) Chiniot	3	Irregular payment of cash award
30	5		Unjustified payment of Inspection Allowance	3.300
31	7		Irregular expenditure beyond the competence of School Councils	2.270
32	9		Procurement at excessive price	0.136
33	Deputy DEO (EE-W) Lalian	8	Unauthorized withdrawal of Charge Allowance	0.111
34		9	Unauthorized withdrawal of Personal Allowance	0.049
35		11	Unauthorized payment of pay and allowances	0.659
36		12	Non-utilization of student funds	3.498
37		13	Unauthorized payment of Adhoc Allowance 2010	0.042
38		14	Unjustified payment of Inspection Allowance	6.200
District Education Authority Faisalabad				
1	CEO, DEA, Faisalabad	3	Irregular expenditure under head of TA/DA	0.142
2		5	Irregular payment of cash award	0.712
3		6	Less deposit of stamp duty	0.024
4		12	Non-reconciliation of expenditure incurred out of SDA	-
5		13	Irregular budgeting of receipts and expenditure of Authority	-
6		15	Non-maintenance of private schools' registration/ renewal record	14.040
7		16	Retention of strength of vehicles without sanction from Administrative Department	-
8	District Education Authority	1	Unauthorized drawal of Pension by Government Employee	0.174
9	(Issues Related to Pension Payments)	3	Payment of pension disproportionately	0.184
10		5	Non-distribution of funds available in erstwhile District Government pension bank account	0.429
11	Deputy DEO (EE-W) Jaranwala	7	Irregular cash payment	0.526
12		16	Loss to Government due to theft of store items	0.034
13	Deputy DEO (EE-M) Jaranwala	11	Non-recovery of monitoring fine	0.162
14		12	Non-recovery of fine imposed under PEEDA Act	0.093
15		13	Unauthorized expenditure on payment of salaries from NSB	1.633

Sr. No.	Name of Formation	Para No.	Title of Para	Amount
16	Deputy DEO (EE-W) Sadar, Faisalabad	10	Non-credit of profit to District Education Authority Account	0.013
District Education Authority, Jhang				
1	CEO DEA Jhang	2	Non-devising mechanism for utilization of savings of development schemes	11.984
2		10	Expenditure through doubtful quotations	0.998
3	DDEO (EE-M) Jhang	1	Irregular cash payments	8.769
4		6	Irregular payment of salaries due to non-acquiring mandatory qualification by teachers	1.575
5		12	Non-credit of profit to Account-V of District Education Authority	0.494
6		17	Payment of Conveyance Allowance to OSD post and during LPR	0.147
7		20	Non-recovery of fine imposed by monitoring staff	0.050
8		21	Non-deposit of auction money in Government Treasury	0.040
9		22	Withdrawal of funds from bank during suspension period	0.040
10	DDEO (EE-W) Shorkot	5	Non-credit of profit to Account-V of District Education Authority	0.180
11		14	Irregular appointment and payment of pay and allowances	0.154
12		17	Irregular payment of rent	1.585
13	DDEO (EE-W) Jhang	3	Non-recovery of fine imposed by monitoring staff	0.052
14		12	Non-credit of profit to account -V of District Education Authority	0.074
District Education Authority Toba Tek Singh				
1	CEO, DEA, Toba Tek Singh	7	Loss due to procurement at excessive rates	0.205
2		11	Non devising mechanism for utilization for savings of development funds	5.128
3		13	Non-registration of private schools involving revenue	0.208
4		15	Non creation of pension fund and investment of surplus funds	7.204
5		18	Irregular payment of salaries due to non-regularization of services	9.931
6	Deputy DEO (EE-M) Toba Tek Singh	5	Loss due to theft of material	0.257
7		7	Non recovery/deduction of funds after regularization	0.318
8		8	Unjustified expenditure with 10% poor performance	-
9		9	Non-verification of General Sales Tax	0.097
10		10	Expenditure through irregular school council	1.760
11		12	Irregular cash payments by School Councils	2.125
12		13	Non-deposit of auction money in treasury	0.048

Sr. No.	Name of Formation	Para No.	Title of Para	Amount
13	Deputy DEO (EE-W) Toba Tek Singh	8	Non-recovery/deduction of funds after regularization	0.429
14		9	Unjustified expenditure with 11% drop out/poor performance	-
15		10	Non-verification of General Sales Tax	0.162

Annexure-1**[Para: 1.2.4.1]****Inadmissible payment of pay and allowances – Rs 8.950 million**

(Rupees in million)

