



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

**AUDIT YEAR 2017-18**

**AUDITOR GENERAL OF PAKISTAN**

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## **ABBREVIATIONS & ACRONYMS**

BHU	Basic Health Unit
CA	Conveyance Allowance
CEO	Chief Executive Officer
CGA	Controller General of Accounts
DAC	Departmental Accounts Committee
DC	Deputy Commissioner
DHA	District Health Authority
DHQ	District Headquarter
DOH	District Officer Health
FBR	Federal Board of Revenue
FD	Finance Department
HEC	Higher Education Commission
HEO	Health Education Officer
HRA	House Rent Allowance
HSRA	Health Sector Reform Allowance
IAS	International Accounting Standard
LC	Letter of Credit
LP	Local Purchase
MS	Medical Superintendent
MSD	Medical Store Depot
MSDS	Minimum Standard Delivery Services
NAM	New Accounting Model
NPA	Non-practicing Allowance
PAC	Public Accounts Committee
PAO	Principal Accounting Officer
PCA	Practice Compensatory Allowance
PDP	Proposed Draft Para
PFC	Provincial Finance Commission
PFR	Punjab Financial Rules
PLGA	Punjab Local Government Act
PMU	Planning and Monitoring Unit
POL	Petroleum Oil and Lubricants
PRSP	Punjab Rural Support Program
PPRA	Punjab Procurement Regulatory Authority
P&SHCD	Primary & Secondary Health Care Department
RHC	Rural Health Centre
SDA	Special Drawing Account
S&GAD	Services and General Administration Department
THQ	Tehsil Headquarter
TS	Technical Sanction

## **PREFACE**

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

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

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

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

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

**Islamabad**  
**Dated:**

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

## **EXECUTIVE SUMMARY**

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

The Directorate General Audit has a human resource of 75 officers and staff having 18,675 man-days and annual budget of Rs 125.918 million for the Financial Year 2017-18. This office carried out audit of the accounts of District Health Authorities of 19 Districts of Punjab (North) for the Financial Year 2016-17 and utilized 1420 man days in execution of field audit activity of the planned assignment.

As per Section 17(7) of Punjab Local Governemnt Act (PLGA) 2013, the Chairman and the Chief Executive Officer shall be personally responsible to ensure that business of the authority is conducted proficiently, in accordance with law and to promote the objectives of the authority. However, as per Section 92(3) of PLGA 2013, the Chief Executive Officer is the Principal Accounting Officer of the District Health Authority.

The DHA is formed to establish, manage and supervise primary, secondary health care facilities and institutions; approve the budget of the Authority and allocate funds to health institutions. It is entrusted with the task of coordinating health related emergency response during any natural calamity or emergency, ensure timely reporting of progress on health indicators relating to disease surveillance, epidemic control, disaster management to the Government and ensure implementation of minimum standards of service delivery, infrastructure, patient safety, hygiene and public health as prescribed by the Punjab Health Care Commission.

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

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

**a) Scope of Audit**

Total expenditure of District Health Authorities of nineteen (19) Districts of Punjab for the Financial Years 2016-17 was Rs 8,250.251 million (Annexure-B). Out of this, DG Audit District Governments Punjab (North) Lahore audited expenditure of Rs 3300.10 million which in terms of percentage was 40% of total expenditure.

**b) Recoveries at the instance of Audit**

Recoveries of Rs 490.522 million were pointed out during audit which was not in the notice of the executive before audit. Recovery of Rs 0.433 million was affected till finalization of this report.

**c) Audit Methodology**

Desk Audit techniques were applied intensively during the Audit Year 2017-18. This was facilitated by access to live electronic data and availability of permanent files. Desk Audit Review helped auditors in understanding the systems, procedures and environment of the entities before the start of field activity. This facilitated greatly in the identification of high risk areas for substantive testing in the field.

**d) Audit Impact**

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

**e) Comments on Internal Control and Internal Audit Department**

Internal control mechanism of District Health Authority was found to be less effective. Internal Audit framework as set forth in terms of directives of the Provincial Cabinet to evolve mechanism for strengthening internal controls and internal audit for securing financial discipline and transparency was not pursued for implementation. This laxity on the part of District Health Authorities was despite the fact that official white paper of the Punjab Government stipulated this pre-requisite while approving the Provincial Finance Commission (PFC) Award. Internal Controls failures come to surface on recurrent basis reflecting serious instances of breached compliance of rules and regulations.

**f) The key Audit findings of the report**

- i. Misappropriation/ Embezzlement of Government money involving an amount of Rs 21.761 million noted in eight (08) cases<sup>1</sup>.
- ii. Non-production of Record worth Rs 310.242 million was reported in ten (10) cases<sup>2</sup>.
- iii. Irregularities and non-compliance of rules amounting to Rs 6076.32 million was noticed in one hundred twenty nine (129) cases<sup>3</sup>.
- iv. Performance related issues of Rs 2942.458 million noted in twenty five (25) cases<sup>4</sup>.
- v. Weaknesses of internal control involving an amount of Rs 661.852 million in twenty five (25) cases<sup>5</sup> were noticed.
- vi. Recovery of Rs 468.761 million was pointed out in ninety two (92) cases<sup>6</sup>.
- vii. Non-adherence to Punjab Procurement Rules 2014 amounting to Rs 1014.750 was noticed in 46 cases<sup>7</sup>.
- viii. Accounting errors related issues of Rs 133.611 million were noted in seven (07) cases<sup>8</sup>.

