



**PERFORMANCE AUDIT REPORT  
ON  
IMPROVEMENT IN SERVICE DELIVERY  
DUE TO MERIT BASED/SCHOOL BASED  
RECRUITMENT POLICY FOR TEACHING  
CADRE IN EDUCATION DEPARTMENT IN  
DISTRICT MARDAN**

**AUDIT YEAR 2019-20**

**AUDITOR GENERAL OF PAKISTAN**

## **PREFACE**

The Auditor General of Pakistan conducts audit in accordance with Articles 169 and 170 of the Constitution of the Islamic Republic of Pakistan 1973 read with Sections 8 and 12 of the Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance 2001 and Section-37 of the Khyber Pakhtunkhwa Local Government Act, 2013. The Performance Audit of "Improvement in service delivery due to merit based/school based recruitment policy for teaching cadre in District Education Offices (Male & Female) Mardan, Khyber Pakhtunkhwa" was carried out accordingly.

The Directorate General Audit, District Governments, Khyber Pakhtunkhwa conducted performance audit of the "Improvement in service delivery due to merit based/school based recruitment policy for teaching cadre in District Education Offices (Male & Female) Mardan, Khyber Pakhtunkhwa for the period from 2014 to 2018" with a view to report significant findings to the stakeholders. Audit examined economy, efficiency and effectiveness of the respects of the newly school based/merit base teachers. Audit also assessed, on test check basis, whether the management complied with the applicable laws, rules and regulations in managing the Improvement in service delivery due to merit based/school based recruitment policy for teaching cadre in District Education Offices (Male & Female) Mardan, Khyber Pakhtunkhwa. The Audit report indicates specific actions that, if taken, will help the management the objectives of improvement services delivery.

Most of the observations included in this report have been finalized in light of written replies of the management. DAC meetings were not convened despite repeated requests.

The Audit Report is submitted to the Governor of Khyber Pakhtunkhwa in pursuance of the Article 171 of the Constitution of the Islamic Republic of Pakistan, 1973 read with Section 37 of Khyber Pakhtunkhwa Local Government Act, 2013 for submission to the appropriate legislative forum.

Islamabad  
Dated:

**(Javaid Jehangir)**  
**Auditor General of Pakistan**

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## **ABBREVIATIONS AND ACRONYMS**

ASDEO	Assistant Sub Divisional Education Officer
CT	Certified Teacher
DEO	District Education Officer
DM	Drawing Master
ETEA	Educational Testing and Evaluation Agency
FATA	Federal Administered Tribal Area
GGHS	Government Girls High School
GGMS	Government Girls Middle School
GGPS	Government Girls Primary School
GHS	Government High School
GMS	Government Middle School
GPS	Government Primary School
INTOSAI	International Organization of Supreme Audit Institutions
KPK	Khyber Pakhtunkhwa
NTS	National Testing Service
PC-I	Planning Commission-I
PST	Primary School Teacher
PTC	Parent Teacher Council
TORs	Terms of Reference

## **EXECUTIVE SUMMARY**

The Directorate General Audit, District Governments, Khyber Pakhtunkhwa conducted performance audit titled “Improvement in service delivery due to merit based/school based recruitment policy for teaching cadre in District Education Offices (Male & Female) Mardan, Khyber Pakhtunkhwa” during February, 2020. The main objectives of audit were to evaluate the role in terms of economy, efficiency and effectiveness. The audit was conducted in accordance with INTOSAI Auditing Standards as adopted by the Department of the Auditor General of Pakistan.

The process of recruitment of school based adhoc teachers was started in 2014 under “The Khyber Pakhtunkhwa (Appointment, Deputation, Posting and Transfer of Teachers, lecturers, Instructors and Doctors) Regulatory Act” 2011. According to the said Act the vacancy of primary school teacher shall be filled in from the candidates belonging to the Union Council of their permanent residence mentioned in their Computerized National Identity Card and domicile, on merit and if no eligible candidate in that Union Council is available where the school is situated, such appointment shall be made on merit from amongst eligible candidates belonging to the adjacent Union Councils. Between 2014 to 2018, more than 40,000 adhoc teachers were recruited in Khyber Pakhtunkhwa on schools based posts within union councils out of which 1,842 female and 2,999 male teachers were appointed in District Mardan.

### **Key Audit Findings**

Key Audit Findings are as follows:

- i. Defective recruitment policy of teachers without personnel interview by panel of experts increased the chances of appointment of unsuitable candidates.
- ii. Recruitment through private firm, Government was deprived from revenue.

- iii. Non-existence of key performance indicators for teaching staff the management could not measure performance of teaching staff.
- iv. Non implementation of rationalization policy many schools were short of teachers.
- v. Wastage of Government funds on salary expenditure with no visible improvement in education sector.

