

**SPECIAL AUDIT REPORT
ON THE ACCOUNTS OF
CHAIRMAN, BALOCHISTAN TEXTBOOK BOARD
FINANCIAL YEARS 2017-18 TO 2021-22**

AUDIT YEAR 2022-23



AUDITOR-GENERAL OF PAKISTAN

SERVING THE NATION BY PROMOTING ACCOUNTABILITY, TRANSPARENCY AND GOOD GOVERNANCE IN
THE MANAGEMENT AND USE OF PUBLIC RESOURCES

FOR THE CITIZENS OF PAKISTAN

PREFACE

The Auditor-General of Pakistan conduct Audits 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. The Special Audit of the Chairman, Balochistan Textbook Board, Quetta was carried out accordingly.

The Directorate General of Audit, Balochistan conducted Special Audit of the Chairman Balochistan Textbook Board, Quetta during February-May, 2023 for the period of 2017-18 to 2021-22 with a view to reporting significant findings to the stakeholders. The Audit Report indicates specific actions that, if taken, will help the management realize the objectives of the department.

Audit findings indicate the need for adherence to the regularity framework besides, instituting and strengthening internal controls to avoid recurrence of similar violations and irregularities. The Audit Report has been finalized in the light of discussions in the DAC meeting and written responses of the Department.

The Audit Report is submitted to the Governor of Balochistan in pursuance of Article 171 of the Constitution of the Islamic Republic of Pakistan, 1973 for causing it to be laid before the Provincial Assembly.

Islamabad

Dated: 2024

(MUHAMMAD AJMAL GONDAL)

Auditor-General of Pakistan

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ABBREVIATIONS AND ACRONYMS

BPPRA	Balochistan Public Procurement Regulatory Authority
BSTS	Balochistan Sales Tax on Services
BTBB	Balochistan Text Book Board
BBISE	Balochistan Board of Intermediate and Secondary Education
DAC	Departmental Accounts Committee
DAO	District Accounts Office
DEO	District Education Officer
DOE	District Officer Education (Male/Female)
DDO	Drawing and Disbursing Officer
FTR	Federal Treasury Rules
GFR	General Financial Rules
GoB	Government of Balochistan
GST	General Sales Tax
NIT	Notice Inviting Tender
MMC	Manuscript and Management Charges
P&D	Planning and Development
PSDP	Public Sector Development Program

EXECUTIVE SUMMARY

The Directorate General of Audit, Balochistan conducted Special Audit of Chairman Balochistan Textbook Board, Quetta during February-May, 2023 for the period 2017-22. Special Audit of Chairman Balochistan Textbook Board, Quetta was included in the Audit Plan of Directorate General Audit, Balochistan duly approved by the Auditor General of Pakistan in the Audit Plan 2022-23. The main objectives of the Audit were to ascertain as to whether: 1) Rules, regulations, procedures and government orders were followed in their true spirit, 2) effective measures were taken by the department in processing and evaluating bids and cost benefit analysis was ensured, 3) the required standards of financial propriety were observed while executing agreements and public money was spent in accordance with the rules. The Audit was conducted in accordance with the INTOSAI Auditing Standards.

The Chairman Balochistan Textbook Board, Quetta is responsible for ensuring that millions of students in the region have access to free textbooks. They work closely with government officials, school administrators, and teachers to develop curriculum that improve the education system. They also work with other federation to align education with national policies and secure funding for education initiatives. In summary, the chairman BTBB plays a critical role in shaping the future of the province through education.

Significant time and resources had been utilized for understanding the accounting and management structure, internal control environment and applicable laws and regulations to identify high-risk areas.

This report highlights significant issues and internal control weaknesses relating to financial management, accounting, reporting and rules and regulations applicable to the department.

KEY AUDIT FINDINGS:

- Non-provision of record

- Doubtful printing of textbooks beyond need/demand - Rs. 116.468 million
- Irregular procurement on account of papers and printing - Rs. 539.031
- Extension of undue favor to the vendor - Rs. 238.542 million
- Unjustified payment on account of renting a building for storage - Rs. 110 million
- Non-imposing of penalty on late delivery
- Wasteful expenditure on account of license fee - Rs. 210.68 million
- Unjustified claim of 20% management charges
- Non / less deduction of Government taxes - Rs. 272.379 million
- Irregular income tax payment on behalf of vendor - Rs. 0.750 million

RECOMMENDATIONS:

Audit recommends that:

- The required record be produced to Audit for verification.
- Detailed information for verification, specifically documentation related to sale demands, approvals, payment and revenue records for the period under audit be provided.
- All inquiries pointed out in the report be carried out.
- All recoveries pointed out in the report be effected.
- Either license fee be negotiated or the single national curriculum be adopted at the earliest to avoid license fee payments.
- The 20% Manuscript & Management Charges be reconsidered and a rational amount with annual increase be fixed as MMC.

1. INTRODUCTION

The Balochistan Textbook Board (BTBB) is an essential institution that plays a pivotal role in the educational landscape of Balochistan. Established with the aim of developing and providing quality educational resources, the BTBB serves as the governing body responsible for the creation, production, and distribution of textbooks for schools across Balochistan.

The textbook development process by the BTBB involves a meticulous procedure that encompasses expert input, review, and diligent editing. Subject Specialists, educational experts, and experienced educators collaborate to ensure that the textbooks are accurate, up-to-date, and pedagogically sound, and emphasize a student-centered approach. These textbooks are designed to cater to the diverse needs and learning styles of students, from primary to secondary education.

The year wise budget allocation and expenditure incurred was as under:

(Rs. in million)

S. No.	Financial Year	Budget (Rs.)	Expenditure (Rs.)	Saving (Rs.)
1.	2017-18	535.73	507.80	27.93
2.	2018-19	619.24	548.38	70.86
3.	2019-20	539.38	312.98	226.41
4.	2020-21	948.28	426.65	521.62
5.	202122	1,010.86	461.63	549.22
Total				1396.04

2. AUDIT OBJECTIVES

The Audit objectives were to check whether:

- The expenditures allocated towards developing, printing, and distributing textbooks were aligned with the grant objectives, ensuring that the set targets for these activities were successfully met as planned.
- Textbooks were printed as per needs and distributed accordingly.
- Vehicles were procured as per the needs and allotted to entitled officers.
- The closing balances of books were adjusted in the following year.
- Compliance of the relevant rules was ensured.
- There was merit and transparency in appointments.
- Due taxes were withheld as per rules.
- Surplus amount was kept idle or otherwise.

3. AUDIT SCOPE AND METHODOLOGY

3.1 Audit Scope:

The Audit scope included scrutiny of accounts of the Chairman BTBB, Quetta, for the period 2017-22.

3.2 Audit Methodology:

- Document review.
- Discussion with officers/officials.
- Analytical Procedures.
- Significant time and resources had been utilized for understanding the accounting and internal control environment and applicable laws and regulations to identify high-risk areas.

4. AUDIT FINDINGS AND RECOMMENDATIONS

4.1 Organization and Management

4.1.1 Non-provision of record

According to Section 14(2) of Auditor General's Ordinance, 2001, "The officer in- charge of any office or department shall afford all facilities and provide record for Audit inspection and comply with request for information in as complete a form as possible and with all reasonable expedition."

During the Special Audit of Chairman BTBB, Quetta, for the financial years 2017-22, the following record was not provided to Audit despite repeated verbal and written requests:

- All tenders except academic year 2022. (including demand, tender, evaluation, rate analysis, work order, delivery and payment)
- Details of paper purchased and sold.
- Payment made to the Paper mills (along with supporting documents).
- License fee payment (along with supporting documents).
- Detail of books for sale (demand, printed copies, sale point, agreement and revenue realization).
- Rent agreement of the storage building and its payment.
- Detail of bank accounts and statements.
- Cashbooks from August 2020 and onwards.
- Detail of procured vehicles.

Non-provision of record occurred due to violation of rules.

Non-availability of the said record depicted negligence of the management and limited the scope of Audit to opine on the authenticity of expenditure.

The matter was reported to the department on June 26, 2023, but no reply was received.

In the DAC meeting held on November 20, 2023, the department replied that all the relevant record was available for verification. Audit showed concern as the matter was reported long ago (6 months ago) and the record was not yet provided despite repeated pursuance. The record should have been submitted with the working paper before DAC meeting. The DAC conveyed its displeasure and directed the department for provision of record within three days. The DAC further directed for initiation of disciplinary proceedings and an inquiry against the officers responsible for impeding the timely provision of records under the relevant rules.

No further progress was intimated till the finalization of this report.

Audit recommends that required record be produced to Audit for verification, besides responsibility be fixed against the person(s) at fault for the non-provision of record.

4.1.2 Non-maintenance of record in Auditable form

According to Rule 15 of GFR, VoI.-I, “Every officer whose duty is to prepare and render any accounts or returns in respect of public money or stores is personally responsible for their completeness and strict accuracy and their dispatch within the prescribe date”.

Special Audit of Chairman BTBB, Quetta, for the financial years 2017-22, revealed that the record of the local office was not accurate and was missing important documents while the files contained irrelevant documents. Additionally, crucial supporting documents i.e., approval, sanction order, purchase order, delivery challan etc., were absent. There were inconsistencies in record-keeping due to which Audit could not ascertain the accurate amount paid to vendors and goods received, hence major portion of the expenditure remained unverified.

The lapse occurred due to poor management.

Non-maintenance of record in Auditable form rendered the expenditures unaudited.

The matter was reported to the department on June 26, 2023, but no reply was received.

In the DAC meeting held on November 20, 2023, the department replied that record was with Ex-chairman and anti-corruption which was now available. However, the Audit raised concerns as a similar response had been provided on September 14, 2023. Despite the considerable time that had passed since that response, no record had been provided to either the DAC or the Audit team. Audit further explained that during the entire process of Audit the department did not cooperate and the requisitioned record was provided in an un-Auditable form. The DAC directed the department for provision of documentary evidence in the form of seizure memo from the anti-corruption and justification for retaining the record with the ex-chairman as it was against the rules, and in case of failure, initiation of disciplinary proceedings and an inquiry against the officers responsible for impeding the timely provision of records by the administrative department under intimation to Audit.

No further progress was intimated till the finalization of this report.

Audit recommends for proper record keeping as prescribed in the Rules, besides implementation of the DAC decision.

4.1.3 Irregular utilization of POL - Rs. 5.144 million

According to Rule 10(iii) of GFR, Vol.-I, “No authority should exercise its powers of sanctioning expenditure to pass an order which will be directly or indirectly to its own advantage.” And according to Clause 11(2) of Balochistan Staff Car Rules, 2000, “The in charge transport and entitled officers are personally responsible for up to date maintenance of logbook.”