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<sup>1</sup> Para: 8.4.1.1 to 8.4.1.3, 9.4.1.1, 15.4.1.1 to 15.4.1.4

<sup>2</sup> Para: 1.4.1.1, 2.4.1.1, 3.4.1.1, 6.4.1.1, 7.4.1.1, 8.4.2.1, 9.4.2.1, 12.4.1.1, 16.4.1.1 & 17.4.1.1

<sup>3</sup> Para: 1.4.2.4, 1.4.2.5, 1.4.2.7 to 1.4.2.9, 2.4.2.3, 2.4.2.6, 3.4.2.1 to 3.4.2.3, 3.4.2.5, 3.4.2.7, 3.4.2.8, 3.4.2.10, 3.4.2.13 to 3.4.2.17, 3.4.2.20, 4.4.1.1, 4.4.1.2, 4.4.1.4, 4.4.1.8, 4.4.1.9, 5.4.1.1, 5.4.1.3, 5.4.1.4, 6.4.2.1, 6.4.2.2, 7.4.2.2, 8.4.3.1, 8.4.3.2, 8.4.3.6, 8.4.3.7, 8.4.3.9, 8.4.3.12, 8.4.3.14, 8.4.3.15, 8.4.3.17 to 8.4.3.19, 8.4.3.22, 8.4.3.23, 9.4.3.3, 9.4.3.4, 10.4.2.1 to 10.4.2.5, 10.4.2.7, 10.4.2.9 to 10.4.2.13, 10.4.2.15, 10.4.2.17, 10.4.2.19 to 10.4.2.21, 11.4.1.2, 11.4.2.1, 12.4.2.3 to 12.4.2.9, 13.4.2.1, 13.4.2.2, 13.4.2.4 to 13.4.2.6, 13.4.2.8, 13.4.2.10, 13.4.2.12 to 13.4.2.16, 13.4.2.19, 13.4.2.20, 14.4.1.1 to 14.4.1.3, 14.4.1.6, 14.4.1.8 to 14.4.1.13, 15.4.2.1, 15.4.2.2, 15.2.4 to 15.4.2.7, 16.4.2.9 to 16.4.2.11, 16.4.2.14 to 16.4.2.16, 17.4.2.2, 17.4.2.3, 17.4.2.4, 18.4.1.2, 18.4.1.3, 18.4.1.9, 18.4.1.10, 18.4.1.12, 18.4.1.13, 18.4.1.15 to 18.4.1.18, 19.4.1.2 to 19.4.1.10

<sup>4</sup> Para: 1.4.3.1 to 1.4.3.2, 3.4.3.1 to 3.4.3.5, 7.4.3.1 to 7.4.3.2, 8.4.4.1, 10.4.3.1 to 10.4.3.10, 13.4.3.1, 15.4.4.1 to 15.4.4.2, 16.4.3.1, 18.4.2.1

<sup>5</sup> Para: 1.4.4.3, 2.4.3.2, 6.4.3.2, 6.4.3.6, 7.4.4.1, 7.4.4.2, 7.4.4.4, 9.4.4.1, 9.4.4.5, 11.4.2.2, 11.4.2.3, 11.4.2.5, 11.4.2.6, 15.4.3.1, 15.4.3.3, 15.4.3.4, 15.4.3.8, 15.4.3.10 to 15.4.3.13, 17.4.3.1, 17.4.3.4, 19.4.2.2-19.4.3.3

<sup>6</sup> Para: 1.4.4.1, 1.4.4.2, 1.4.4.4, 1.4.4.5, 2.4.2.4, 2.4.3.1 to 2.4.3.13, 2.4.3.1 to 2.4.3.13, 3.4.4.1, 4.4.2.1 to 4.4.2.9, 5.4.2.1 to 5.4.2.4, 6.4.2.3, 6.4.2.4, 6.4.3.1, 6.4.3.3 to 6.4.3.5, 6.4.3.7, 7.4.4.3, 7.4.4.5, 7.4.4.6, 8.4.3.3 to 8.4.3.5, 8.4.3.13, 8.4.3.16, 8.4.3.20, 8.4.3.21, 9.4.4.2 to 9.4.4.6, 10.4.2.18, 11.4.1.4, 11.4.2.1, 11.4.2.4, 11.4.2.7 to 11.4.2.9, 12.4.3.1 to 12.4.3.4, 13.4.1.1, 13.4.2.9, 13.4.2.18, 14.4.2.1, 14.4.2.2, 15.4.1.1, 15.4.1.2, 15.4.3.2, 15.4.3.5 to 15.4.3.7, 15.4.3.9, 16.4.4.1 to 16.4.4.3, 17.4.3.2 to 17.4.3.6, 18.4.1.1 to 18.4.1.4, 18.4.1.6 to 18.4.1.8, 18.4.1.11, 18.4.1.14, 18.4.1.19, 19.4.2.1, 19.4.2.4

<sup>7</sup> Para: 1.4.2.2, 1.4.2.3, 2.4.2.1, 2.4.2.2, 2.4.2.5, 2.4.2.7, 3.4.2.4, 3.4.2.9, 3.4.2.11, 3.4.2.12, 3.4.2.18, 4.4.1.3, 4.4.1.5 to 4.4.1.7, 5.4.1.2, 6.4.3.2, 7.4.2.1, 8.4.3.8, 8.4.3.11, 9.4.3.1, 10.4.2.6, 10.4.2.8, 10.4.2.16, 11.4.1.1, 11.4.1.3, 12.4.2.2, 13.4.2.7, 13.4.2.11, 14.4.1.4, 14.4.1.5, 14.4.1.7, 14.4.2.1, 15.4.2.3, 15.4.2.5, 15.4.2.6, 16.4.2.1 to 16.4.2.4, 16.4.2.8, 16.4.2.13, 16.4.2.17, 17.4.2.1, 18.4.1.5, 19.4.1.1