## **Recommendations**

District Education Office Mardan needs:

- i. Interview marks in the selection process of the school/merit based teachers may be included.
- ii. Hiring of teachers may be made through ETEA.
- iii. Formulate and Notify key performance indicators for teaching staff.
- iv. Rationalization policy shall be fully implemented to solve the issue of shortage of teachers without fresh recruitment.
- v. Improvement in quality of education is required.

# **1. INTRODUCTION**

## **1.1 Background**

The schools of Khyber Pakhtunkhwa have suffered due to the general neglect and also due to the fear of terrorist attacks on schools across the province during war against militancy. Quality of education has constantly been compromised by both historical neglect and by specific circumstances in the province.

Government of Khyber Pakhtunkhwa in 2013 has made substantial efforts to provide schools with key inputs, including improved school facilities and infrastructure, increased budgetary allocations, and a new generation of teachers recruited through a merit-based process.

Pakistan, District Education Rankings 2017 conducted by Alif Ailaan (Non profitable organization) has shown that Khyber Pakhtunkhwa has moved up the index and now leads in the provision of infrastructure at the primary level among all the provinces across Pakistan; however, at the middle school level Khyber Pakhtunkhwa is second after Punjab. Similarly, on the education score and beyond primary readiness score index Khyber Pakhtunkhwa lags behind the Punjab, Islamabad Capital Territory and Gilgit Baltistan. The reforms introduced during the current tenure have had some success in identifying closed schools, in recruiting teachers on the basis of merit and reducing teacher absenteeism in government schools through accountability mechanisms and in partially addressing the issue of better spending by popularising the role of PTCs.

## **1.2 Organizational Structure**

Education department Mardan is administratively divided in to two section Male and Female, both are headed by District Education Officers (Male/Female). The District Education officers are assisted by Sub Division Education Officers one for each Tehsil. Furthermore, each tehsil was divided into various circles headed by ASDOs circles. On office management side District

Education Officers are assisted by ASDO establishment, account officer & many clerical staff.

## **2. AUDIT OBJECTIVES**

The major objectives of the audit were:

- i. To analyse rationalization policy of teachers for ascertaining demand of teachers in the public schools.
- ii. To find level of observance of recruitment policy during recruitment process.
- iii. To check that whether criteria set for recruitment of teachers up to BPS-15 was complied with or not.
- iv. To gauge improvement in the learning landmarks of students during various assessment exercises held at various Grades through internal and external organizations.
- v. To assess impact of regularization of NTS teachers on the overall aims of recruitment policy.
- vi. To analyse and assess the observance of principles of economy, efficiency and effectiveness by the auditee.
- vii. To provide the Parliament with independent and impartial information on performance aspects and related recommendations on recruitments;
- viii. To support auditee with recommendations for improving the performance of recruitment procedures

## **3. AUDIT SCOPE AND METHODOLOGY**

### **Audit Scope**

During 2014-18 the Audit focused on assessing Improvement in service delivery of merit based/school based recruitment of teachers in district Mardan.

### **Audit Methodology**

The audit was conducted in accordance with International Organization of Supreme Audit Institutions (INTOSAI)/Performance Audit Manual. For this purpose data was collected from District Education Office Mardan.



Office of the District Education Officer Mardan and few schools on sample basis were visited by the audit team to get data and review of documents. Various data was scrutinized like Annual statistical reports of Government Schools from 2014-15 to 2017-18 conducted by Elementary & Secondary Education Department Khyber Pakhtunkhwa.

## **4. AUDIT FINDINGS AND RECOMMENDATIONS**

### **4.1 Planning/Organization Management & Service Delivery Issues**

#### **4.1.1 Defective recruitment policy of teachers**

According to Establishment Department's circular letter No.SORI (S&GAD) 4-1/75 (Vol.I), 26.05.2000 that candidates qualifying the written test for posts in BPS-5 and above upto, 08 marks will be added on the basis of interview.

District Education officers (Male & Female) Mardan from 2014 to 2019 recruited total 4,841 teachers consisting 1842 female and 2,999 male teachers. The recruitment process includes screening of candidates by National Testing Service, and then formula of top marks holders plus qualification marks. Marks of interview were not included in selection process. Audit holds that selection of suitable person for teaching position without personnel interview by panel of experts increased the chances of appointment of unsuitable candidates.

Defective recruitment process increase chances of selection of unsuitable candidates, which deprived students from quality education.

The irregularity was pointed out in February, 2020. Management stated that Interview is essential part of recruitment if it is conducted fairly. Demerit of interview is like/dislikes and chances of nepotism cannot be ignored. Reply of the department was not correct as without proper interview selection of suitable candidates was not possible.

Request for convening DAC meeting was made in February, 2020, however meeting of DAC could not be convened till finalization of this report.