Sr. No.	DDOs	Description	Period	Amount	Para
1	CEO, DEA Chiniot	Inadmissible payment of SSB after regularization of services	2020-21	0.876	4
		Excess drawl of Inspection Allowance	2020-21	5.410	6
		Unauthorized payment of Conveyance Allowance	July 2020 to September, 11, 2020	0.339	9
2	Government High School, Borani, Tehsil Lalian, District Chiniot	Excess payment of pay and allowances after regularization of services	2009-21	1.735	1
		Inadmissible payment of Conveyance during summer/winter vacations	2017-21	0.358	6
3	Headmistress Government Special Education Centre Chiniot	Inadmissible payment of Conveyance during Leave on Full Pay	2020-21	0.014	2
4	Headmistress Government Special Education Centre Bhowana	Inadmissible payment of SSB after regularization of services and Special Allowance	01.12.2016 to 31.07.2021	0.218	11
Total				8.950	

Annexure-2**[Para: 4.2.4.1]****Non-production of record – Rs 7.119 million**

(Amount in Rupees)

Sr. No.	Financial Year	Date of Drawl	Description	Name of vendor (Traders)	Amount
1	2018-19	08.11.2018	Uniform	Bata Shoes Store, Pirmahal	39,403
2	2018-19	04.12.2018	Repair Transport	-	2,750
3	2018-19	19-Jan	TA / DA bills	-	5,340
	Out of total TA bills of Rs 11,910 M/O Jan-2019, bills of Rs 6,570 produced, remaining bills of Rs 5,340 were not produced.				
4	2018-19	19-Feb	TA / DA bills	-	3,810
5	2018-19	19-Mar	TA / DA bills	-	22,500
6	2018-19	19-May	TA / DA bills	-	21,660
7	2017-18	23.01.2018	Stipend	-	145,600
8	2017-18	22.03.2018	Stipend	-	80,000
9	2017-18	14.05.2018	Stipend	-	84,000
10	2017-18	03.02.2018	TA / DA bills	-	6,140
11	2017-18	14.05.2018	Uniform	Social Welfare Deptt. TT Singh	42,411
12	2017-18	12.02.2018	Uniform	Bata Shoes Store, Pirmahal	33,716
13	2017-18	07.02.2018	Uniform	Social Welfare Deptt. TT Singh	66,748
14	2016-17	06.12.2016	TA / DA bills	-	4,850
15	2016-17	19.06.2017	TA / DA bills	-	2,850
16	2016-17	30.06.2017	Uniform	Social Welfare Deptt. TT Singh	67,856
17	2016-17	23.06.2017	Uniform	Bata Shoes Store, Pirmahal	39,907
18	2015-16	15-Dec	Cost of Other Stores	-	57,061
19	2015-16	16-Jan	Cost of Other Stores	-	67,300
20	2015-16	16-May	Cost of Other Stores	-	12,495
21	2015-16	16-Jun	Cost of Other Stores	-	41,579

Sr. No.	Financial Year	Date of Drawl	Description	Name of vendor (Traders)	Amount
22	2013-14	14-Jun	Postage	-	1,000
23	2013-14	14-Jun	Telephone	-	582
24	2013-14	14-Jun	Stationery	-	19,994
25	2013-14	14-Jun	Printing	-	19,890
26	2013-14	14-Jun	Uniform	-	76,935
27	2013-14	14-Jun	Advertisement	-	18,600
28	2013-14	14-Jun	Cost of Other Stores	-	98,164
29	2013-14	14-Jun	Others	-	20,000
30	2013-14	14-Jun	Stipend	-	51,200
31	2013-14	14-Jun	IT Equipment	-	95,000
32	2013-14	14-Jun	Purchase of Transport	-	4,290,000
33	2013-14	14-Jun	Purchase of Plant & Mach	-	742,100
34	2013-14	14-Jun	Purchase of Furniture	-	801,700
35	2013-14	14-Jun	Purchase of others	-	35,500
Total					7,118,641

Decrease in Student Enrollment

During thematic audit of DEA Chiniot audit observed that no effective mechanism was developed by the DEA to ensure maximum enrollment of out of school children. Decreasing trend was observed in student enrollment in 2020-21 as compared to last two years. Moreover, non-enforcement of legal framework regarding child labor and poor socioeconomic condition of the society is one of the major cause of decrease in student enrollment. Strenuous efforts were not made by DEA authorities to increase new admissions in Government schools. The detail is as under:

Sr. No.	Year	No. of Teachers Working	No. of Students Enrolled
1	2017-18	4,973	179,823
2	2018-19	4,851	185,215
3	2019-20	4,243	186,588
4	2020-21	4,506	182,487