<sup>8</sup> Para: 1.4.2.1, 3.4.2.6, 7.4.2.3, 8.4.3.10, 9.4.3.2, 10.4.2.14, 16.4.2.12

**g) Recommendations**

- i. Head of the authority needs to take action against the responsible(s) and provide record for audit scrutiny.
- ii. Management needs to comply with rules and regulations while incurring expenditure.
- iii. Inquiries need to be held to fix responsibility for misappropriations/ losses and irregular payments.
- iv. The PAOs must make strenuous efforts for expediting the realization of various outstanding receipts.
- v. Management requires to comply with Punjab Procurement Rules 2014 for economical and rational purchases of goods and services.
- vi. Management needs to ensure proper execution and implementation of the monitoring system.
- vii. Head of the authorities need to conduct physical stock taking of stores on regular basis.
- viii. Departures from NAM also need consideration of PAOs with a view to ascertaining the fair presentation of accounts and implementation of accounting policies in letter & spirit.

## SUMMARY TABLES & CHARTS

**Table 1:            Audit Work Statistics**

Rs in million			
<b>Sr. No.</b>	<b>Description</b>	<b>No.</b>	<b>Total Budget for the FY 2016-17</b>
1	Total Entities (PAOs) under Audit Jurisdiction	19	14762.397
2	Total formations under Audit Jurisdiction	423	14762.397
3	Total Entities (PAOs) Audited	19	7557.230
4	Total formations Audited	280	7557.230
5	Audit & Inspection Reports	280	7557.230
6	Special Audit Reports	-	-
7	Performance Audit Reports	-	--
8	Other Reports	-	-

**Table 2:            Audit Observations regarding Financial Management**

Rs in million		
<b>Sr. No.</b>	<b>Description</b>	<b>Amount Placed under Audit Observation</b>
1	Non-production of record	310.242
2	Asset management	2.560
3	Financial management	490.522
4	Internal controls	661.852
5	Others	10164.579
<b>TOTAL</b>		<b>11629.755</b>

**Table 3: Outcome Statistics**

Rs in million

Sr. No.	Description	Physical Assets	Civil Works	Receipts	Others	Total current year
1	Outlays Audited	165.253	0	526.081	7391.977	8083.311
2	Amount Placed under Audit Observation/ Irregularities of Audit	2.560	73.007	26.523	11527.658	11629.755
3	Recoveries Pointed Out at the instance of Audit	0	0	26.523	463.992	490.522
4	Recoveries Accepted/ Established at the instance of Audit	0	0	26.523	463.992	490.522
5	Recoveries Realized at the instance of Audit	0	0	0	0.443	0.443

\*The amount in serial No. 1 column of “total 2016-17” is the sum of Expenditure and Receipts audited, whereas the total expenditure audited for the year 2016-17 was Rs 7557.230 million

**Table 4: Irregularities Pointed Out**

Rs in million

Sr. No.	Description	Amount Placed under Audit Observation
1	Violation of Rules and regulations, principle of propriety and probity in public operations	7091.070
2	Reported cases of fraud, embezzlement, theft and misuse of public resources	21.761
3	Accounting Errors (accounting policy departure from NAM <sup>1</sup> , misclassification, over or understatement of account balances) that are significant but are not material enough to result in the qualification of Audit opinions on the financial statements	133.611
4	Quantification of weaknesses of internal controls systems	661.852
5	Recoveries and overpayments, representing cases of established overpayment of public money	468.761
6	Non-production of record	310.242
7	Others, including cases of accidents, negligence etc.	2942.458
<b>TOTAL</b>		<b>11629.755</b>

**Table 5: Cost Benefit**

Rs in million

Sr. No.	Description	Amount
1	Out lays Audited(Items 1 of Table 3)	8083.311
2	Expenditure on Audit	4.474
3	Recoveries realized at the instance of Audit	0.443
	Cost Benefit Ratio	1:0.10

<sup>1</sup> The Accounting Policies and Procedures prescribed by the Auditor General.



## **CHAPTER 1**

### **District Health Authority, Attock**

#### **1.1 Introduction of the Authority**

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

Prior to promulgation of the Act, District Health Department was headed by the Executive District Officer (Health) who is Departmental Accounting Officer of group of offices of District Health Department and District Coordination Officer was the Principal Accounting Officer under PLGO, 2001.

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

- establish, manage and supervise primary and secondary health care facilities and institutions;
- approve the budget of the Authority and allocate funds to health institutions;
- coordinate health related emergency response during any natural calamity or emergency;
- develop referral and technical support linkages between primary and secondary levels of health care on the one hand and tertiary level health facilities and medical education institutions on the other;
- ensure human resource management and capacity development of health service delivery personnel under the policy framework given by the Government;
- ensure timely reporting of progress on health indicators relating to disease surveillance, epidemic control, disaster management to the Government; and
- ensure implementation of minimum standards of service delivery, infrastructure, patient safety, hygiene and public health as prescribed by the Punjab Health Care Commission.