Special Audit of Chairman BTBB, Quetta, for the financial years 2017-22, revealed that an expenditure of Rs. 5.144 million was incurred for POL

(Petroleum, Oil, and Lubricants) on vehicles in official use of officers and staff of the Board. However, only invoices were provided without a list of vehicles, making it impossible for the Audit to verify the entitlement of officers/officials. Additionally, vehicles were used without proper logbooks, making it impossible to determine whether the POL was utilized for official purposes or not. Logbooks are crucial records that help prevent the misuse of government vehicles. As a result, the use of POL and its corresponding expenditure could not be justified. Details are given below:

(Rs. in million)

S. No.	Financial year	Amount
1.	2017-18	0.758
2.	2018-19	1.047
3.	2019-20	1.163
4.	2020-21	1.001
5.	2021-22	1.173
Total		5.144

The irregularity occurred due to weak internal controls.

Non-adherence to prescribed procedure and Government orders led to irregular expenditure and private use of government vehicles.

The matter was reported to the department on June 26, 2023, but no reply was received.

In the DAC meeting held on November 20, 2023, the department replied that logbooks had been updated and were ready for examination. Audit emphasized that the same should have been provided to Audit along with working papers prior to DAC meeting. DAC decided that the record i.e., logbooks, list of vehicles and POL utilization etc. be got verified within three days.

No further progress was intimated to Audit till the finalization of this report.

Audit recommends that logbooks, list of vehicles and POL utilization be provided to Audit for verification at the earliest.

4.1.4 Wasteful expenditure on account of license fee - Rs. 210.68 million

According to GFR 12 Vol.-I, “A Controlling officer must see not only that the total expenditure is kept within the limits of the authorized appropriation but also that the funds allotted to spending units are expended in the public interest and upon objects for which the money was provided.” Further, according to GFR 10 (iv) Vol.-I, “Public moneys should not be utilized for the benefit of a particular person or section of the community.”

Special Audit of Chairman BTBB, Quetta, for the financial years 2017-22, revealed that the Board had paid Rs. 210.68 million as License fees from 2017-18 to 2019-20. However, no further record regarding this was available. The manuscript for Balochistan textbooks was prepared by publishers based on topics provided by the federal government. Instead of procuring the manuscript once, the board agreed to pay a yearly license fee (Royalty) of 8% - 10% to the publisher since 2006. Further, the Board had a Directorate of Curriculum Bureau, subject specialists, and qualified school teachers, including PhD and M.Phil holders, who could have prepared the manuscript internally, thereby saving the license fee as detailed in Annexure 1.1.

Wasteful expenditure occurred due to poor management.

Non-procurement at once for life or not preparing in-house manuscript resulted in loss to the government.

The matter was reported to the department on June 26, 2023, but no reply was received.

In the DAC meeting held on November 20, 2023, the department explained that the cessation of license fee payments for primary textbooks (Kachi to Class-V) was a result of the implementation of the Single National Curriculum (SNC). Furthermore, the department stated that once SNC is

extended to cover classes 6 to 12, license fee payments for those classes would also be halted. However, Audit contended that payment during the Audited period was not adequately justified by department, emphasizing a focus on current practices rather than future plans. DAC decided that the significant payments on account of license fee be inquired and further payments be negotiated at reduced rates. Further, early implementation of SNC be taken up with the appropriate authorities at the earliest to avoid further payments.

No further progress was intimated to Audit till the finalization of this report.

Audit recommends that the payments be inquired, further payment be negotiated and single national curriculum be adopted at the earliest.

4.1.5 Non-appointment of regular staff

According to Balochistan Textbook Board Employees service regulation 1988, “Except the appointment all the sanctioned posts of the board may be filled by regular employee of the board.”

Special Audit of Chairman BTBB, Quetta, for the financial years 2017-22, revealed that a majority of the officers at BPS-17 and above were serving on a deputation basis despite having a number of sanctioned posts of BPS-17 and above. However, according to the above-mentioned rule, these officers should have been appointed on a regular basis to ensure consistent long-term input, as detailed in Annexure 1.2.

The lapse occurred due to poor HR management.

Non-appointment of the regular staff had affected the achievement of the objectives.

The matter was reported to the department on June 26, 2023, but no reply was received.

In the DAC meeting held on November 20, 2023, the department replied that BTBB Employees Service Regulation 1988 allowed the board to make appointment on deputation basis. Audit was of the view that against the specialist cadres the authority should appoint regular officials through open competition. DAC decided that regular appointments be made especially against the specialist cadres without further delay under intimation to Audit.

No further progress was intimated to Audit till the finalization of this report.

Audit recommends that deputationists be repatriated and the vacant positions be filled through regular appointment at the earliest under intimation to Audit.

4.1.6 Non-availability of record of Sale of books - Rs. 83.60 million

According to GFR 23, Vol.-I, “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 and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government officer to the extent to which it may be shown that he contributed to the loss by his own action or negligence.”

Special Audit of Chairman BTBB, Quetta, for the financial years 2017-22, revealed that the board during the financial years 2020-22 got printed textbooks specifically for sale in the open market. These textbooks were made available at a designated sale point, with a profit margin of 12.5% for the retailer. However, there was no record of the sale point, information regarding the books sold and the revenue generated from these sales, as detailed below:

(Rs. in million)

Budget Sale Amount		
Financial year	Paper	Books
2017-18	25	0.200

Budget Sale Amount		
Financial year	Paper	Books
2018-19	25	0.200
2019-20	25	0.200
2020-21	3	0
2021-22	5	0
Total	83	0.600

The lapse occurred due to weak internal controls and poor financial management.

Non-availability of the said record depicted negligence of the management and limited the scope of Audit to opine on the authenticity of expenditure.

The matter was reported to the department on June 26, 2023, but no reply was received.

In the DAC meeting held on November 20, 2023, the department replied that the record of sales of textbooks was available for perusal and verification. DAC directed the department to produce all the relevant record i.e., criteria for selection of sale point, agreement with seller, justification for increase in profit margin etc., for verification. In the event of non-compliance, disciplinary proceedings be initiated against the officials responsible under intimation to Audit.

No further progress was intimated to Audit till the finalization of this report.

Audit recommends for implementation of DAC decision.

4.1.7 Non-updating of the Ordinance and Rules

According to 2A, 2(c) of Public sector companies Act 2017, “Accounting and other records shall be regarded as adequate for the purposes of these rules unless they comply with all professional standards and pronouncements of relevant professional bodies as applicable in Pakistan.”

Special Audit of Chairman BTBB, Quetta, for the financial years 2017-22, revealed that the existing ordinance and rules governing the operations of the board were outdated and had not been updated for a significant period of time. These regulations still included references to "West Pakistan," which were no longer relevant, and contained redundant clauses that were no longer applicable.

Furthermore, the rules and ordinance exhibited ambiguities, making it difficult to interpret and apply them accurately. These ambiguities could lead to confusion and inconsistencies in the implementation of the rules, potentially impacting the transparency and efficiency of the board's operations.

The lapse occurred due to poor management.

Non-updating of the Ordinance and Rules had left space for misuse of authority.

The matter was reported to the department on June 26, 2023, but no reply was received.

In the DAC meeting held on November 20, 2023, the department agreed to the Audit contention and intimated that the Rules/Act were being reviewed. DAC directed the department to update the Rules/Act at the earliest under intimation to Audit.

No further progress was intimated to Audit till the finalization of this report.

Audit recommends that the board should review and update its ordinance and rules to ensure that they align with the current legal framework, eliminate obsolete provisions, address ambiguities, and provide clear guidance for the board's functioning. This will contribute to enhanced governance and compliance within the BTBB.

4.2 Financial Management

4.2.1 Unauthorized payment of deputation allowance - Rs. 6.180 million

As per Para 7.3 (i) of the Balochistan Civil Servants' Deputation Policy 2012. "In case of Balochistan all statutory bodies are being financed by the Government and have almost turned out to be mere agencies of the government with delegation of certain powers not generally invested in government departments and for all practical purposes are serving merely as government department" and 7.3 (ii), "To consider services under such authorities as "Foreign Service" is a purely technical issue and should not be confounded with grant of additional Deputation allowance on technical ground."

Special Audit of Chairman BTBB, Quetta, for the financial years 2017-22, revealed that a payment of Rs. 6.180 million was wrongly disbursed as Deputation allowance to employees who did not meet the eligibility criteria outlined in the deputation policy adopted by the government of Balochistan, as detailed in Annexure 1.3.

The lapse occurred due to weak internal controls.

Unauthorized payment caused loss to the government.

The matter was reported to the department on June 26, 2023, but no reply was received.

In the DAC meeting held on November 20, 2023, the department replied that BTBB being an autonomous body was self-sustained in respect of finances and referred to an Honorable High Court decision which allowed the deputation

allowance. However, Audit clarified that the referenced decision specifically addressed the definition of deputation, whereas the para in question pertained to deputation allowance. Subsequently, in accordance with the Government of Balochistan (GoB) deputation policy of 2012, it was established that the allowance was not deemed admissible. DAC decided that the deputation allowance be discontinued at the earliest and matter of recovery be taken up with the competent forum.

No further progress was intimated to Audit till the finalization of this report.

Audit recommends for implementation of DAC decision.

4.2.2 Non-deduction and deposit of GPF, GI, BF and pension contribution from deputationists - Rs. 15.293 million

As per Para 11 of the Balochistan Civil Servants' Deputation Policy 2012. "During the period of deputation, the civil servant will continue to subscribe to the GPF, GI and BF at the rates under the relevant Rules of the Government of Balochistan. The remittance should be made to the parent office of the government servant concerned." And as per Para 16 "The borrowing organization shall be required to pay pension contribution @33.3% of the mean of minimum and maximum of the pay scale of the civil servant during the period of deputation."

Special Audit of Chairman BTBB, Quetta for the financial years 2017-22, revealed that a total of Rs. 5.125 million was meant to be deducted from deputationists' salaries for GPF, Group Insurance, and Benevolent Fund and an amount of Rs. 10.168 million was to be deposited on account of pension contribution. However, these deductions were not carried out as required as detailed in the Annexure 1.4.

Non-deduction occurred due to weak internal controls.

Non-deduction caused loss to the government.

The matter was reported to the department on June 26, 2023, but no reply was received.

In the DAC meeting held on November 20, 2023, the department replied that employees working on deputation basis in BTBB submit their GPF, Group Insurance and BF in the National Bank of Pakistan through green challans in the respective accounts while pension contribution against some of the officials had been deposited and contribution against the remaining officials would be deposited soon. Audit emphasized for production of relevant record. DAC decided that attested copies of challans be provided to Audit within three days for verification. Further, the remaining pension contribution be deposited at the earliest.

No further progress was intimated to Audit till the finalization of this report.