Annexure-4**Non-filling of posts of teaching staff**

DEA Name	Year	Sanctioned Posts	Filled Posts	Vacant Posts	% age of Vacant Posts
DEA, Chiniot	2017-18	5,120	4,973	147	3%
	2018-19	5,160	4,851	309	6%
	2019-20	5,160	4,243	917	18%
	2020-21	5,400	4,506	894	17%

Annexure-5

Single teacher schools

During thematic audit of DEA, Chiniot it was observed that DEA did not rationalize number of teachers required in proportion to the number of students. Data analysis of student teacher ratio depicted that 1 teacher was available for every 80 students. Moreover, in various schools one teacher was available in school. The detail is given below:

Sr. No.	EMIS Code	Name of school	Enrolment	No. of teachers	Tehsil
1	33410200	GPS Darutha Kharlan	102	1	Bhowana
2	33410277	GPS Hersa Nehra	61	1	Bhowana
3	33410241	GPS Thatha Musa	0	1	Bhowana
4	33410287	GPS Riaz Wala	93	1	Bhowana
5	33410267	GPS Sial Wala	44	1	Bhowana
6	33410249	GPS No West	81	1	Bhowana
7	33430335	GPS Pilowal Sidiqa	58	1	Lalian
8	33430967	GPS Khokhran Wala	71	1	Lalian
9	33430320	GPS Jodhi Sultan	63	1	Lalian
10	33430154	GPS Ahlay Wala	44	1	Lalian
11	33430759	GMPS Mughlay Wala	171	1	Lalian
12	33430720	GGPS Yaray Wala	42	1	Lalian
13	33430722	GGPS Mongi Thali	96	1	Lalian
14	33430737	GGPS Aloudin Wal	89	1	Lalian
15	33430771	GMPS Gadhlan Wali	100	1	Lalian
16	33430711	GGPS Pur Rehan	70	1	Lalian
17	33430761	GGPS Mian Rehmat	42	1	Lalian
18	33420436	GPS Chakbandi	107	1	Chiniot
19	33421046	GPS Kot Umar	185	1	Chiniot
Total			1519	19	

(Source: Correspondence Files)

Annexure-6

Non-utilization of NSB funds

During thematic audit of DEA, Chiniot it was observed that Govt. Elementary/Primary (Boys) schools of Deputy DEO (EE-M) Chiniot (selected as sample) working under the administrative control of DEA, Chiniot failed to utilize NSB funds and gradual decline of 10.62 % to 42.76% was observed from 2017-18 to 2020-21. The detail is as under:

Sr. No.	Name of formation	Year	NSB received	Opening Balance	NSB Utilized	(Savings) %
1	Deputy DEO (EE-M) Chiniot	2017-18	25,659,684	2,727,500	22,932,184	(10.629)
2		2018-19	28,616,573	8,904,866	19,711,707	(31.12)
3		2019-20	22,936,145	5,602,350	17,333,795	(24.426)
4		2020-21	24,581,658	10,510,936	14,070,722	(42.76)

(NSB grant registers Deputy DEO EE-M, Chiniot)

Annexure-7

Non-Provision of Basic Facilities

During thematic audit of DEA, Chiniot audit observed that there were irrational resource allocation as key performance indicators were not achieved regarding provision of basic facilities in the schools. Non-availability of boundary walls, toilet blocks and shortage of classrooms and furniture was observed in various schools of the district. The detail is as under:

Sr. No.	Tehsil	Schools without Boundary Walls	Schools without Toilet Block	Schools Facing Shortage of Furniture	Schools Facing shortage of Classrooms
1	Primary & Elementary Schools Bhowana	6	1	56	15
2	Primary & Elementary Schools Chiniot	2	1	56	77
3	Primary & Elementary Schools Lalian	9	5	26	47
4	High/Higher Secondary Schools District Chiniot	14	89	-	-
Total		31	96	138	139

Single Room Schools

During thematic audit of DEA, Chiniot it was observed that seventeen school in the district were working with single room. DEA failed to provide class rooms with the proportion of students and following schools were working with single classroom. The detail is as under:

Sr. No.	Name of School	No. of Teachers	Enrollment	No. of Rooms
1	GPS Marral Wala	4	144	1
2	GPS Thatta Musa	1	-	1
3	GPS Chak No.188 JB	2	49	1
4	GPS Chak. No 240 JB Mochiwala	3	67	1
5	GGPS Chak No.185	2	214	1
6	GGPS Chak No.235	4	225	1
7	GPS Palahay	3	59	1
8	GPS Kot Mirza	3	87	1
9	GGPS Aabusaeed, Chah Ansarian	4	86	1
10	GGPS Chakbandi	3	100	1
11	GPS Shareen Awan	4	167	1