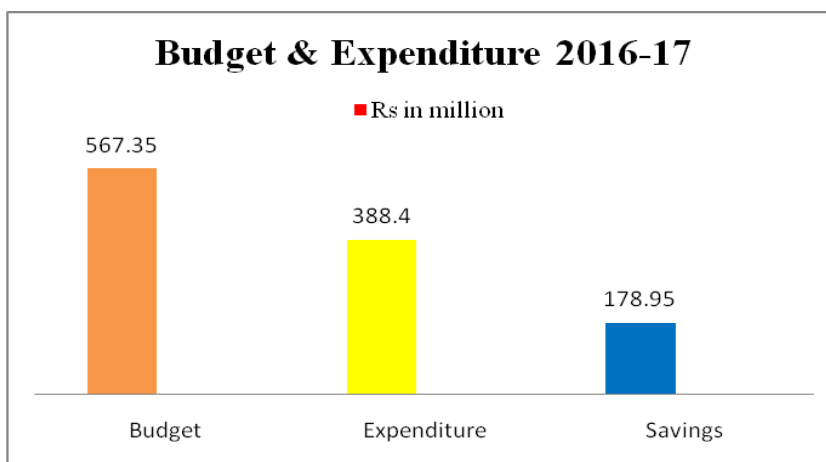
DHA Attock manages following primary and secondary health care facilities and institutes:

Description	No. of health facility/ institute
Basic Health Units	63
Government Rural Dispensary	5
Rural Health Centre	5
Tehsil Head Quarter Hospitals	6
District Head Quarter Hospitals	1
District Health Development Centre	1
District Health Officers	1

## 1.2 Comments on Budget and Accounts

Total budget of District Health Authority for the Financial Year 2016-17 was Rs 567.35 million, against which only Rs 388.40 million was spent. Overall savings of Rs 178.95 million during the Financial Years 2016-17 which was 31.54% of budgetary allocation, showing non-utilization of funds meant for provisions of amenities in District Health Authority thus depriving the community from getting better facilities.

(Rs in million)				
Financial Year	Budget	Expenditure	Savings	% Savings
2016-17	567.350	388.400	178.95	31.54



## 1.3 Brief Comments on the Status of Compliance with PAC Directives

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

## **1.4 AUDIT PARAS**

### **1.4.1 Non-production of Record**

#### **1.4.1.1 Non-production of Record – Rs 41.579 million**

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

Following formations of Health authorities at District Government Attock did not produce auditable record of Rs 41.579 million for Financial Year 2016-17. In the absence of record, authenticity, validity, accuracy and genuineness of expenditure could not be verified as detail below:

(Rs in million)

<b>Sr</b>	<b>Office Name</b>	<b>PDP#</b>	<b>Description</b>	<b>Amount</b>
1	CEO DHA Attock	1	Irregular Expenditure of Medicines and non-provision of record	41.050
2	RHC Maghian	8	Non-provision of vouchers	0.529
<b>Total</b>				<b>41.579</b>

Audit held that due to financial indiscipline and weak internal controls, relevant record was not produced to audit by the auditee in violation of provisions of Ordinance.

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

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

(PDP # 1,8)

## **1.4.2 Irregularity & Non-Compliance**

### **1.4.2.1 Irregular Expenditure due to Misclassification-Rs 100.017 million**

As per Article 30 of Audit Code, all financial transactions are required to be recorded and allocated to proper heads of account. According to Rule 55(2) of Punjab District Authorities (Budget) 2017, head of offices and DDO shall be responsible to ensure that authorized budget allocations are spent in conformity with the Schedule of Authorized Expenditure.

During audit of following offices for the Period 01.01.2017 to 30.06.2017, it was observed that MS DHQ Hospital incurred expenditures on purchase of medicines, repair of machinery, repair of transport, POL, TA bills etc. out of the object head "AO-5270-Others". Similarly, DOH Attock also paid various allowances from irrelevant object head.

(Rs in million)

<b>Sr.</b>	<b>PDP#</b>	<b>Department</b>	<b>Description</b>	<b>Amount</b>
1	1	DHQ Hospital	Various Hospital Equipments	89.751
2	2	DOH Attock	Various Allowances from A01270	10.266
<b>Total</b>				<b>100.017</b>

Audit was of the view that due to weak internal controls and financial indiscipline, irregular expenditure of Rs 100.017 million was incurred under incorrect head.

This resulted in irregular expenditure Rs 100.017 million.

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

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

(PDP # 1,2)

### **1.4.2.2 Irregular expenditure on accounts of purchase of medicines - Rs 64.194 million**

According to Rule 16(1) of Punjab Procurement Rules 2014, a procuring agency may, prior to floating the tenders or invitation to proposals or offers, engage in prequalification of bidders in case of services, civil works, turnkey projects and also in case of procurement of expensive and technically complex equipment to ensure that only technically and financially capable firms or persons having adequate

managerial capacity are invited to submit bids. Further, as per Rule 16(2), the procuring agency shall prequalify bidders under sub-rule (1) in case of procurement of goods of one hundred million rupees and above.

During audit of accounts of DHQ Hospital Attock for the Period 01.01.2017 to 30.06.2017, it was observed that expenditure of Rs 64.194 million was incurred on purchase of bulk medicines from multinational companies but following shortcomings were noticed.

- i. Secretary Health purchased bulk medicines and the demand of the hospitals were completely ignored.
- ii. Budget was allocated without taken on board the management of the hospital.
- iii. Neither bidding documents nor bidding process were shown to audit.
- iv. Medicines were purchased at higher rates with comparison of the last year.
- v. Medicines were purchased excess than previous year and huge balance of medicines are lying with store of medicines copy of stock register attached for ready reference.