Audit recommends that the relevant record be provided to Audit without further delay.

4.2.3 Non / less deduction of Government taxes - Rs. 272.379 million

According to BSTS Act, 2015¹ and Income Tax Ordinance, 2001², sales tax on services are 6% and 15% on contract and other services respectively; and income tax rates are 7.5%, 10% and 4.5% on contract, services and supply of goods amended to 7%, 3% and 4% respectively.

Special Audit of Chairman BTBB, Quetta, for the financial years 2017-22, revealed that Chairman BTBB, Quetta incurred an expenditure of Rs. 2331.05 million on account of printing, paper purchases, and license fees. However, it was noted that due government taxes were either not deducted or

¹ Section 3 of BSTS Act, 2015

²Section 153 of Income Tax Ordinance, 2001 as amended vide Finance Act, 2022

less deducted as per the prescribed rates, amounting to Rs. 272.379 million, as detailed in Annexure 1.5.

Non/less deduction of governmental taxes occurred due to poor financial management.

Non/less deduction of governmental taxes caused a revenue loss to the Government.

The matter was reported to the department on June 26, 2023, but no reply was received.

In the DAC meeting held on November 20, 2023, the department responded, indicating that the paper mills had furnished a tax exemption certificate issued by the Federal Board of Revenue (FBR) and emphasized that they reconcile their records with the FBR annually. However, the department had taken the initiative to seek clarification from the FBR and BRA by sending a letter. It was mentioned that recovery action would be taken if deemed necessary based on the FBR's and BRA's response. Expressing concerns over the delay, Audit highlighted that the letter to the FBR/BRA was dispatched on August 26, 2023, and expected clarification should have been obtained by now. Additionally, no exemption certificate was presented during the DAC meeting. The DAC decided that all cases pointed out by Audit be looked into and recovery be made without further delay under intimation to Audit.

No further progress was intimated to Audit till the finalization of this report.

Audit recommends that recovery of the due taxes be affected from the concerned at the earliest under intimation to Audit.

4.2.4 Unauthorized payment on account of leave encashment - Rs. 10.500 million

According to GFR 12 Vol.-I, “A Controlling officer must see not only that the total expenditure is kept within the limits of the authorized appropriation but also that the funds allotted to spending units are expended in the public interest and upon objects for which the money was provided.” Further, according to GFR 10 (iv) Vol.-I, “Public moneys should not be utilized for the benefit of a particular person or section of the community.”

Special Audit of Chairman BTBB, Quetta, for the financial years 2017-22, revealed that Rs. 10.500 million was spent on leave encashment. However, this payment was made to all staff members with leave in their accounts, while leave encashment is only applicable to employees who have completed 26 years of service and are retiring. Granting leave encashment to staff members still in service was not permissible. Furthermore, the available records only covered until August 2020 as detailed in Annexure 1.6.

Unauthorized payment occurred due to weak internal controls.

Unauthorized payment on account of leave encashment caused loss to the government

The matter was reported to the department on June 26, 2023, but no reply was received.

In the DAC meeting held on November 20, 2023, the department replied that BTBB was an Autonomous Body and paid leave encashment to its employees as per the approved Leave Rules 2015 duly approved by the BOD. In this regard the decision of Honorable High Court of Balochistan was also available. Audit showed concern over the composition and capacity of the BOD and asked for provision of the high court decision. DAC directed the department to provide the court decision. It was further directed that the composition of BOD be reconsidered in consultation with the administrative department.

No further progress was intimated to Audit till the finalization of this report.

Audit recommends that leave encashment paid be recovered. Besides, the practice needs not to be repeated.

4.2.5 Irregular cash payment through DDO on account of contingencies

According to Para 4.2.2.9 of APPM, “Cheque payments should be released to the payee or personally collected by the payee or his authorized agent.”

Special Audit of Chairman BTBB, Quetta, for the financial years 2017-22, revealed that nearly all contingent expenditures were made in cash and payments were made in the name of DDO instead to the vendor, thereby violating the relevant rule. Further, no deductions for government taxes were made and no payees' acknowledgments were obtained. Furthermore, due to the non-Auditable form of record-keeping, the exact value could not be determined.

The irregularity occurred due to weak internal controls and poor financial management

Cash payment had violated the above-mentioned rule which may lead to unauthorized/ undue payment.

The matter was reported to the department on June 26, 2023, but no reply was received.

In the DAC meeting held on November 20, 2023, the department replied that amount pertained to petty cash. Audit did not agree as the cash payment contained TA and air tickets as well. The DAC instructed the department to promptly furnish a detailed year-wise breakup of expenditures. This should be accompanied by acknowledgments, including comprehensive details of government taxes that had been deducted.

No further progress was intimated to Audit till the finalization of this report.

Audit recommends for implementation of DAC decision.

4.2.6 Non-payment of liabilities - Rs. 74.50 million

According to GFR 14, Vol-I, “Delay in the payment of money indisputably due by the government is contrary to all rules and budgetary principles and should be avoided vide also Para 1105 and 106.”

Special Audit of Chairman BTBB, Quetta, for the financial years 2017-22, revealed that BTBB had a budgeted liability of Rs. 74.50 million for the Audited period. However, despite having significant savings, the liabilities were not paid promptly, as detailed below:

(Rs. in million)

S. No.	Financial years	Amount
1.	2017-18	9
2.	2018-19	5.500
3.	2019-20	-
4.	2020-21	60
5.	2021-22	-
Total		74.500

The lapse occurred due to weak internal controls.

Non-payment of liability was contrary to all rules and the undue delay may affect the performance and achievement of the targets.

The matter was reported to the department on June 26, 2023, but no reply was received.

In the DAC meeting held on November 20, 2023, the department's response indicated that Rs. 620 million was outstanding and yet to be paid by the Director of Schools to BTBB and they had no outstanding liability. However, Audit contested this explanation, pointing out that the Audit para specifically addressed the liabilities figures outlined in the budget estimates for the years 2017/18, 2018/19 and 2020/21, not receivables. The discrepancy raised concerns, suggesting a potential error or misrepresentation in the budget projections. The DAC directed the department to clarify the omission and explain how incorrect estimates were submitted to the Board of Directors/ GoB for approval. Additionally, the DAC called for a thorough investigation into the matter to ascertain whether the budget projections were intentionally misrepresented. The findings should be submitted to Audit within a fortnight.

No further progress was intimated to Audit till the finalization of this report.

Audit recommends implementation of DAC decision.

4.2.7 Poor budgeting

According to Rule 88 of GFR Vol.I, “The authority administering a grant is ultimately responsible for watching the progress of expenditure on public service under its control and for keeping the expenditure within the grant. In order that the control of departments over such expenditure may be effective and real and that the Controlling officer should be in a position from month to month to estimate the likelihood of savings in and excesses over grants and Appropriations, the procedure laid down in the rules should be observed.”

During the Special Audit of Chairman BTBB, Quetta, for the financial years 2017-22, it was revealed that the budgeting was not consistent with government rules. The budget heads were intertwined and no budget control register was maintained. The process of Budgeting, preparation of accounts and Audit was not followed. Further, Audit observed high variation in budget with excessive savings which indicated that budget was not prepared considering the actual activity plan, as detailed below:

(Rs. in million)

S. No.	Financial years	Budget	Increase/ Decrease	Expenditure	Increase/ Decrease	Saving
1.	2017-18	536	12%	508	33%	28
2.	2018-19	619	16%	548	8%	71
3.	2019-20	539	-13%	313	-43%	226
4.	2020-21	948	76%	427	36%	522
5.	2021-22	1011	7%	462	8%	549

Poor budgeting occurred due to poor financial management.

Poor budgeting may cause misuse of public fund and may not achieve the targets economically.

The matter was reported to the department on June 26, 2023, but no reply was received.

In the DAC meeting held on November 20, 2023, the department agreed to the Audit contention and intimated that the board had decided to prepare the budget on the finance department's pattern. Audit emphasized that the finance wing of the authority needed to be strengthened by appointing specialists in the wing. DAC decided that budget be prepared as per best practices and finance wing of the authority be strengthened as recommended by the Audit.

No further progress was intimated to Audit till the finalization of this report.

Audit recommends for implementation of DAC decision.

4.2.8 Non-contribution of pension and non-investment of Pension contribution and GPF subscription

According to Para 2 (6) of the Balochistan Textbook Board Employee Pension Rules 1988, "There shall be maintained a pension fund for which annual contribution be made by the board." Read with Para 2 (9), "All pension shall be paid out of the pension fund maintained under these rules." And According to 19(1) c, "The board shall have the power to frame rules to carry

out the purposes of this ordinance such rules may provide for the constitution of pension and GPF or both for the benefit of the officers and employees of the board”

Special Audit of Chairman BTBB, Quetta, for the financial years 2017-22, revealed that pension payments totaling Rs. 6.373 million (as per budget) were made from the regular budget during the Audited period. Further, neither pension fund was established nor pension contributions were made. Moreover, GPF (General Provident Fund) subscriptions were deducted from the salaries of regular staff members, but no subsequent investments were made. Instead, the deducted amount remained in the regular bank account, which was utilized for both recurring and non-recurring expenses. Further, the board did not possess any figures regarding the GPF subscriptions, including total liabilities and recoveries.

The irregularity occurred due to poor financial management.

Non-contribution and non-maintenance of GPF and pension fund may cause increased liability in future and irregular payment of pension through regular budget and incurring expenditure from GPF subscription may affect the financial sustainability of the Board.

The matter was reported to the department on June 26, 2023, but no reply was received.

In the DAC meeting held on November 20, 2023, the department responded by stating that, in response to the Audit's observation, a separate account had been established in Askari Bank on Zarghoon Road, Quetta, specifically for the GPF and pension fund. However, Audit expressed the opinion that merely opening a bank account might not suffice. Audit suggested that the BTBB should establish comprehensive rules and invest the GPF and pension fund accordingly. The DAC directed the department to provide details of the pension contributions and GPF subscription for the past five years. It further emphasized the need to formulate rules and policies for the management of future pension funds. Furthermore, the DAC instructed the department to

obtain quotations from banks with AA ranking and to make investments in the bank offering the highest profit rates.

No further progress was intimated to Audit till the finalization of this report.

Audit recommends implementation of DAC decision.

4.2.9 Unjustified retention of money - Rs. 1,228.672 million

According to Treasury Rule 283(2) Vol.-I, “If for any reason, payment cannot be made within the course of the month the amount drawn for the payee shall be refunded to Government or by short drawing in the next bill.” And as per FT Rule 290, “No money shall be drawn from Treasury unless it is required for immediate disbursement. It is not permissible to draw money from the account in anticipation of demand or to prevent the lapse of budget grant.” Further, in accordance to the FTR 7(1) and 9(1), Vol.-I, “No bank account can be opened to keep the public money in this account without the prior approval/permission of the Government”.