Sr. No.	Name of School	No. of Teachers	Enrollment	No. of Rooms
12	GPS Jehangir Shah Bahlol	3	65	1
13	GPS Mohsin Abad	4	153	1
14	GGPS Thatta Mian Lala	2	157	1
15	GGPS Khai	2	68	1
16	GGPS Manganwala	4	117	1
17	GGPS Shadipur	3	158	1
Total		51	1916	17

Annexure-8

Irrational deployment of teachers in 810 schools

During analyzing data regarding deployment of teachers in various primary and elementary schools it was observed that irrational deployment of teachers was made in 810 Government schools. Optimal use of human resources was not made in 650 schools and Education quality suffered with adverse impact in 160 out of 1266 schools, as detailed below:

Sr. No.	Range (No. of students per teacher)	Number of School	%age	Remarks
1	6-30	650	51%	Non-optimal use of human resources
2	31-49	456	36%	-
3	50-109	160	13%	Education quality suffered with adverse impact
Total		1,266	100%	

Due to weak administrative controls, deployment of teachers was not uniform.

Uneven deployment of teachers resulted in failure of optimum utilization of human resources and adverse impact on quality of education.

The matter was reported to the PAO/DDO in July, 2021. In DAC meeting held in October, 2021, no reply was submitted.

Audit recommends to probe the matter of non-optimal deployment of human resources besides rationalization of their deployment at the earliest.

Annexure-9

Non-provision of sweepers and security guards in Government schools

During thematic audit of DEA, Jhang audit observed that DEA could not provide clean and secure environment in various Government schools as sweepers and security guards / chowkidars were not available in 1259 and 815 Government schools respectively, as detailed below:

Description	Sweepers	Security Guards / Chowkidars
Total No. of schools	1492	1492
No. of schools in which sweepers / security guards / chowkidars are available	233	677
No. of schools in which sweepers / security guards / chowkidars are not available	1259	815
% age of non-availability	84%	55%

Audit is of the view that basic requirements were overlooked by the management due to which clean and secure environment was provided in the Government Schools.

The matter was reported to PAO/DDO in July, 2021. In DAC meeting held in October, 2021, no reply was submitted.

Audit recommendation immediate intervention by the CEO, DEA and Government of the Punjab for ensuring availability of sweepers and security guards/ chowkidars in the Government schools.

Annexure-10

Poor service delivery due to non-provision of classrooms in Government schools

According to Para 1 of Government of the Punjab, School Education Department letter No.SO(SE-III)2-13/2007 dated 31.05.2012, it is imperative to implement Article 25-A of the Constitution of Islamic Republic of Pakistan and to ensure Compulsory Education of all children aged 5 - 16 through 100% enrollment and 100% retention with assurance of quality education based on equal opportunity. Accordingly, measures are necessary and the Government wants to ensure basic educational facilities like 'one teacher' and 'one classroom for every class.

During thematic audit of District Education Authority, Jhang it was observed that there was shortage of 320 and 583 classrooms in 95 and 282 boys' and girls' schools of DEA Jhang. However, DEA, Jhang did not make strenuous efforts for provision of these 903 classrooms in Government schools of District. The details are as under:

School Level and Gender	No. of Schools			No. of Short Classrooms		
	Boys' Schools	Girls' Schools	Total	Boys' Schools	Girls' Schools	Total
Primary & Elementary Schools	30	221	251	51	320	371
High & Higher Secondary Schools	65	61	126	269	263	532
Total	95	282	377	320	583	903

Non-provision of required classrooms resulted in poor service delivery by the DEA, Jhang.

The matter was reported to PAO/DDO in July, 2021. In DAC meeting held in October, 2021, no reply was submitted.

Audit recommends concrete efforts for construction and provision of requisite classrooms in the Government schools at the earliest.

Annexure-11

Non-provision of missing facilities in Government Schools

As per para 4.8 of the School Council Policy 2007, it was the responsibility of SC for utilization of Government Funds to consider the furniture fixture of school and its repair and maintenance, to look into the condition of school building and its improvement to construct the allied works like class room, toilet, boundary wall and to ensure the availability of water and electricity.