Audit was of the view that purchase of bulk medicines without fulfilling codal formalities was due to financial indiscipline and weak internal controls.

This resulted in irregular purchase of medicines worth Rs 64.194 million.

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

Audit recommends to inquire the matter at appropriate level and get the expenditure regularized from the competent authority besides production of bidding process record. (PDP # 2)

#### **1.4.2.3 Irregular procurement by splitting indents to avoid tender– Rs 23.632 million**

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

Various formations of CEO (DHA) Attock split up the expenditure of Rs 23.632 million on accounts of procurement of following items for the Financial 2016-17 to avoid competitive rates.

Sr.	Formation	PDP No.	Description of purchases	Amount (Rs)
1	DHQ Hospital	4	Medicines and surgical items	14,210,860
2	DHQ Hospital	9	Medicines and surgical items	4,733,801
3	THQ Hazro	4	Shoping bags, phynyle, energy saver, lab items	364,957
4	THQ Hospital Fateh Jang	2	Lab items, x-ray and oxygen cylinder	2,216,000
5	THQ Hospital Fateh Jang	3	Lab items, x-ray and oxygen cylinder	1,310,000
6	THQ Hospital Hassan Abdal	6	Medicines and x-ray films	797,000
			<b>Total</b>	<b>23,632,618</b>

Audit was of the view that due to laxity of management, purchases were made by splitting the job orders.

This resulted in irregular purchases by splitting indents Rs 23.633 million.

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

Audit recommends regularization besides fixing responsibility against the the person(s) at fault. (PDP # 4,9,4)

#### **1.4.2.4 Non-accountal of Store Items - Rs 11.136 million**

As per Rule 15.4 (a) & 15.7 of PFR Vol-1, all material must be examined, counted, weighed or measured as the case may be and recorded in an appropriate stock register. Further, as per rule 15.16 of PFR Vol.1, a physical verification of all store must be made at least once every year and result of verification be recorded in the stock register. Further as per rule 15.1 of PFR Vol-I lays down that the departmental officers entrusted with the care, use or consumption of stores are responsible for maintaining correct record and preparing correct returns in respect of the stores entrusted to them. They are also responsible for keeping them in proper custody.

Medical Suprintendent DHQ Hospital Attock during 01.01.2017 to 30.06.2017 incurred expenditure of Rs 11.136 million on purchase of store items. Neither these items accounted for nor entered in stock register. This resulted in doubtful purchase of stock and stores for Rs 11.136 million.

Audit held that due to financial indiscipline, purchases were not accounted for in the relevant stock register.

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

Audit recommends fixing responsibility against the person(s) at fault. (PDP # 6)

#### **1.4.2.5 Unjustified Purchase of Medicine without Valid Shelf Life - Rs 10.84 million**

According to clause iii(a) under the conditions of the contract the purchase order issued by the THQ Hospital, 85% and 75% shelf life in case of national medicine and multinational company has to be adhered otherwise, deduction will be made @ from the concerned. According to the instructions laid down in the Government of the Punjab Health Department letter No.SO(P-I)H/RC/2001-02/01 dated 25.09.2001, testing at Drug Testing Laboratory was a pre-requisite for acceptance of the medicines purchased. As per provisions of the Drugs Act 1976, the medicines / drugs including medical / surgical items declared substandard by the Drugs Testing Laboratory Lahore are required to be destroyed / got replaced or / and its cost recovered from the supplier.

During audit of THQ Hospital Hazro, it was observed that medicines of Rs 10.843 million were purchased but date of manufacturing of the medicine on the invoices / delivery challan was not mentioned. Payment of medicines could not be termed as legitimate without determining efficacy of medicine on accounts of shelf life. Moreover, medicine purchased and accepted from Muller & Phipps without DTL.

Audit was of the view that due to weak internal controls, medicines were accepted without mentioning manufacturing dates at bill of the supplier and delivery challan.

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

Audit recommends that action be taken against the concerned after fixing responsibility.

(PDP # 2)



#### **1.4.2.6 Irregular & Unauthorized Expenditure on accounts of Purchase of Medicines - Rs 10.474 million**

According to Rule 8 of Punjab Procurement Rules 2014, a procuring agency shall, within one month from the commencement of a Financial Year, devise annual planning for all proposed procurements with the object of realistically determining the requirements of the procuring agency, within its available resources, delivery time or completion date and benefits that are likely to accrue to the procuring agency in future. Further according to rule 9 read with Rule 12(1) of Punjab Procurement Rules 2014, procurements over one hundred thousand rupees and up to the limit of two million rupees shall be advertised on the PPRA'S website in the manner and format specified by regulation by the PPRA'S from time to time. Further, a procuring agency shall announce in an appropriate manner all proposed procurements for each Financial Year and shall proceed accordingly without any splitting or regrouping of the procurement so planned.

During Scrutiny of record of THQ Hospital Hassan Abdal, it was observed that the medicines (Bulk Purchase) during 2016-17 amounting to Rs 10,474,471 had been purchased from the firms whom rate contract were awarded by the health Department Govt. of Punjab. Audit noted that following irregularities were found.