Special Audit of Chairman BTBB, Quetta, for the financial years 2017-22, revealed that the board had unspent balances in its bank accounts at the end of each year (during the Audited period). The accumulated balance amounted to Rs. 1228.672 million. Despite these substantial balances, the board had outstanding liabilities that were not taken into consideration when preparing the budget for the following year. This oversight raised concerns regarding proper financial planning and allocation of resources.

(Rs. in million)

S. No.	Bank Name	2017-18	2018-19	2019-20	2020-21	2021-22	Total
1.	UBL (Bank Statement)	254.500	58.024	58.024	611.732	239.899	1,222.179
2.	UBL Fixed (Cashbook)	0.528	1.108	1.640	-	-	3.276
3.	ABL (Cashbook)	2.841	0.068	0.068	-	-	2.977

S. No.	Bank Name	2017-18	2018-19	2019-20	2020-21	2021-22	Total
4.	MEEZAN (Cashbook)	0.046	0.047	-	-	-	0.093
5.	ALFALAH (Cashbook)	0.061	-	0.084	-	-	0.145
6.	NBP (Cashbook)	0.002	-	-	-	-	0.002
Total							1,228.67

The lapse occurred due to poor financial management.

Retention of money depicted negligence on the part of management and caused poor budgeting.

The matter was reported to the department on June 26, 2023, but no reply was received.

In the DAC meeting held on November 20, 2023, the department replied that the amount shown as closing balance was liability which was paid to vendors. Audit did not agree and asked for justification with documentary evidences. The DAC decided for closure of all existing bank accounts. Instead, a new bank account was to be opened, following the State Bank of Pakistan's policy as outlined by the Finance Department, Government of Balochistan (GoB) under intimation to Audit.

No further progress was intimated to Audit till the finalization of this report.

Audit recommends implementation of DAC decision.

4.2.10 Unjustified payment of Honorarium - Rs. 43.60 million

According to Finance Department Notification No. FD (R-I) II-II/2012/2327-2427 dated 25th July, 2012, point (a), "Honorarium should not be considered as normal feature and it should be allowed strictly in accordance

with the provision of FR-46(b).” Further, as per delegation of financial powers 2008, “Honorarium is subject to the policy prescribed by the government of Balochistan.”

- (i) The total amount of Honoraria shall not exceed the amount provided in the budget for the payment of Honoraria and no re-appropriation shall be made from other budget heads for this purpose;
- (ii) The sanction for honoraria must show specific details of the work done;
- (iii) The amount of honoraria for each individual shall not exceed one month’s basic pay;
- (iv) Each Administrative Department shall send consolidated statement to the Chief Secretary and Finance Department showing names and amount; and
- (v) The honoraria fees in connection with the Departmental examinations shall be paid in accordance with the rules of the various Departments.

Special Audit of Chairman BTBB, Quetta, for the financial years 2017-22, revealed that an expenditure of Rs. 43.60 million was incurred for honorarium payments. Honoraria were given as a routine practice rather than being performance-based. Additionally, instances of double honorarium payments in 2018 (January and June), were also observed violating the honorarium rule as detailed below:

(Rs. in million)

S.No.	Financial year	Amount
1.	2017-18	7
2.	2018-19	22.670
3.	2019-20	10.780
4.	2020-21	6.050
5.	2021-22	7.600
Total		54.100
Less Leave Encashment		10.500
Total Honorarium		43.600

Unjustified payment occurred due to weak internal controls.

Payment of honorarium as a regular feature that too to the underperforming staff was violation thus causing loss to the government.

The matter was reported to the department on June 26, 2023, but no reply was received.

In the DAC meeting held on November 20, 2023, the department replied that the payment of honorarium was approved by the Board of Directors and competent authority. Further, payment of honorarium to the employees was based on performance only. Audit did not agree and re-emphasized that honorarium could only be paid once a year on account of outstanding performance. DAC decided for provision of details of meritorious services performed by the officials to Audit with in a month's time.

No further progress was intimated to Audit till the finalization of this report.

Audit recommends that honorarium be paid by strictly following the laid down rules or rules may be reviewed at policy level.

4.2.11 Irregular utilization of interest - Rs. 49.409 million

According to A.P.P.M 4.3.7.1, "No expenditure should be paid from or against any Consolidated Fund receipts collected or received by a department/entity, except where provided under the law." Further, as per Finance Department's Notification dated May 8, 2009³, "The bank/financial institutions taking a deposit should have "AA" rating (ii) In case of total working balances exceed rupees ten million, the selection of the bank as well as terms of deposits will be approved by the concerned Board of Directors on the basis of competitive bidding from at least three independent banks."

Special Audit of Chairman BTBB, Quetta, for the financial years 2017-22, revealed that the Board had accrued an interest of Rs. 49.409 million on its

³ No. FD (W.O) Investment/Policy/2009/319-618

bank account balance, which was then used in contravention of the established regulations. It was noted that the bank account had been opened in a private bank without soliciting quotations for interest rates. Moreover, inconsistencies were identified in the profit calculations and durations, as some profits were computed on a monthly basis while others were done every six months. This disparity raised concerns and should have prompted the Board to cross-verify and reevaluate the profits. Furthermore, only a single bank account statement was provided, hinting at potential incomplete financial reporting, as detailed in Annexure 1.7.

Irregular utilization occurred due to weak internal controls.

Violation may cause misuse of public fund thus may cause loss to the government.

The matter was reported to the department on June 26, 2023, but no reply was received.

In the DAC meeting held on November 20, 2023, the department replied that BTBB operated on the Royalty/profit taken as MMC Charges on textbooks published. Audit did not agree as the reply was not relevant. DAC instructed for provision of details of expenditure, comparative statement of interest rate, bank agreement and detailed break up of interest within a month's time.

No further progress was intimated to Audit till the finalization of this report.

Audit recommends implementation of DAC decision.

4.2.12 Irregular income tax payment on behalf of vendor - Rs. 0.750 million

According to Clause B of Sub Section (i) and Clause A of Sub Section (i) of Section 153 of Income Tax Ordinance, 2001 amended from time to time, "Rate of withholding tax for services is 10% and supply of Goods is 4.5%. and as per finance bill 2019, "Income tax on Royalty (License Fee) shall be charged

15%”. Further, according to Clause A of Sub Section of Section 159 of Income Tax Ordinance, 2001, “The commissioner shall, upon application from the person whose income is not likely to be chargeable to tax under this ordinance, issue exemption certificate.”

Special Audit of Chairman BTBB, Quetta, for the financial years 2017-22, revealed that M/S New College Publisher received a payment of Rs. 10 million through cheque number 35386662 dated 06.01.2018. The board was required to deduct income tax amounting to Rs. 0.750 million from the payment. However, instead of deducting the income tax, the board paid the income tax on behalf of the vendor. This resulted in an excess payment of Rs. 0.750 million to the vendor.

Irregular payment occurred due to weak internal controls.

Irregular payment had caused loss to the government.

The matter was reported to the department on June 26, 2023, but no reply was received.

In the DAC meeting held on November 20, 2023, the department agreed with the Audit and recovered the amount from the vendor. DAC directed the department to provide evidence of the recovery.

No further progress was intimated to Audit till the finalization of this report.

Audit recommends that recovery be made under intimation to Audit.

4.2.13 Unjustified payment on account of different allowances - Rs. 93.218 million

According to GFR 12 Vol.-I, “A Controlling officer must see not only that the total expenditure is kept within the limits of the authorized appropriation but also that the funds allotted to spending units are expended in the public interest and upon objects for which the money was provided.” Further,

according to GFR 10 (iv) Vol.-I, “Public moneys should not be utilized for the benefit of a particular person or section of the community.”

Special Audit of Chairman BTBB, Quetta, for the financial years 2017-22 revealed that the Board was paying 3 allowances (50% Medical Allowance, 50% House rent allowance and additional special allowance 20%) which was equivalent to 100% of the Pay of the officer and staff of the Board. These allowances were paid in addition to regular allowances. Payment of these allowances were not justified, as detailed below:

(Rs. in million)

S. No.	Financial years	Pay of Officers	Pay of staff
1.	2017-18	14.135	5.215
2.	2018-19	16.745	6.142
3.	2019-20	10.905	7.122
4.	2020-21	10.108	6.615
5.	2021-22	9.389	6.842
Total		61.282	31.936
Grand Total		93.218	

Overpayment occurred due to poor management.

Overpayment of allowances caused loss to the government.

The matter was reported to the department on June 26, 2023, but no reply was received.

In the DAC meeting held on November 20, 2023, the department replied that the same allowances were also being paid by BISE Quetta and the Textbook Boards of sister provinces and those were approved from BOD. Audit was of the view that extra allowances were only justified when the board was

financially sustainable. DAC directed the department to provide the details of earnings and grants, utilization of 20% MMC, breakup of all expenditure and justify the extra allowances. In case of failure National Pay Scale be adopted.

No further progress was intimated to Audit till the finalization of this report.

Audit recommends implementation of DAC decision.

4.2.14 Unjustified payment of GPF - Rs. 4.988 million

According to 19(1) c. of the Balochistan textbook board ordinance 1977, “The board shall have the power to frame rules to carry out the purposes of this ordinance such rules may provide for the constitution of pension and GPF or both for the benefit of the officers and employees of the board”

Special Audit of Chairman BTBB, Quetta, for the financial years 2017-22, revealed that a sum of Rs. 4.988 million was disbursed to the staff as GPF (General Provident Fund) advances. However, the Audit observed that these advances were not justified due to non-formulating of GPF investment fund and GPF rules. Furthermore, there was no maintenance of GPF accounts for the staff, making it impossible to determine the actual balance and liabilities/recoveries of the subscribers. As a result, the Audit could not provide an opinion on the authenticity of the advances and their subsequent recovery, as detailed below:

(Rs. in million)

S. No.	Financial Year	Amount
1.	2017-18	0.485
2.	2018-19	1.220
3.	2019-20	3.670
4.	2020-21	-
5.	2021-22	0.500
Total		4.988

Unjustified payment occurred due to poor financial management.

GFP advances without proper GPF account and GFP investment may lead to unauthorized payment or misuse of public fund.

The matter was reported to the department on June 26, 2023, but no reply was received.

In the DAC meeting held on November 20, 2023, the department replied that GFP subscription was being deducted from the regular staff of BTBB and the record was maintained in GPF register. A separate account for GPF will be established soon. Audit did not agree with the department as the reply was regarding fund but the para was regarding payments. DAC directed the department for provision of complete record: rules governing GPF, detail record of subscriptions, advance and final payments, mode of recovery from the employees, liability on account of GPF and all other related record.