Audit recommends inclusion interview marks in the selection process of the school/merit based teachers and revision of policy.

#### **4.1.2 Recruitment through private firm**

According to Para 4 (b) of Khyber Pakhtunkhwa Educational Testing and Evaluation Agency Ordinance, 2001 the testing agency may Perform such other functions, as Government may, by notification in the Official Gazette, assign to it.

During performance Audit of “Improvement in service delivery due to merit based/school based recruitment policy for teaching cadre in District Education Office Mardan” Screening test for school based/merit based teachers conducted through a private firm NTS instead of Government Testing Service ETEA.

Audit observed that hiring through private firms was due to giving undue favor to the private firm, resulting on one side Government was deprived from revenue generated from submission of application forms and on another side chances of giving undue favor to candidates could not be ruled out.

The irregularity was pointed out in February, 2020. Management stated that department agreed with the audit recommendation subject to the condition that ETEA should be more strengthened and reforms be made to conduct more transparent results. Department agreed with the observation therefore, responsibility may be fixed for incurring loss to Government by allowing a private firm for recruitment, and ignoring a Government testing agency.

Request for convening DAC meeting was made in February, 2020, however meeting of DAC could not be convened till finalization of this report.

Audit recommends hiring of teachers through ETEA and fixation of responsibility for hiring a private firm.

#### **4.1.3 Non-existence of key performance indicators for teaching staff**

According to circular letter No: SOR-VI (E&AD)/1-4/2005, dated 9-9-2005 To ensure the posting of proper persons on proper posts, the Performance

Evaluation report/annual confidential reports, past and present record of service, performance on post held presently and in the past and general reputation with focus on the integrity of the concerned officers/ officials be considered.

During performance Audit of “Improvement in service delivery due to merit based/school based recruitment policy for teaching cadre in District Education Office Mardan it was noticed that the authorities failed to set key performance indicators for newly appointed teachers

Non-setting of Key performance indicators occurred due to weak internal controls resulting low enrolment.

The irregularity was pointed out in February, 2020. Management stated that the department agreed fully with the observation. Promotion may be made on key performance indicator and ACR may be written on these key performances. Department agreed with the observation therefore necessary action may be taken.

Request for convening DAC meeting was made in February, 2020, however meeting of DAC could not be convened till finalization of this report.

Audit recommends setting of key performance indicators for teaching staff.

#### **4.1.4 Non implementation of rationalization policy**

According to Director Elementary and Secondary Education Khyber Pakhtunkhwa notification No.6014-50/Rationalization/EST/ dated 01/04/2014, in primary schools the teacher/students ratio shall be 1:40.

During performance Audit of “Improvement in service delivery due to merit based/school based recruitment policy for teaching cadre in District Education Offices (Male & Female) Mardan”. It was revealed that teacher’s rationalization policy was not implemented. Due to non implementation of said policy many schools were short of teachers resulting students were deprived of

learning and on other hand loss was incurred to Government on salaries of surplus teachers. On sample basis data of few schools were checked. Details given at Annexure-1

Rationalization of teachers were not done due to political/non political pressure and giving undue favors to teaching staff resulting loss to Government on account of salaries of surplus teachers.

The irregularity was pointed out in February, 2020. Management stated that rationalization policy implemented partially and rationalization of remaining schools will be implemented soon. Reply of the department was not convincing as due to non implementation of rationalization policy in letter and spirit poor students were suffered.

Request for convening DAC meeting was made in February, 2020, however meeting of DAC could not be convened till finalization of this report.

Audit recommends adopting rationalization policy of teachers.

## 4.2 Financial Management Issues

### 4.2.1 Wastage of Government funds on salary expenditure

Para 23 of the General Financial Rules Volume I requires that every Government Officer should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part.

During Performance Audit of “Improvement in service delivery due to merit based/school based recruitment policy for teaching cadre” in District Education Office Mardan. It was revealed that after recruitment of 4,841 teachers from 2014 to 2018 salary expenditure was drastically increased but improvement in education sector was not visibly noted. Furthermore, enrolments of students were also nominally increased despite of huge increase in salary expenditure. Details given below:

#### Girls Schools Mardan salary expenditure

Category	2013-14 (Rs)	June 2019 (Rs)	Increase (Rs)	%age
High Schools	500,842,504	886,247,405	385,404,901	76.95
Middle Schools	215,305,685	310,969,107	95,663,422	44.43
Primary schools	599,164,216	1,091,775,395	492,611,179	82.22
<b>Total</b>	<b>1,315,312,405</b>	<b>2,288,991,907</b>	<b>973,679,502</b>	<b>74.03</b>