- i. Neither any advertisement for procurements by Procuring Agency M/S THQ Hassan Abdal was made nor any record regarding Tender proceedings were produced.
- ii. Record of earnest money was not produced regarding the supply orders
- iii. Record of stamp duty was not produced against the supply orders issued. Non production of record showed that stamp duty was not deducted by the department.
- iv. Performance Security was neither obtained from the suppliers nor record was produced to Audit as directed by Health Department Govt., of the Punjab vide Notification No.SO(P-1)1-1/2016-17 dated 16.10.2016, at the 2<sup>nd</sup> Paragraph. Non production of record revealed that performance security was not obtained from firms/suppliers.
- v. Procurement as per rate contract of Health Department Govt., of the Punjab was unauthorized, unlawful and in violation of Punjab

Procurement Rules 2014 where in rate contract did fall under any specified methods of procurement.

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

Audit recommends regularization from Competent authority besides fixing of responsibility against the person at fault. (PDP # 1)

#### **1.4.2.7 Expenditure without budget and non-reconciliation of Expenditure- Rs 5.714 million**

According to Rule 57(2) of the Punjab District Authorities (Budget) Rules 2017, the DDO shall reconcile the expenditure with Accounts Officer by 10<sup>th</sup> of every following month for the previous month. According to Rule 55(d) of said Rules, head of offices and DDO shall be responsible to ensure that no expenditure shall be incurred without budgetary allocation.

During audit of RHC Domail, Attock, it was observed that expenditure amounting to Rs 5,713,885 was incurred during 2016-17 from Account-VI without allocation of budget and expenditure incurred was also not reconciled with District Accounts Office, Attock.

<b>Period</b>	<b>Cost Center</b>	<b>Description</b>	<b>Amount (Rs)</b>
2/2017 to 6/2017	AY 9013	Salary expenditure	5,138,871
5/2017 to 6/2017	AY 9013	Non-salary Expenditure	575,014
		<b>Total</b>	<b>5,713,885</b>

Audit was of the view that due to weak financial control the expenditure was incurred without budgetary allocation and expenditure was not also not reconciled.

This resulted in expenditure without budget and non-reconciliation of expenditure worth Rs 5.714 million.

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

Audit recommends for immediate reconciliation with DAO and fixing responsibility for incurring expenditure without budget.

(PDP # 2)

#### **1.4.2.8 Irregular Expenditure on accounts of POL-Rs 4.343 million**

According to Rule 4 (4) of the Rules for the Use of Staff Cars 1980 requires that a trained licensed driver shall be engaged for the staff car. Further, under serial No. 3 of Punjab Delegation of Financial Powers Rules, 2006 stipulates that sanctioned strength of vehicles as approved by the Finance Department should be maintained in the department and no purchase of new vehicle should be made unless the strength of vehicles in the Department has been sanctioned by the Finance Department or the purchase / replacement is required for keeping up the sanctioned strength. Further, according to Clause 48(1)(i) of Appendix 14-Miscellaneous Rulings relating to Contingent Charges of PFR Vol-II, the purchase and replacement of vehicles including commercial vehicles shall be made subject to the condition that the strength of vehicles in the Department shall be sanctioned by the Finance Department.

Chief Executive Officer District Health Authority Attock and DHQ Chakwal for the Period 01.01.2017 to 30.06.2017, has drawn and sanctioned the budget on accounts of POL for vehicles. Neither sanction strength of vehicles from Finance Department nor fitness certificates was available on record. Further log book pertains to THQ Hospital Hassanabdal was not shown to verify the POL expenditure which resulted in irregular expenditure on accounts of POL Rs 4.343 million.

<b>Sr.</b>	<b>Name of department</b>	<b>PDP No.</b>	<b>Description</b>	<b>Amount (Rs)</b>
1	Chief Executive Officer District Health Authority	3	Expenditure on purchase of POL	1,858,000
2	DHQ Attock	14	Expenditure on purchase of POL	876,896
3	THQ Hospital Hassan Abdal	5	Non provision of log book	1,608,220
			<b>Total</b>	<b>4,343,116</b>

It was also pointed out that no average consumption certificates were shown to Audit.

Audit is view that due to financial indiscipline and weak internal controls above shortcomings was not fulfilled against the consumption of POL.

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

Audit recommends for recovery of the expenditure besides fixing responsibility. (PDP # 3,14,5)

**1.4.2.9 Irregular payment on accounts of purchase of medicines without DTL Reports - Rs 1.275 million**

According to Health Department's policy letter No. SO (P-1) H/RC 2001-2002/01, dated 29th September, 2001, no drug/ medicine shall be accepted & used without the report of Drug Testing Lab (DTL). Moreover, payment on accounts of Drugs/Medicines shall be released to suppliers only on receipt of standard/positive DTL report. Further, according to Drug Act 1967, the payment to suppliers of medicines should be made after obtaining DTL reports.

SMO RHC Maghian Tehsil Pindi Gheb District Attock incurred Rs 1,275,000 on accounts of purchase of medicines during FY 2016-17 but DTL reports were not available in support of payments. Moreover, in some cases, invoices were accepted without mentioning batch number of medicines. In absence of batch number, DTL report of the medicine could not be considered authentic. This resulted in irregular payment of Rs 1,275,000.

Audit was of the view that due to internal control failures and laxity of the management, payment was drawn and medicines were accepted without DTL Reports.