No further progress was intimated to Audit till the finalization of this report.

Audit recommends that GPF funds be maintained and GFP account for each subscriber be prepared besides regularization of the GPF advances already made.

4.2.15 Unauthorized payment of loans - Rs. 14.842 million

According to GFR 12 Vol.-I, "A Controlling officer must see not only that the total expenditure is kept within the limits of the authorized appropriation but also that the funds allotted to spending units are expended in the public interest and upon objects for which the money was provided." Further, according to GFR 10 (iv) Vol.-I, "Public moneys should not be utilized for the benefit of a particular person or section of the community."

Special Audit of Chairman BTBB, Quetta, for the financial years 2017-22, revealed that a total amount of Rs. 14.842 million was disbursed to the staff as loans/advances. The Audit observed that these loans/advance payments were

discontinued by the government of Balochistan in financial year 2012-13. Contrarily, Payments of loan and advances were still being made without any provision in the rules. Furthermore, there was no entry of loan and advances in the relevant broadsheets. As a result, Audit was unable to ascertain the authenticity of the advances and the subsequent recovery process, as detailed below:

(Rs. in million)

S. No.	Financial year	HBA	Motor Car	Motor Cycle
1.	2017-18	-	0.500	0.100
2.	2018-19	3.250	2.290	-
3.	2019-20	3.400	1	0.070
4.	2020-21	-	-	-
5.	2021-22	1.880	2	0.350
Total		8.537	5.785	0.520

Unauthorized payment occurred due to poor financial management.

Loan advances without proper individual account and rule position may lead to unauthorized payment or misuse of public fund.

The matter was reported to the department on June 26, 2023, but no reply was received.

In the DAC meeting held on November 20, 2023, the department replied that the BTBB was not aware of the discontinuation of the loans. The loans would be recovered at the earliest and further payment had been stopped. Audit contention was agreed. DAC decided that all the loans be recovered at the earliest and further disbursement be stopped under intimation to Audit.

No further progress was intimated to Audit till the finalization of this report.

Audit recommends that recovery of the loans be made under intimation to Audit.

4.2.16 Unjustified claim of 20% management charges

According to GFR 12 Vol.-I, “A Controlling officer must see not only that the total expenditure is kept within the limits of the authorized appropriation but also that the funds allotted to spending units are expended in the public interest and upon objects for which the money was provided.” Further, according to GFR 10 (iv) Vol.-I, “Public moneys should not be utilized for the benefit of a particular person or section of the community.”

Special Audit of Chairman BTBB, Quetta, for the financial years 2017-22, revealed that the board charged a flat 20% as management charges (MMC) to cover its expenses. This percentage-based charging system was unjustified, as the cost of books varied due to factors such as inflation and quantity. Additionally, the board's administrative expenditure was of a recurring nature, suggesting that a fixed amount with an incremental percentage annually would be more appropriate. It was further revealed that the MMC charges increased significantly over the five-year period. For example, the charges rose from Rs. 60 million in 2017-18 to Rs. 160.21 million in 2021-22, indicating a 267% increase. Conversely, the administrative expenditure decreased from Rs. 48.90 million to Rs. 29.76 million during the same period. As a result, an excessive demand for MMC charges amounting to Rs. 130.45 million was observed in 2021-22, as detailed below:

(Rs in million)

S. No.	Financial year	Budgeted Cost of Books	20% MMC	Administrative expenditure (as per budget)	Variance
1.	2017-18	300	60	48.90	(11.10)
2.	2018-19	520	104	48.52	(55.48)
3.	2019-20	520	104	86.05	(17.95)
4.	2020-21	455.17	91.03	30.91	(60.12)
5.	2021-22	801.03	160.21	29.76	(130.45)

The lapse occurred due to poor management.

The unjustified charges may block the public funds and may be misused.

The matter was reported to the department on June 26, 2023, but no reply was received.

In the DAC meeting held on November 20, 2023, the department responded by stating that the Management Charges of 20% had been approved by the Board of Directors, and the funds were utilized for the operations of BTBB. However, Audit contested this explanation, asserting that the administrative expenditure of the Board should not be directly linked to the number of books printed. DAC decided that internal Audit committee be constituted comprising of members from administrative department and the authority to rationalize the MMC charges for perusal of BOD under intimation to Audit.

No further progress was intimated to Audit till the finalization of this report.

Audit recommends that 20% MMC charges be reconsidered and a rational amount with annual increase be fixed under intimation to Audit.

4.3 Procurement and Contract Management

4.3.1 Doubtful printing of textbooks beyond need/demand - Rs. 116.468 million

According to Rule 12 of GFR Vol.-I, a controlling officer is responsible to watch that the funds allotted to the spending units, are expended in the public interest upon the object, which the money was provided.

Special Audit of Chairman BTBB, Quetta, for the financial years 2017-22, revealed that the Director of the school had requested 5.454 million books for the academic year 2021-22 for Primary classes. However, the Chairman BTBB printed 6.926 million books, resulting in an excess of 1.472 million

books, with a cost of Rs. 116.468 million. The delivery and distribution details of the excess printed books are unknown, as detailed in Annexure 1.8.

Doubtful printing of textbooks occurred due to poor internal controls.

Excess printing caused wasteful expenditure resulting in a loss to the Government.

The matter was reported to the department on June 26, 2023, but no reply was received.

In the DAC meeting held on November 20, 2023, the department clarified that the BTBB published two types of books: free textbooks and sale books. Free textbooks were printed based on the demand of the Director of Schools, while sale books were produced according to the requirements and requests from private schools. The department explained that the surplus textbooks mentioned in the para were printed for sale in the market, and the payment for these books was made from the BTBB's own account. However, during discussions at the DAC, a contradiction was noted between the written and verbal responses. The written reply of the department suggested that the payment for the sale books was made from the BTBB account, while the verbal response indicated that the cost of printing sale books was covered by the publisher. The DAC directed the department to provide detailed information for verification. Specifically, documentation related to sale demands, approvals, payment and revenue records for the period under Audit.

No further progress was intimated to Audit till the finalization of this report.

Audit recommends implementation of DAC decision.

4.3.2 Irregular procurement of papers - Rs. 512.033 million

According to BPPR 15(i) procurement over one hundred thousand and up

to one million rupees shall be advertised by timely notification on authority's website. These procurement opportunities may also be advertised in print media. Further, according to GFR 145, Vol.-I, "Purchases must be made in the most economical manner in accordance with the definite requirements of the public service. Stores should not be purchased in small quantities. Periodical indents should be prepared and as many articles as possible obtained by means of such indents at the same time care should be taken not to purchase stores much in advance of actual requirements, if such purchase is likely to prove unprofitable to Government." Furthermore, according to GFR 146 Vol.-I, "Purchase Orders should not be split up to avoid the necessity for obtaining the sanction of higher authority required with reference to the total amount of the orders."

Special Audit of Chairman BTBB, Quetta, for the financial years 2017-22, revealed that Chairman BTBB, incurred an expenditure of Rs. 539.103 million for the purchase of paper. However, this procurement process was conducted irregularly due to the following reasons:

- The procurement was not done through a proper tendering process.
- The procurement was split up, potentially violating procurement regulations.
- There was a lack of record-keeping regarding stocks.
- The sale and issue records were not available.
- Information about the revenue generated from the sale of paper was missing.
- No work order was found to compare the actual and procured quantities.
- There was no documentation regarding the wastage/savings of paper and other materials after printing.

These irregularities in the procurement process raised concerns about transparency and accountability. The detail is attached at Annexure 1.9.

The irregularity occurred due to weak internal controls and poor management.

Procurement after splitting up and not calling the tender violated the above-mentioned Rule, and deprived the government of comparative rates and competitive quantity, hence causing loss.

The matter was reported to the department on June 26, 2023, but no reply was received.

In the DAC meeting held on November 20, 2023, the department could not explain the omission. DAC decided that an inquiry into the matter be conducted through the administrative department. The findings of the inquiry be shared with Audit within a months' time.

No further progress was intimated to Audit till the finalization of this report.

Audit recommends that the matter be inquired and responsibility be fixed on the person(s) at fault under intimation to Audit.

4.3.3 Extension of undue favor to the vendor - Rs. 238.542 million

As per NAB letter NO.0314/DG OPS /NAB(B)/2022/103 Dated April 28th, 2022, "Opening, evaluation and rejection of bids are often misused by different departments of Government of Balochistan. Majority of participating bidders and even in some cases all except one bidder are declared disqualified under the grab of technical evaluation for the purpose to easily manipulate the procurement process therein benefiting particular bidder(s), hence defeat the essence the fair completion as required under the rules."

During the special audit of the Chairman BTBB, Quetta for the financial years 2017-22, it was revealed that a tender was called on account of printing of free Textbooks for an amount of Rs. 238.542 million. Audit observed that a vendor (Kalat Publishers) already printing for the BTBB for years was technically disqualified without assigning any tangible reason.

The lapse occurred due to weak internal controls.

Extension of undue favor to the vendor affected the true essence of the transparency.

The matter was reported to the department on June 26, 2023, but no reply was received.

In the DAC meeting held on November 20, 2023, the department replied that irregularity in the tendering process had happened and the record had been taken by the Ex-Chairman BTBB. DAC decided that an inquiry into the matter be conducted through the administrative department. The findings of the inquiry be shared with Audit within a months' time.

No further progress was intimated to Audit till the finalization of this report.

Audit recommends that matter be inquired under intimation to Audit.

4.3.4 Irregular procurement on account of printing - Rs. 539.031 million

According to BPPR Rules 41.5.b (iii). "Procuring agency shall evaluate the whole proposal in accordance with the evaluation criteria and the bid found to be the lowest evaluated bid shall be accepted."

Special audit of the Chairman BTBB, Quetta for the financial years 2017-22, revealed that a tender was called on account of printing of free textbooks for an amount of Rs. 539.031 million. Audit observed that a vendor (Top mountain) with the lowest bid was not accepted rather higher bid (Kalat Publisher) was accepted in violation of the above-mentioned rule, as detailed in Annexure 1.10.

The irregularity occurred due to weak internal controls.

Violation affected the true essence of the transparency and depicted undue favor to vendor.

The matter was reported to the department on June 26, 2023, but no reply was received.

In the DAC meeting held on November 20, 2023, the department replied that irregularity in the tendering process had happened, and the record had been taken by the Ex-Chairman BTBB. DAC decided that an inquiry into the matter be conducted through the administrative department. The findings of the inquiry be shared with Audit within a months' time.

No further progress was intimated to Audit till the finalization of this report.

Audit recommends that matter be inquired under intimation to Audit.