During thematic audit of DEA, Jhang data regarding availability of washrooms, boundary walls, electricity and drinking water was collected through questionnaire. Scrutiny of this data depicted that 280 Government schools faced shortage of 630 washrooms and 115,877 Rft boundary walls were missing in 181 schools. Furthermore, electricity and drinking water were not available in 11 and 17 Government schools respectively. The details are as under:

Sr. No.	Description	No. of Schools	Quantity / Volume of Missing Facility	
1	Shortage of washrooms	280	630	Nos.
2	Missing boundary wall	181	115,877	Rft
3	Non-availability of electricity	11	11	
4	Non-availability of drinking water	17	17	

Audit is of the view that basic requirements were overlooked by the management due to which insecure and unsuitable environment was provided to the students and teachers as well.

The matter was reported to PAO/DDO in July, 2021. In DAC meeting held in October, 2021, no reply was submitted.

Audit recommendation immediate intervention by the CEO, DEA and Government of the Punjab for provision of all these missing facilities in the schools at the earliest.

Inappropriate sitting arrangements for students

During thematic audit of DEA, Jhang it was observed that proper furniture for sitting of 36,541 students were not provided in 571 Government schools of District Jhang. It was also observed that furniture with sitting capacity of 45,222 students was surplus in 878 Government schools. However, DEA did not make efforts for provision of furniture in the schools facing acute shortage either by procurement of new furniture or shifting of surplus furniture in the deserving schools.

Due to lack of planning and weak monitoring mechanism proper sitting arrangements were not made for 36,541 students.

The matter was reported to PAO/DDO in July, 2021. In DAC meeting held in October, 2021, no reply was submitted.

Audit recommends intervention by the administration of DEA for provision of proper sitting arrangement for students at the earliest.

Irrational distribution of NSB by the School Education Department

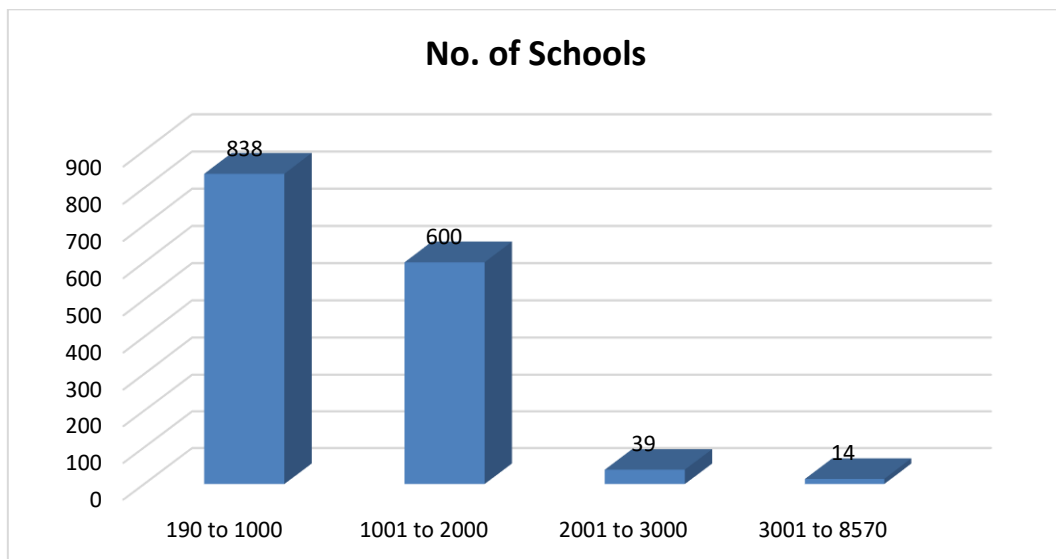
According to Para 2.1 of Guidelines for Primary and Elementary Schools for utilization of Non-Salary Budget, allocation of proper funds is necessary to enable the schools for better education planning, management and service delivery. Further, according to Para 2.4 *ibid*, schools will be bound to prepare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

Provincial governments are responsible for allocating funds among various sectors in their provinces and for distributing funds among districts. Substantial inequalities in per-student education spending were observed across districts in Punjab. While some differences would be expected based on differing needs of schools, these large disparities reveal that allocations to districts are not based on actual needs of the schools. The Government of Punjab has already approved a revised and needs-based formula for distributing operations and management funds to schools. In Punjab, further reforms will be needed to ensure that non-salary and development funds flow to districts and schools in proportion to needs.

Audit observed that Non Salary Budget (NSB) amounting to Rs 322.019 million was provided to 1,491 schools of DEA, Jhang during financial year 2020-21 without observing need based formula. Funds ranging from Rs 191 to Rs 8570 per student were that reflected. The details are as under:

Range of NSB per Student	No. of Schools	% age
190 to 1000	838	56%
1001 to 2000	600	40%
2001 to 3000	39	3%
3001 to 8570	14	1%
Total	1491	100%

Graphical presentation of student wise NSB provision / allocation is as under:



The matter was reported to PAO/DDO in July, 2021. In DAC meeting held in October, 2021, no reply was submitted.