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

Audit recommends regularization besides fixing responsibility of person(s) at fault. (PDP # 5)

### **1.4.3 Performance**

#### **1.4.3.1 Non-utilization of Funds – Rs 113.772 million**

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

Scrutiny of records revealed that various formations under CEO (Health) Attock did not utilize funds of Rs 113.772 million during 2016-17 which were provided under non salary and non-salary budget in District Attock. These funds were neither utilized nor surrendered well in time in violation of the criteria as detailed below:

<b>PDP No.</b>	<b>Name of Formation</b>	<b>Description</b>	<b>Budget (Rs)</b>	<b>Expenditure (Rs)</b>	<b>Savings (Rs)</b>
6	DO (Health) Attock	Salary & Non-salary	229,732,769	133,007,668	96,725,101
7	DHQ Hospital		126,808,622	118,581,790	8,222,832
1	RHC Chub		<b>17,157,000</b>	<b>8,725,232</b>	8,431,768
3	RHC bather		1,506,414	1,113,798	392,616
	<b>Total</b>		<b>375,204,805</b>	<b>261,428,488</b>	<b>113,772,317</b>

Audit was of the view that due to internal control failures and financial mismanagement, development funds of Rs 113.772 million were not utilized.

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

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

(PDP # 6,7,1,3)

#### **1.4.3.2 Expenditure Over and above Budgetary Allocation – Rs 2.131 million**

According to Rule 57(2) of Punjab District Authorities Budget Rules 2017, Drawing and Disbursing Officer shall not authorize any payment in excess of the funds placed at his disposal.

Scrutiny of records revealed that various formations under CEO (Health) Attock excess expenditures was made on accounts of budget

allocated under the head salary in District Attock. Following formations has expended in excess of expenditure amounting to Rs 2.131 million against zero budget or over and above the budget allotment during Financial Year 2016-17. The detail is as under.

<b>Sr. No.</b>	<b>PDP No.</b>	<b>Name of Formation</b>	<b>Description</b>	<b>Budget (Rs)</b>	<b>Expenditure (Rs)</b>	<b>Excess (Rs)</b>
1	13	DOH Attock	Salary	1,194,951	1,805,214	(610,263)
2	2	RHC Chub	Salary	425,000	1,946,677	(1,521,677)
<b>Total</b>				<b>1,619,951</b>	<b>3,751,891</b>	<b>(2,131,940)</b>

Audit was of the view that due to internal control failures and financial mismanagement, an expenditure of Rs 2.131 million made in excess of budget allocation.

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

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

(PDP # 13,2)

#### **1.4.4 Internal Control Weaknesses**

##### **1.4.4.1 Non-recovery of Performance Guarantee- Rs 6.102 million and Stamp Paper - Rs 0.290 million**

According to Para No.02 of Rate Contract Government of the Punjab Health Department Notification No.SO (P-1) 1-1/2015-16 dated 16.10.2015 that purchase orders against the rate finalized by the Health Department after receipt of performance security in the form of an irrecoverable Bank Guarantee equivalent to 5% of the total contract amount and stamp duty @ 25 paise per 100 Rupees of the local value.

Scrutiny of record Chief Executive Officer District Health Authority Attock, DHQ Hospital and THQ Fateh Jang for the Period 01.01.2017 to 30.06.2017, it was observed MS purchased the bulk medicines from various suppliers amounting to Rs 116.23 million as per rate contract were awarded by the Health Department Govt. of Punjab. Neither 5% performance guarantee was collected from suppliers nor stamp duty was collected as detailed below:

<b>PDP No.</b>	<b>Name of Department</b>	<b>Head of Account</b>	<b>Particulars</b>	<b>Amount (Rs)</b>	<b>5% Performance Security</b>	<b>Stamp duty @ 25 Paise per 100 Rupees</b>	<b>Total</b>
2	CEO DHA	A03927	Purchase of Medicine	41,049,853	2,052,493	102,625	2,155,118
10	DHQ Attock	A03927	Purchase of Medicine	64,194,166	3,209,708	160,485	3,370,193
6	THQ Fateh Jang	A03927	Purchase of Medicine	10,991,042	549,552	27,478	577,030
<b>Total</b>				<b>116,235,061</b>	<b>5,811,753</b>	<b>290,588</b>	<b>6,102,341</b>

Audit held that due to non-compliance of rules and dereliction on the part of the financial management, performance guarantee and stamp paper duty was not collected.

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

Audit recommends that regularization of expenditure besides fixing of responsibility against the persons at fault due to non-collection of performance guarantee.

(PDP # 2,10,6)

#### **1.4.4.2 Non-recovery of overpayments and charges – Rs 4.348 million**

According to Rule 2.31 (1) of the PFR Vol-I, a drawer of a bill of pay and allowances, contingent charges and other expenses the DDO will be held personally responsible for any over charges, fraud and misappropriation read with the Rule 7-A of Sub Treasury Rules, the Conveyance Allowance is not admissible during leave period and the Qualification Pay admissible to the teaching staff of the Education Department or to the department notified by the government. Moreover According to Government of the Punjab Finance Department No.FD (M-I) 1-15/82-P-I dated 22.01.2000.In case of designated residence, the officer / official for which residence is meant cannot draw House Rent Allowance and will have to pay 5 % of basic pay as standard rent even if he does not avail the facility and residence remains vacant during the period. According to (XIII)(i)(b) Contract Appointment Policy in 2004 issued by Government of the Punjab S&GAD circular vide No. DS(O&M)5-3/2004/Contract/MF dated 29th December, 2004, “Social Security Benefit @ 30% of minimum of basic pay is admissible only for the persons working on contract in lieu of pension”

Various offices of the District Government Attock under CEO (Health) made payments of Rs 4.348 million on accounts of Pay & Allowances during Financial Year 2016-17 to different incumbents at higher rates and beyond entitlement which resulted in overpayment.