4.3.5 Unjustified payment on account of renting a building for storage - Rs. 110 million

According to GFR 12 Vol.-I, "A Controlling officer must see not only that the total expenditure is kept within the limits of the authorized appropriation but also that the funds allotted to spending units are expended in the public interest and upon objects for which the money was provided." Further, according to GFR 10 (iv) Vol.-I, "Public moneys should not be utilized for the benefit of a particular person or section of the community."

Special Audit of Chairman BTBB, Quetta, for the financial years 2017-22, revealed that the Board had rented a store near the sale point for storing sale books. It was found that the Board already had sufficient government storage available, making the rental of an additional building unjustified. Furthermore, the Audit found that there was no record of the agreement with the building owner, nor was there any record of the rental expenditure.

The lapse occurred due to poor management and weak internal controls.

Unnecessary rental caused loss to the government and non-availability of the said record depicted negligence of the management and limited the scope of Audit to opine on the authenticity of expenditure.

The matter was reported to the department on June 26, 2023, but no reply was received.

In the DAC meeting held on November 20, 2023, the department replied that Books of Rs. 280 million were printed and Rs. 11 million was paid as stockist charges. Audit was of the view that printing of books for sale from BTBB funds and stockist payment was irregular. DAC decided that an inquiry into the matter be conducted through the administrative department. The findings of the inquiry be shared with Audit within a month's time.

No further progress was intimated to Audit till the finalization of this report.

Audit recommends that the matter be inquired under imitation to Audit.

4.3.6 Suspicious payment to vendor - Rs. 2,596.193 million

According to GFR 89(1), Vol.-I, "The head of each department will be responsible for controlling expenditure from the grant or grants at his disposal, and will exercise his control through the Controlling Officers, if any, and the disbursing officers subordinate to him."

Special Audit of Chairman BTBB, Quetta, for the financial years 2017-22, revealed that an amount of Rs. 2,596.193 million was drawn from the DDO of the Director of Schools for printing and publication expenses. These payments were split between the vendor and Chairman Balochistan Textbook Board, Quetta, instead of being directly paid to the vendors.

Furthermore, the record-keeping of BTBB was found to be inadequate, and the Audited amount did not include the expenditures made from the BTBB bank account. The local office lacked complete procurement details, hindering the verification process during the Audit.

In addition, Audit observed unusual variations in the printing expenditure. While the practice/policy indicated a 10% annual increase in printing of books, Audit noticed fluctuations in expenditure, including both

increases and decreases, which deviated from the expected trend, as detailed in Annexure 1.11.

Suspicious payment occurred due to weak internal controls and poor financial management.

Payment for procurement which was not done by the local office indicated negligence on part of the management and caused mismanagement of funds.

The matter was reported to the department on June 26, 2023, but no reply was received.

In the DAC meeting held on November 20, 2023, the departmental reply was irrelevant and unsatisfactory. DAC decided that an inquiry into the matter be conducted through the administrative department. The findings of the inquiry be shared with Audit within a months' time.

No further progress was intimated to Audit till the finalization of this report.

Audit recommends for implementation of DAC decision.

4.3.7 Non-imposing of penalty on late delivery

According to clause 29(a) of the contract. "In case of late delivery the penalty may be imposed at the rate of 2% per day, on remaining number of textbooks and beyond 15 days the performance security will be forfeited."

Special Audit of Chairman BTBB, Quetta, for the financial years 2017-22, revealed that a contract was signed with a vendor that included penalties for late delivery. However, the board itself did not maintain the record of the textbook storage. Instead, the record was handled by the Director of Education (Schools), Quetta. Upon inquiry, it was found that the record-keeping for books started in 2019/20, with no records available for 2017/18 and 2018/19. The

stock register maintained by the Director of Education (Schools), Quetta, revealed that books were received between March and June, despite the vendor being obligated to deliver them before the start of the academic year (i.e., by February 28). According to the contract clause, the vendor's performance security should have been forfeited, but this action was not taken.

The lapse occurred due to weak internal controls.

Non-imposing of penalty extended undue favor to the vendor thus, causing loss to the government.

The matter was reported to the department on June 26, 2023, but no reply was received.

In the DAC meeting held on November 20, 2023, the department explained that the delay in delivery was attributed to the non-availability of funds. However, Audit disagreed with this explanation, pointing out that the agreement with the vendor included a penalty clause that was not contingent on payment. The DAC instructed the department to identify vendors who supplied goods late, calculate any applicable penalties, and proceed with the recovery of those penalties.

No further progress was intimated to Audit till the finalization of this report.

Audit recommends that the recovery be affected under intimation to Audit.

4.4 Monitoring and Evaluation

4.4.1 Non-conduct of internal and external Audits

According to the Balochistan Textbook Board ordinance 1977 18(I), "The accounts of the Board shall be Audited once in a year by such agency and such manner as may be specified by the government." And as per provision of Rule 13 of GFR Vol-I, "The Controlling Office/Ministry is responsible for

implementing internal checks to prevent financial errors, irregularities, and waste, while also ensuring the proper assessment and collection of government dues.”

Special Audit of Chairman BTBB, Quetta, for the financial years 2017-22, revealed that Board had not conducted both external and internal Audits. The Board failed to conduct an Audit by chartered accountant firm as well as internal audit.

The lapse occurred due to poor financial management.

The failure to conduct both internal and external Audits constituted violation of rules and may result in the continued prevalence of similar violations and material misstatements in the financial statements.

The matter was reported to the department on June 26, 2023, but no reply was received.

In the DAC meeting held on November 20, 2023, the department agreed to the Audit contention. Audit was of the view that conducting Internal and external Audits ensured compliance with laws, regulations, and internal policies. The DAC directed the department to conduct the Audits in line with provisions of the Act and the relevant Rules at the earliest under intimation to Audit.

No further progress was intimated to Audit till the finalization of this report.

Audit recommends that BTBB should adhere to financial rules, ensuring the regular conduct of internal and external Audits to uphold transparency, sound practices, and good governance.

4.4.2 Non-conducting of annual physical verification of store

According to Para 159 of GFR Vol.-I, “Every head of the office is

responsible to arrange the physical verification of store or stock at least once a year.” Further, according to Rule 148 of GFR Vol.-I, “All materials received should be examined, counted, measured or weighed as the case may be, when delivery is taken and they should be taken in charge by a responsible government officer who should see that the quantities are correct and their quality good, and record a certificate to that effect. The officer receiving the stores should also be required to give a certificate that he has actually received the materials and recorded them in the appropriate stock register.

Special Audit of Chairman BTBB, Quetta, for the financial years 2017-22, revealed that the annual verification of the stock or store was not conducted in the local office during this period. It was required to carry out an annual verification of the stock or store. This verification process was important to ensure that the stock purchased by the local office was accurately accounted for and that no wastage or loss had been incurred by the government. It also ensured that the stock had been properly issued to the concerned entity or department.

The lapse occurred due to poor management system.

Due to non-conducting of physical verification, the actual position of stores could not be verified.

The matter was reported to the department on June 26, 2023, but no reply was received.

In the DAC meeting held on November 20, 2023, the department agreed to the Audit contention. DAC directed the department to conduct the physical verification within a months’ time and provide the report to Audit.

No further progress was intimated to Audit till the finalization of this report.

Audit recommends that the annual store verification should be performed by a committee specifically designated for this purpose as specified in the rules.

4.5 Overall Assessment

The report underscored critical issues across various aspects of the organization. In terms of human resources, a notable concern was the absence of regular subject specialists, leading to a lack of expertise. The budgeting process had proven to be incongruent with government guidelines, yielding substantial annual savings. In the realm of financial management, there were alarming signs, including the failure to make pension contributions and invest GPF subscriptions, impacting financial sustainability. Furthermore, unpaid liabilities persisted despite available savings, and there was evidence of wasteful spending on building rentals and license fees. Moreover, inefficiencies in the printing processes had led to increased delays in book deliveries. In relation to the basic function of the Board, there was a noted shift in responsibilities regarding book storage and distribution, as well as questionable practices in purchasing manuscripts and review charges. Lastly, record maintenance suffered from inadequacies, with a lack of Auditable records and missing essential documents.

5. CONCLUSION

The audit findings revealed that the Board did not provide textbooks to the students promptly, significant problems of financial mismanagement were identified along with insufficient and improper record-keeping. Additionally, the Board claimed unjustified MMC fees and used accumulated interests without proper legal authorization.

5.1 Key issues for future compliance:

- Textbooks to the students be provided timely.
- Proper record-keeping be ensured.
- Proper calculation of MMC charges be ensured.
- GPF and pension funds be established.
- Internal and external audits be conducted.
- HR Management may be made efficient.
- Financial propriety needs to be adopted in operations.

5.2 Lessons Learnt

The following lessons were learnt during the course of Audit:

- Implement robust financial management practices, including proper budgeting, timely payments of liabilities, and adherence to tax regulations.
- Enhance procurement procedures to prevent irregularities, ensure transparency, and avoid favoritism towards vendors.
- Ensure the appointment of qualified personnel and provide trainings to enhance expertise in financial management and procurement.
- The timely distribution of free textbooks must be ensured.
- Regular scrutiny of the payroll be ensured so that no unauthorized pay or allowances are granted to any employee, reinforcing financial integrity and compliance with regulations.
- Effective record keeping and maintaining records in an Auditable form are of paramount importance for any organization. It is crucial for the department to take immediate and proactive measures to improve its record-keeping practices.

ACKNOWLEDGEMENT

The Director General Audit, Balochistan wishes to express his appreciation to the management and staff of Chairman Balochistan Textbook Board, Quetta for the assistance and cooperation extended to the Auditors during this Special Audit assignment.