#### Boys Schools Mardan Salary expenditure

Category	2013-14(Rs)	June 2019(Rs)	Increase (Rs)	%age
High Schools	503,562,155	1,678,540,517	1,174,978,362	233.33
Middle Schools	267,427,968	420,080,169	152,652,201	57.08
Primary Schools	1,446,316,492	2,024,395,444	578,078,952	39.97
<b>Total</b>	<b>2,217,306,615</b>	<b>4,123,016,130</b>	<b>1,905,709,515</b>	<b>85.95</b>

Gender	2014-15	2018-19	Class
Male students	139,248	138,328	I to 5 <sup>th</sup>
Female students	125,296	135,330	I to 5 <sup>th</sup>
<b>Total</b>	<b>264,544</b>	<b>273,658</b>	
<b>Increase in enrolment</b>	<b>9,411</b>		

Non achievements were done due to non taking of interest by management and teachers resulting non enhancement of literacy rate.

The irregularity was pointed out in February, 2020. Management did not agree with observation and stated that there was a good change due to newly appointed teachers as they are well qualified. Results are improving every year. Reply of the department is not convincing as no visible changes were observed during performance Audit.

Request for convening DAC meeting was made in February, 2020, however meeting of DAC could not be convened till finalization of this report.

Audit recommends justification in the matter.

### **4.3 Overall Assessment**

**i. Relevance:**

The office of District Education offices (Male & Female) Mardan was in line with government's sectoral policies.

**ii. Efficacy:**

The goals of the District Education offices (Male & Female) Mardan with reference to originally concerned objectives have been achieved to some extent.

**iii. Efficiency:**

- a) There was Low enrolment of students.
- b) Recruitment was made through private firm
- c) Nonexistence of external assessment tests

**iv. Economy:**

The District Education offices (Male & Female) Mardan hired teachers and made expenditure on salary but the quality of education was not improved which resulted in Wastage of Government funds on salary expenditure.

**v. Effectiveness:**

The office of District Education offices (Male & Female) Mardan failed to implement rationalization policy of Recruitment and teachers were selected without interview/aptitude test through private firm

**vi. Compliance with rules:**

Main observations with regard to violation of rules are given below:

- a. Recruitment through private firm
- b. Selection of teachers without interview/aptitude test



## **5. CONCLUSION**

### **5.1 Key issues for the Future:**

Issues that could limit District Education offices (Male & Female) Mardan performance and achievement of objectives are as under:

- i. Selection of teachers without interview/aptitude test
- ii. Recruitment through private firm
- iii. Non existence of key performance indicators for teaching staff.
- iv. Non existence of external assessment tests
- v. Non implementation of rationalization policy
- vi. Low Net enrolment of students.

### **5.2 Lessons identified:**

- i. Audit recommends inclusion of interview marks in the selection process of the school/merit based teachers
- ii. Hiring of teachers through ETEA and fixation of responsibility for hiring a private firm
- iii. Setting of key performance indicators for teaching staff.
- iv. Establishment of external tests system without further delay.
- v. Immediate rationalization of teachers and action against the person(s) at fault.

## **ACKNOWLEDGEMENT**

We wish to express our appreciation to the management and staff of District Education offices (Male & Female) Mardan for the assistance and cooperation with the auditors during this assignment.

**Sources of data:** District Education offices (Male & Female) Mardan, Independent Monitoring Unit Khyber Pakhtunkhwa, Annual census report Elementary and Secondary Education Department Khyber Pakhtunkhwa and sample Questioners from teachers.

## ANNEXURE

### ANNEXURE-1

#### 4.1.4 Detail of non-implementation of rationalization policy

<b>Surplus teachers Girls schools</b>					
S.No	Name of school	Number of students	available teachers	Required teachers	Surplus Teachers
1	GGPS Abdur rahman kili	224	7	6	1
2	GGPS Akbar Abad No 02#2	178	6	5	1
3	GGPS Bakhshali # 01	255	10	7	3
4	GGPS Choba Ghareeb abad	56	5	2	3
5	GGPS Eid Gah	376	11	10	1
6	GGPS Haji abad Rustam	137	6	4	2
7	GGPS Israr abad	61	3	2	1
8	GGPS Karwan	947	26	23	3
9	GGPS Malik Gulzada Korona	60	4	2	2
10	GGPS Pir Abad	196	9	5	4
11	GGPS Toru #02	334	13	9	4
<b>Boys Schools</b>					
1	GPS Darmandona	240	8	6	2
2	GPS Hirawand Rustam	295	9	7	2
3	GPS Kaka Abad	44	3	1	2
4	GPS Maina Banda	259	8	6	2
5	GPS Sandimar Toru	145	6	4	2
6	GPS Shamshad abad #1	401	12	10	2
7	GPS Taza Gram	58	3	1	2
8	GPS Sardar abad	15	1	1	1
9	GPS Faqir abad shah	41	3	1	2
10	GPS Katti ghari # 2	58	3	1	2