Audit recommends to formulate school-based budgets to strengthen school-based management and school needs. This will require capacity building of head teachers, the SCs, and the education advisors at the Markaz level, so that the latter can scrutinize the school-based budgets. This bottom-up budgeting would help make schools and district financial allocations transparent and responsive to school needs.

Annexure-14

Non-utilization of funds allocated for provision of furniture, fixture and IT material to schools

According to Section 17(6) of the PLGA, 2013, the Chairman and the Chief Executive Officer of the Authority 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. Furthermore, according to Rule 10(h) & (j) of the Rules *ibid*, the Chief Executive Officer shall establish new healthcare facilities and monitor, implement and execute the development projects of the Authority as per the budget.

Audit observed that Chief Officer, District Education Authority, Jhang could not procure and provide furniture, fixture and IT material amounting to Rs 14.849 million to schools during 2020-21. The details are as under:

(Rupees in million)

Description	Amount
Furniture / fixture under KPSP	11.518
IT Lab material	0.457
Furniture / fixture for GGPS Dera Haji Irshad, Mouza Jangal Qutab	0.500
Furniture / fixture for GPS to GES at Tahli Bhattian	2.374
Total Amount	14.849

Due to inefficiency and financial mismanagement, furniture, fixture and IT material were not provided to schools.

Non-provision of furniture, fixture and IT material amounting to Rs 14.849 million resulted in poor functioning of educational institute besides cost overrun due to inflation impact.

The matter was reported to PAO/DDO in July, 2021. In DAC meeting held in October, 2021, no reply was submitted.

Audit recommends concrete efforts for procurement of furniture, fixture and IT equipment for schools besides fixing responsibility on the person(s) at fault.

Poor performance regarding establishment of District Education Authority and non-communication of PFC Share

According to Sections 17 and 94 of the Punjab Local Government Act 2013, the Government shall, by notification in the official Gazette, separately establish and determine the composition of District Health Authority for each District. The Authority shall consist of such number of indirectly elected members from the local governments and nominated technocrat members. The members of an Authority shall be elected by the local governments in the district, other than the Union Councils, from amongst their respective members in the prescribed manner. The Government shall appoint the Chairman and the Vice Chairman of an Authority and they shall serve during the pleasure of the Government. The Chairman and the Chief Executive Officer of the Authority 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. A District Health Authority shall perform following functions: establish, manage and supervise primary and secondary healthcare facilities and institutions; develop linkages between private and public health sectors for enhancing access, coverage of health care facilities and improvement quality of services; ensure human resource management and capacity development of personnel; implement policies and directions of the Government including achievement of key performance indicators of health care programs. Furthermore, Government of the Punjab LG&CD Department vide notification No.SOR(LG)38-5/2014 dated 05.02.2017, issued composition of District Education Authority in District Jhang, indirectly elected members from District Council and Municipal Committees of District Jhang. Furthermore, according to Rules 3, 8, 21 and 24 of the Punjab District Authorities (Conduct of Business) Rules, 2017, the Authority shall meet at least once in a month. Chief Executive Officer shall be appointed through open competition and in a transparent manner from public or private sector. The Government shall for each district, notify a District Performance Monitoring Committee to monitor / review the performance of the Authority. Furthermore, according to Rule 70 of the Punjab District

Authorities (Accounts) Rules, 2017, the share of each District Authority from Provincial allocable amount shall be in accordance with the Award notified by the Government, on the recommendation of the Punjab Finance Commission. The Government shall, well before the commencement of each financial year, notify the provisional share of Award for each District Authority. The Government shall communicate final estimates of share for each District Authority in June each year. Furthermore, according to Government of the Punjab, LG&CD Department Notification No.SOR(LG)38-5/2014 dated 01.01.2017, District Education Authority was established in each District and Deputy Commissioner of the District was appointed as Administrator of the said Authority w.e.f. 01.01.2017 for a period not more two years.