ANNEXURES

4.1.4 Wasteful expenditure on account of license fee - Rs. 210.68 million

Annexure 1.1 (Rs. in million)

S. No.	Vendor Name	Cheque No.	Date	Gross Amount	Net Amount
1.	New College Publication	31069245	11.08.2017	12.782	11.614
2.	Kalat Stationery	35386609	24.11.2017	5.837	5.534
3.	Kalat Stationery	35386632	09.12.2017	1.162	1.075
4.	Kalat Stationery	35386637	22.12.2017	0.407	0.375
5.	New College Publication	46131529	17.08.18	30.00	27.750
6.	New College Publication	48045283	13.09.18	60.00	60.00
7.	New College Publication	55820292	25.05.2019	16.125	15.00
8.	Kalat Stationery	55820293	28.05.2019	0.777	0.777
9.	New College Publication	55820342	18.06.2019	11.200	11.200
10.	New College Publication	55820354	28.06.2019	48.930	48.930
11.	New College Publication	59776616	03.10.2019	12.257	12.257
12.	New College Publication	59776616	03.10.2019	11.200	11.200
Total				210.68	205.71

4.1.5 Non-appointment of regular staff

Annexure 1.2

S. No.	Name of officials	Designation	From	To
1.	Shuakat Tareen	Secretary	16/03/2017	16/03/2020
2.	Abdul Fiaz	Subject Specialist	10/10/2017	27/10/2019
3.	Muhammad Hashim	Chairman	03/11/2017	23/12/2018
4.	Abdul Shakoor	Subject Specialist	13/11/2017	12/11/2020
5.	Asmatullah khan	Subject Specialist	13/11/2017	12/11/2020
6.	Mir Hassan Khan Athal	Assistant Secretary	14/02/2017	13/02/2020
7.	Muhammad Nawaz	Textbook Examiner	24/03/2017	23/03/2020
8.	Muhammad Nawaz	Textbook Examiner	20/04/2018	19/04/2021
9.	Bahauddin	Subject Specialist	30/04/2018	29/04/2020
10.	Din Muhammad	Subject Specialist	24/09/2018	23/09/2021
11.	Yaha Khan Mengal	Chairman	21/12/2018	20/12/2021
12.	Ubaidullah	Subject Specialist	14/06/2019	13/06/2022
13.	Faiza Ali shah	Subject Specialist	23/08/2019	22/08/2022
14.	Masood Haleem	Secretary	16/09/2020	16/12/2021
15.	Arif Shah	Chairman	05/05/2021	16/09/2022
16.	Samina Mengal	Subject Specialist	14/06/2021	13/06/2024
17.	Fareed Ahemd Buzdar	Subject Specialist	20/01/2022	19/01/2025
18.	Muhammad Akram	Textbook Examiner	21/03/2022	30/06/2022

4.2.1 Unauthorized payment of deputation allowance - Rs. 6.180 million

**Annexure 1.3
(Rs. in million)**

S. No.	Name	Designation	From	To	Months	Deputation Allowance
1.	Shuakat Tareen	Secretary	16/03/2017	16/03/2020	36	0.432
2.	Abdul Fiaz	Subject Specialist	10/10/2017	27/10/2019	24	0.288
3.	Muhammad Hashim	Chairman	03/11/2017	23/12/2018	13	0.156
4.	Abdul Shakoor	Subject Specialist	13/11/2017	12/11/2020	35	0.420
5.	Asmatullah khan	Subject Specialist	13/11/2017	12/11/2020	35	0.420
6.	Mir Hassan Khan Athal	Assistant Secretary	14/02/2017	13/02/2020	35	0.420
7.	Muhammad Nawaz	Textbook Examiner	24/03/2017	23/03/2020	35	0.420
8.	Muhammad Nawaz	Textbook Examiner	20/04/2018	19/04/2021	35	0.420
9.	Bahauddin	Subject Specialist	30/04/2018	29/04/2020	23	0.276
10.	Din Muhammad	Subject Specialist	24/09/2018	23/09/2021	35	0.420
11.	Yaha Khan Mengal	Chairman	21/12/2018	20/12/2021	35	0.420
12.	Ubaidullah	Subject Specialist	14/06/2019	13/06/2022	35	0.420
13.	Faiza Ali shah	Subject Specialist	23/08/2019	22/08/2022	35	0.420
14.	Masood Haleem	Secretary	16/09/2020	16/12/2021	15	0.180

15.	Arif Shah	Chairman	05/05/2021	16/09/2022	16	0.192
16.	Samina Mengal	Subject Specialist	14/06/2021	13/06/2024	35	0.420
17.	Fareed Ahemd Buzdar	Subject Specialist	20/01/2022	19/01/2025	35	0.420
18.	Muhammad Akram	Textbook Examiner	21/03/2022	30/06/2022	3	0.036
Total						6.180

4.2.2 Non-deduction and deposit of GPF, GI, BF and pension contribution from deputationists - Rs. 15.293 million

Annexure 1.4

S. No.	Name	Designation	From	To	Period	BPS	GPF	GI	
1	Shuakat Tareen	Secretary	16/03/2017	16/03/2020	36	18	192,960	69,120	138,060
2	Abdul Fiaz	Subject Specialist	10/10/2017	27/10/2019	24	17	102,480	36,480	72,888
3	Muhammad Hashim	Chairman	03/11/2017	23/12/2018	13	19	93,340	38,480	76,973
4	Abdul Shakoor	Subject Specialist	13/11/2017	12/11/2020	35	17	149,450	53,200	106,295
5	Asmatullah Khan	Subject Specialist	13/11/2017	12/11/2020	35	17	149,450	53,200	106,295
6	Mir Hassan Khan Athal	Assistant Secretary	14/02/2017	13/02/2020	35	17	149,450	53,200	106,295

S. No.	Name	Designation	From	To	Period	BPS	GPF	GI	
7	Muhammad Nawaz	Textbook Examiner	24/03/2017	23/03/2020	35	17	149,450	53,200	106,295
8	Muhammad Nawaz	Textbook Examiner	20/04/2018	19/04/2021	35	17	149,450	53,200	106,295
9	Bahauddin	Subject Specialist	30/04/2018	29/04/2020	23	17	98,210	34,960	69,851
10	Din Muhammad	Subject Specialist	24/09/2018	23/09/2021	35	17	149,450	53,200	106,295
11	Yaha Khan Mengal	Chairman	21/12/2018	20/12/2021	35	19	251,300	103,600	207,235
12	Ubaidullah	Subject Specialist	14/06/2019	13/06/2022	35	17	149,450	53,200	106,295
13	Faiza Ali shah	Subject Specialist	23/08/2019	22/08/2022	35	17	149,450	53,200	106,295
14	Masood Haleem	Secretary	16/09/2020	16/12/2021	15	18	80,400	28,800	57,525
15	Arif Shah	Chairman	05/05/2021	16/09/2022	16	19	114,880	47,360	94,736
16	Samina Mengal	Subject Specialist	14/06/2021	13/06/2024	35	17	149,450	53,200	106,295
17	Fareed Ahemd Buzdar	Subject Specialist	20/01/2022	19/01/2025	35	17	149,450	53,200	106,295
18	Muhammad Akram	Textbook Examiner	21/03/2022	30/06/2022	3	17	12,810	4,560	9,111
Total							2,440,880	895,360	1,789,329

4.2.3 Non / less deduction of Government taxes - Rs. 272.379 million

**Annexure 1.5
(Rs. in million)**

Income Tax

S. No.	Vendor Name	Budget head	Cheque No	Date	Gross Amount	Net Amount	Deducted	due	Difference
1	New College Publication	License Fee	31069245	11.08.2017	12.782	11.614	1.168	1.278	0.110
2	Horizen paper and Board Mills	Purchase of Paper	34857693	02.10.2017	29.626	29.626	-	1.333	1.333
3	Premier Paper mill	Purchase of Paper	34857694	02.10.2017	70.224	67.408	2.816	3.160	0.344
4	AA Papers	Purchase of Paper	34857695	02.10.2017	70.224	70.224	-	3.160	3.160
5	New College Publication	Printing	35386598	02.11.2017	10.00	10.00	-	1.00	1.00
6	Kalat Stationery	License Fee	35386609	24.11.2017	5.837	5.534	0.304	0.584	0.280
7	Kalat Stationery	License Fee	35386632	09.12.2017	1.162	1.075	0.087	0.116	0.029
8	Kalat Stationery	License Fee	35386637	22.12.2017	0.407	0.375	0.032	0.041	0.009

S. No.	Vendor Name	Budget head	Cheque No	Date	Gross Amount	Net Amount	Deducted	due	Difference
9	New College Publication	Printing	35386662	06.01.2018	10.00	10.00	-	1.00	1.00
10	AA Papers	Purchase of Paper	40743566	06.02.2018	43.890	43.890	-	1.975	1.975
11	AA Papers	Purchase of Paper	40743567	06.02.2018	43.890	43.890	-	1.975	1.975
12	New College Publication	Printing	40743568	06.02.2018	43.000	39.775	-	4.300	4.300
13	New College Publication	Printing	43383969	22.05.2018	70.00	64.750	5.250	7.00	1.750
14	New College Publication	License Fee	46131529	17.08.18	30.00	27.750	2.250	3.000	0.750
16	AA Papers	Purchase of Paper	48570771	13.11.2018	31.471	31.471	-	1.416	1.416
17	AA Papers	Purchase of Paper	48570772	13.11.2018	31.471	31.471	-	1.416	1.416
18	AA Papers	Purchase of Paper	48570773	13.11.2018	31.471	31.471	-	1.416	1.416
19	AA Papers	Purchase of Paper	48570774	13.11.2018	31.471	31.471	-	1.416	1.416

S. No.	Vendor Name	Budget head	Cheque No	Date	Gross Amount	Net Amount	Deducted	due	Difference
20	AA Papers	Purchase of Paper	48570775	13.11.2018	31.471	31.471	-	1.416	1.416
21	Flying Board and Papers	Purchase of Paper	48570776	13.11.2018	31.471	31.471	-	1.416	1.416
22	Flying Board and Papers	Purchase of Paper	48570777	13.11.2018	31.471	31.471	-	1.416	1.416
23	Horizen paper and Board Mills	Purchase of Paper	48570778	13.11.2018	14.948	14.948	-	0.673	0.673
24	Horizen paper and Board Mills	Purchase of Paper	48570779	13.11.2018	14.948	14.948	-	0.673	0.673
26	New College Publication	License Fee	55820293	28.05.2019	60.00	60.00	-	6.00	6.00
27	AA Papers	Purchase of Paper	55820340	17.06.2019	18.883	18.883	-	0.850	0.850
28	AA Papers	Purchase of Paper	55820341	18.06.2019	5.665	5.665	-	0.255	0.255
29	New College Publication	License Fee	55820342	18.06.2019	16.125	15.000	1.125	1.613	0.488

S. No.	Vendor Name	Budget head	Cheque No	Date	Gross Amount	Net Amount	Deducted	due	Difference
30	Kalat Stationery	License Fee	55820354	28.06.2019	0.777	0.777	-	0.078	0.078
31	New College Publication	License Fee	59776616	03.10.2019	11.200	11.200	-	1.680	1.680
32	New College Publication	License Fee	55820292	25.05.2019	48.930	48.930	-	7.339	7.339
33	AA Papers	Purchase of Paper	55820340	17.06.2019	18.883	18.883	-	0.850	0.850
34	AA Papers	Purchase of Paper	55820341	18.06.2019	5.665	5.665	-	0.255	0.255
35	New College Publication	License Fee	57888345	31.08.2019	12.257	12.257	-	1.839	1.839
36		License Fee	59776616	03.10.2019	11.200	11.200	-	1.680	1.680
37	Kalat Stationery	Printing	61426012	15.02.2020	70.00	70.00	-	7.00	7.00
38	Kalat Stationery	Printing	61189540	13.05.2020	80.00	80.00	-	8.00	8.00
39	Himit publication	N/A	61189541	15.05.2020	3.021	3.021	-	0.302	0.302