DEA, Jhang was established since 01.01.2017 under PLGA, 2013. However, conduct of business by the DEA was held unlawful, irregular and inefficient on the following grounds:

- viii. Government of the Punjab failed to constitute District Education Authority despite issuing composition notification. Further, Chairman, Vice Chairman and Chief Executive Officer were not appointed by the Government as required under PLGA, 2013.
- ix. In violation of rules, Deputy Commissioner, Jhang, continued to hold the office of Administrator of DEA and exercised the powers of the House/ Authority beyond lawful tenure of two years that had already been expired on 31.12.2018. Therefore, conduct of business including approval/authentication of budget and incurrence of expenditure during financial year 2020-21 was held irregular. Furthermore, powers of the House / Authority were concentrated in and used by a Government servant.
- x. Performance towards achievement of key performance indicators set by the Government was also poor.
- xi. DEA could not conduct its meeting on monthly basis. Furthermore, District Performance Monitoring Committee to monitor / review the performance of the Authority was also not constituted.

xii. Amount of PFC share was never communicated to DEA Jhang by Government of the Punjab in violation of Accounts Rules. Authorities of DEA also did not make efforts to get the PFC share communicated to it for assessing the resources available for optimized budgeting. Hence, the amount of actual share of DEA and pending amount due from Government of the Punjab since 2017 could also not be ascertained/ claimed.

Due to violation of Law, DEA Faisalabad was not constituted and existing management represented a poor performance.

Non-constitution of District Education Authority and exercising the powers of the House by the Government Servant resulted in poor performance, unauthorized utilization of public resources and unlawful conduct of business of DEA.

The matter was reported to PAO/DDO in July, 2021. In DAC meeting held in October, 2021, no reply was submitted.

Audit recommends regularization from the competent authority besides fixing responsibility on the person(s) at fault.

Non-provision / delay in provision of missing facilities in schools

According to Rules 4(b)&(d) of the Punjab District Authorities (Budget) Rules 2017, the Chief Executive Officer shall act as Principal Accounting Officer of the Authority and shall review progress of execution of the projects for their timely completion and prepare a report on planning and implementation of development plans for presentation before the district authority in the budget meeting.

Development schemes of DEA, Jhang were got executed by the CEO from Executive Engineer (XEN), Buildings, Jhang through deposit work. However, funds were transferred without devising proper mechanism and without executing formal agreement with the executing agency regarding quality of work, timely completion of works, liaison mechanism, sharing of responsibility, provision of necessary documents such as detailed estimates, work orders, agreements etc. Furthermore, P&D wing of DEAs was not made functional due to non-filling of requisite posts of Sub-Divisional Officer (SDO), Sub-engineer and Draftsman for execution / proper monitoring of works. Hence, all development schemes were left on the sweet will of Buildings Department which caused delay in provision of missing facilities in the schools and deprivation of the students from learning atmosphere.

Due to poor planning and non-execution of formal agreements, development schemes were not got completed from the executing agency in timely manner.

Delay in completion of development schemes resulted in non-provision of missing facilities in the education institutions and deprivation of the students from the envisaged benefits.

The matter was reported to PAO/DDO in July, 2021. In DAC meeting held in October, 2021, no reply was submitted.

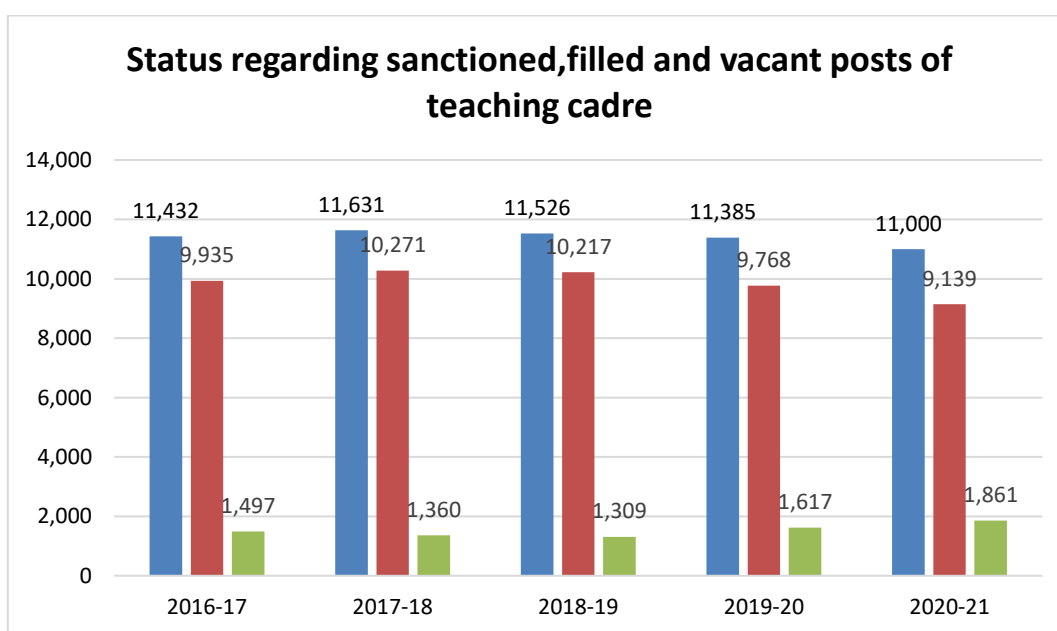
Audit recommends to probe the matter for fixing responsibility on the person(s) at fault besides active pursuance of development schemes for their completion without further delay.

Non recruitment of teachers

During Thematic Audit of DEA Toba Tek Singh it was observed that a large number of posts of teaching cadre were vacant since long and vacancy position was increasing day by day due to retirements / deaths of existing employees. Management did not take appropriate action to get the vacant posts filled with suitable candidates. Detail is given below:

Description	2016-17	2017-18	2018-19	2019-20	2020-21
Sanctioned Strength	11,432	11,631	11,526	11,385	11,000
Occupied	9,935	10,271	10,217	9,768	9,139
Vacant Posts	1,497	1,360	1,309	1,617	1,861

Graphical representation of year wise vacant posts is as under:



Irrational Distribution of NSB funds

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

Provincial governments are responsible for allocating funds among various sectors in their provinces and for distributing funds among districts. Substantial inequalities in per-student education spending were observed across districts in Punjab. While some differences would be expected based on differing needs of schools, these large disparities reveal that allocations to districts are not based on actual needs of the schools. The Government of Punjab has already approved a revised and needs-based formula for distributing operations and management funds to schools. In Punjab, further reforms will be needed to ensure that non-salary and development funds flow to districts and schools in proportion to needs.

Education outcome indicators should also be factored in when making resource allocation decisions to districts and schools to target funds more effectively. The World Bank tracking report in Punjab recommends instituting a rule-based approach to transfer funds from the province to the districts to make district-level funding needs-based, transparent, and predictable. More rationalized allocation, based on school needs, will go a long way to reduce inequities in per-student expenditures across schools.

Audit analyzed that District Toba Tek Singh allocated Non Salary Budget (NSB) of Rs 91.909 million to 1,170 schools during financial year 2020-21. Allocations were made by the School Education Department without observing need based formula. Funds ranging from Rs 191 to Rs 3,811 per student were allocated to 1,170 schools which indicated irrational distribution of funds. Record

of Govt. Islamia Secondary School District Toba Tek Singh revealed that amount of Rs 1,675,590 was transferred to NSB account against 2,564 students i.e. Rs 653 per student was allocated which was a minor allocation against high student enrolment. Physical verification of the school revealed that the school building was deteriorated, class room environment and related infrastructure was not up to the mark.

Annexure-19

Availability of insufficient class rooms in Public Schools

Audit analyzed the data regarding provision of classrooms against the enrolment of the students in District Toba Tek Singh, which revealed that 2,613 classrooms existed for 170,067 enrolled students in all schools of the District Toba Tek Singh whereas, 4,252 classrooms were required as per benchmark of Student-Teacher Ratio i.e. 1:40. Shortage of 1,726 classrooms required funds of Rs 3,452 million for construction of new classrooms but the management had less focus on provision of basic facilities and suitable environment to the students. The detail is as under:

Total No. of schools	Total enrolment	Class room required	Class rooms available	Shortage	% of availability
490	170,067	4,252	2,613	1,726	61%

Availability of inadequate furniture

Audit analyzed that 15,873 students availed the facility of furniture i.e. desk benches out of 23,139 enrolled students in 107 schools of the District Toba Tek Singh whereas, 7,266 students were sitting on “mats (tats)”. The furniture i.e. desk bench was required as per ratio 1:3. Shortage of 2422 desk benches required funds of Rs 29.064 million but due efforts were not made to provide the missing facility. It was pertinent to mentioned that despite provision of Non-Salary Budget to the schools, the heads of the schools failed to provide the basic facility to the students. The detail is as under:

No. of Schools of short furniture	Furniture Required	Furniture Available	Shortage of Furniture	Funds Required	% age of Availability
107	7,713	5,291	2,422	29.064	46%

Insecure physical atmospheres of schools

During Thematic Audit of DEA, Toba Tek Singh it was observed that 104 primary and elementary schools were boundary-less and 141 schools existed with partial boundary walls due to negligence. Funds to the tune of Rs 1,039.975 million were required for construction of boundary walls in the district. The management of DEA, Toba Tek Singh was compromising on basic needs/security of students and other assets of the schools.