S. No.	Vendor Name	Budget head	Cheque No	Date	Gross Amount	Net Amount	Deducted	due	Difference
40	Kalat Stationery	N/A	65767839	14.07.2020	6.646	6.646	-	0.665	0.665
41	Himit publication	N/A	65767860	01.08.2020	2.344	2.344	-	0.234	0.234
Total					1,062.828	1,046.571	13.031	79.819	66.788

4.2.4 Unauthorized payment on account of leave encashment - Rs. 10.500 million

**Annexure 1.6
(Rs. in million)**

S. No.	Name of Payee	Cheque No.	Date	Amount
1.	Manager UBL, On account of BTBB staff	46131539	01/09/2018	7.697
2.	Shoukat Ali	46131542	01/09/2018	0.336
3.	Ali Muhammad	46131543	01/09/2018	0.317
4.	Abdul sattar	46131544	01/09/2018	0.500
5.	Manzoor Ahmed	46131545	01/09/2018	0.049
6.	Muhammad Nawaz	46131546	01/09/2018	0.098
7.	Munir Amir	46131547	01/09/2018	0.046
8.	Nazar Muhammad	46131548	01/09/2018	0.074
9	Abdul Fiaz	46131549	01/09/2018	0.288
10.	Abdul Qayum	46131550	01/09/2018	0.500
11.	Jameel Maseeh	48045276	01/09/2018	0.062
12.	Muhammad Hashim	48045280	01/09/2018	0.337
13.	Abdul sattar	57888251	10/07/2019	0.196
Total				10.500

4.2.11 Irregular utilization of interest - Rs. 49.409 million

**Annexure 1.7
(Rs. in million)**

S. No.	Date	Amount
1.	04.07.2017	0.733
2.	01.01.2018	2.443
3.	03.07.2018	0.646
4.	31.12.2018	1.381
5.	01.07.2019	1.599
6.	31.12.2019	1.663
7.	30.06.2020	8.631
8.	31.12.2020	1.372
9.	30.06.2021	4.209
10.	01.09.2021	5.268
11.	30.09.2021	2.342
12.	31.10.2021	2.504
13.	04.11.2021	0.528

S. No.	Date	Amount
14.	30.11.2021	1.834
15.	31.12.2021	2.021
16.	31.01.2022	2.059
17.	28.02.2022	1.855
18.	31.03.2022	1.518
19.	30.04.2022	1.892
20.	30.05.2022	2.415
21.	30.06.2022	2.495
Total		49.409

4.3.1 Doubtful printing of textbooks beyond need/demand - Rs. 116.468 million

Annexure 1.8

S. No.	Item name	Class	Demand	Printed	Excess	Unit Price	Amount (Rs. in million)
1.	Urdu	KACHI	380,013	520,013	140,000	89.77	12.568
2.	Math	KACHI	380,013	520,013	140,000	91.86	12.860
3.	English	KACHI	380,013	520,013	140,000	86.55	12.117
4.	Urdu	1	275,971	345,971	70,000	93.61	6.553
5.	Math	1	275,971	345,971	70,000	79.78	5.585
6.	English	1	275,971	345,971	70,000	71.86	5.030
7.	Islamiat	1	275,971	345,971	70,000	44.41	3.109
8.	GK	1	275,971	345,971	70,000	47.64	3.335
9.	Urdu	2	179,318	214,318	35,000	83.34	2.917
10.	Math	2	179,318	214,318	35,000	87.32	3.056
11.	English	2	179,318	214,318	35,000	75.32	2.636
12.	Islamiat	2	179,318	214,318	35,000	44.50	1.558
13.	GK	2	179,318	214,318	35,000	59.01	2.065
14.	Urdu	3	144,048	169,048	25,000	90.42	2.261
15.	Math	3	144,048	169,048	25,000	96.97	2.424
16.	English	3	144,048	169,048	25,000	69.46	1.737

S. No.	Item name	Class	Demand	Printed	Excess	Unit Price	Amount (Rs. in million)
17.	Islamiat	3	144,048	169,048	25,000	57.60	1.440
18.	GK	3	144,048	169,048	25,000	74.68	1.867
19.	Urdu	4	119,313	144,313	25,000	87.32	2.183
20.	Math	4	119,313	144,313	25,000	99.51	2.488
21.	English	4	119,313	144,313	25,000	84.89	2.122
22.	Islamiat	4	119,313	144,313	25,000	66.84	1.671
23.	General Science	4	119,313	144,313	25,000	81.95	2.049
24.	Social Studies	4	119,313	144,313	25,000	65.18	1.630
25.	Urdu	5	100,302	142,302	42,000	90.60	3.805
26.	Math	5	100,302	142,302	42,000	101.28	4.254
27.	English	5	100,302	142,302	42,000	85.35	3.585
28.	Islamiat	5	100,302	142,302	42,000	70.99	2.982
29.	General Science	5	100,302	142,302	42,000	84.42	3.546
30.	Social Studies	5	100,302	142,302	42,000	72.35	3.039
Total			5,454,414	6,926,414	1,472,000		116.468

4.3.2 Irregular procurement of papers - Rs. 512.033 million

**Annexure 1.9
(Rs. in million)**

S. No.	Vendor Name	Cheque No	Date	Gross amount	Net amount
1.	Flying Board and Papers	31069215	03.07.2017	24.50	22.39
2.	Horizen paper and Board mills	34857693	02.10.2017	29.63	29.63
4.	AA Papers	34857695	02.10.2017	70.40	70.22
5.	AA Papers	40743566	06.02.2018	44.11	43.89
6.	AA Papers	40743567	06.02.2018	44.11	43.89
7.	AA Papers	48570771	13.11.2018	31.47	31.47
8.	AA Papers	48570772	13.11.2018	31.47	31.47
9.	AA Papers	48570773	13.11.2018	31.47	31.47
10.	AA Papers	48570774	13.11.2018	31.47	31.47
11.	AA Papers	48570775	13.11.2018	31.47	31.47
12.	Flying Board and Papers	48570776	13.11.2018	31.47	31.47
13.	Flying Board and Papers	48570777	13.11.2018	31.47	31.47
14.	Horizen paper and Board mills	48570778	13.11.2018	14.95	14.95

S. No.	Vendor Name	Cheque No	Date	Gross amount	Net amount
15.	Horizen paper and Board mills	48570779	13.11.2018	14.95	14.95
16.	AA Papers	55820340	17.06.2019	18.88	18.88
17.	AA Papers	55820341	18.06.2019	5.66	5.66
18.	AA Papers	55820340	17.06.2019	18.88	18.88
19.	AA Papers	55820341	18.06.2019	5.66	5.66
Total				512.033	509.303

4.3.4 Irregular procurement on account of printing - Rs. 539.031 million

Annexure 1.10

S. No.	Item name	Class	QTY	Top mountain		Kalat Publisher	
				Unit Price	total price	Unit Price	Total price
1.	Urdu	KACHI	520,013	89.77	46,681,567	91.6608	47,664,808
2.	Math	KACHI	520,013	91.86	47,768,394	93.4644	48,602,703
3.	English	KACHI	520,013	86.55	45,007,125	87.4857	45,493,701

S. No.	Item name	Class	QTY	Top mountain		Kalat Publisher	
				Unit Price	total price	Unit Price	Total price
4.	Urdu	1	345,971	93.61	32,386,345	95.5736	33,065,694
5.	Math	1	345,971	79.78	27,601,566	79.9542	27,661,835
6.	English	1	345,971	71.86	24,861,476	70.3340	24,333,524
7.	Islamiat	1	345,971	44.41	15,364,572	37.2847	12,899,425
8.	GK	1	345,971	47.64	16,482,058	40.9055	14,152,117
9.	Urdu	2	214,318	83.34	17,861,262	84.6284	18,137,389
10.	Math	2	214,318	87.32	18,714,248	89.1860	19,114,165
11.	English	2	214,318	75.32	16,142,432	74.3772	15,940,373
12.	Islamiat	2	214,318	44.50	9,537,151	37.4675	8,029,960
13.	GK	2	214,318	59.01	12,646,905	61.0479	13,083,664
14.	Urdu	3	169,048	90.42	15,285,320	92.8656	15,698,744
15.	Math	3	169,048	96.97	16,392,585	100.3030	16,956,022
16.	English	3	169,048	69.46	11,742,074	75.1324	12,700,982
17.	Islamiat	3	169,048	57.60	9,737,165	53.3874	9,025,033
18.	GK	3	169,048	74.68	12,624,505	73.7584	12,468,710
19.	Urdu	4	144,313	87.32	12,601,411	88.9253	12,833,077

S. No.	Item name	Class	QTY	Top mountain		Kalat Publisher	
				Unit Price	total price	Unit Price	Total price
20.	Math	4	144,313	99.51	14,360,587	103.8550	14,987,627
21.	English	4	144,313	84.89	12,250,731	87.0862	12,567,671
22.	Islamiat	4	144,313	66.84	9,645,881	65.1520	9,402,281
23.	General Science	4	144,313	81.95	11,826,450	82.8400	11,954,889
24.	Social Studies	4	144,313	65.18	9,406,321	63.3129	9,136,875
25.	Urdu	5	142,302	90.60	12,892,561	93.2011	13,262,703
26.	Math	5	142,302	101.28	14,412,347	104.8080	14,914,388
27.	English	5	142,302	85.35	12,145,476	87.1137	12,396,454
28.	Islamiat	5	142,302	70.99	10,102,019	71.2592	10,140,327
29.	General Science	5	142,302	84.42	12,013,135	86.1938	12,265,550
30.	Social Studies	5	142,302	72.35	10,295,550	71.2592	10,140,327
Total			6,926,414		538,789,219		539,031,014

4.3.6 Suspicious payment to vendor - Rs. 2,596.193 million

Annexure 1.11

S. No.	Vendor Name	Date	Cheque No	Amount (Rs.)
1.	Chairman BTBB	02.02.2018	1307661	150.00
2.		17.05.2018	1431336	150.00
3.		26.11.2018	1461631	300.00
4.		24.05.2019	1518104	220.00
5.		21.02.2020	1778657	520.00
6.		28.06.2021	1493927	455.17
7.		01.04.2022	1996767	299.13
8.		22.04.2022	1993947	83.70
9.	Kalat Printers & Publishers	22.04.2022	1993946	418.20
Total				2,596

Variation

Financial year	Amount	+ Increase/ - Decrease
17/18	300	N/A
18/19	520	73%
19/20	520	0%
20/21	455.17	-12%
21/22	801.03	76%
Total	2,596	