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

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

Audit recommends that regularization of expenditure besides fixing of responsibility against the persons at fault due to non-collection of performance guarantee under intimation to Audit. (PDP # 8,4)

#### **1.4.4.3 Non-disbursement of Bank Drafts – Rs 3.176 million**

According to Rule 17.19 of PFR Vol-I, it is not permissible to draw advances from Treasury to prevent the lapse of appropriation. Further Rule 2.10 (b) (5) stipulates that no money is withdrawn from Government Treasury unless it is required for immediate disbursement.



Scrutiny of record DHQ Hospital for the Period 01.01.2017 to 30.06.2017, it was observed that MS DHQ drew Rs 3.173 million from government treasury during June, 2017 and converted into Bank Drafts but the same was not disbursed in violation of rule as detailed below:

<b>Draft No.</b>	<b>Vendor</b>	<b>Amount</b>
C 0515652/30.6.17	Orient Medical Lahore	1,482,478
C 0515693/23.6.17	Macter International ltd Karachi	228,174
C 0515589/23.6.17	Saffron Pharmacy Pvt. Ltd Faisalabad	7,070
C 0515590/23.6.17	Platinum Pharmacy Karachi	653,471
C 0515596/23.6.17	Amson Vaccines & Pharma. Pvt Ltd Islamabad	805,111
<b>Total</b>		<b>3,176,304</b>

Audit is view that week supervisory and financial controls resulted in non-disbursement of Rs 3.176 million.

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

Audit recommends for regularization of the matter. (PDP # 6)

#### **1.4.4.4 Inadmissible Drawl of Incentive Allowance - Rs 1.824 million**

According to Notification No.PA/DS (G)4-8/2016 dated August 3, 2016 required that the specialist should visit the hospital in the evening and stay for one hour for round in the wards after check in on the biometric system otherwise 40% of the incentive allowance should be deducted.

During audit of M/S THQ Hospital Hassan Abdal Distt Attock, It was observed that specialists have been drawing the full amount of incentive allowance during 2016-17 without visiting the health centre. This resulted in loss to the govt. Audit would require that incentive allowance upto 40% Rs 1,814,000 be deducted from such payments of allowances.

<b>Sr.</b>	<b>Employee Name</b>	<b>Designation</b>	<b>Rate</b>	<b>Amount</b>	<b>Deduction</b>
1	Dr. Shaista Ismat	Pediatrician	60,000	720,000	288,000
2	Dr. Rukhsan Shaheen Afzal	Gynecologist	60,000	720,000	288,000
3	Dr. Bushra Batool	Consultant physician	60,000	720,000	288,000
4	Dr. Latif ur Rehman	Radiologist	60,000	720,000	288,000
5	Dr. Javeria Tazeen Qureshi	Anesthetist	80000	960,000	384,000
6	Dr. Hina Sher Zaheer	Eye spl	60,000	720,000	288,000
				<b>Total</b>	<b>1,824,000</b>

The overpayment was made due financial mismanagement and weak financial controls.

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

Audit recommends that recovery be effected from concerned fixing responsibility against the person(s) at fault. (PDP # 12)

**1.4.4.5 Non-recovery of Liquidated Damages due to Delay in Supply of Medicines - 1.735 million**

As per contract agreement of Schedule requirement Sixty (60) days as Delivery Period Fifteen (15) days as Grace period from the date of issuance of Purchase Order or earlier Extension in Delivery Period with penalty @0.067% per day after 60 (Sixty) Days (as Delivery Period) shall be decided by the consignee / Procuring Agency on the formal request of supplier as specified in clause 20 of General Conditions of the Contract.

Various formations under Chief Executive Officer District Health Authority Attock for the Period 01.01.2017 to 30.06.2017, has awarded to contract for provision of to various contractors. The supply of medicines could not be completed within stipulated time. The contractors did not apply for any extension in time limit. Neither any case of time extension in time limit was processed nor was penalty imposed on the contractors on accounts of delay. Further DOH Attock did not deposited the purchase fee for the month of May and June, 2017. This resulted into non recovery of Rs 1.735 million.

Audit held that due to non-compliance of rules and mismanagement, the penalty was not imposed on the defaulting contractors.

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

Audit recommends that imposition of Penalty of 1.735 million besides fixing of responsibility against the persons at fault.

(PDP # 5,13,2,8)

## **CHAPTER 2**

### **District Health Authority, Bhakkar**

#### **2.1 Introduction of the Authority**

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

Prior to promulgation of the Act, District Health Department was headed by the Executive District Officer (Health) who is Departmental Accounting Officer of group of offices of District Health Department and District Coordination Officer was the Principal Accounting Officer under PLGO, 2001.

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

- establish, manage and supervise primary and secondary health care facilities and institutions;
- approve the budget of the Authority and allocate funds to health institutions;
- coordinate health related emergency response during any natural calamity or emergency;
- develop referral and technical support linkages between primary and secondary levels of health care on the one hand and tertiary level health facilities and medical education institutions on the other;
- ensure human resource management and capacity development of health service delivery personnel under the policy framework given by the Government;
- ensure timely reporting of progress on health indicators relating to disease surveillance, epidemic control, disaster management to the Government; and
- ensure implementation of minimum standards of service delivery, infrastructure, patient safety, hygiene and public health as prescribed by the Punjab Health Care Commission.

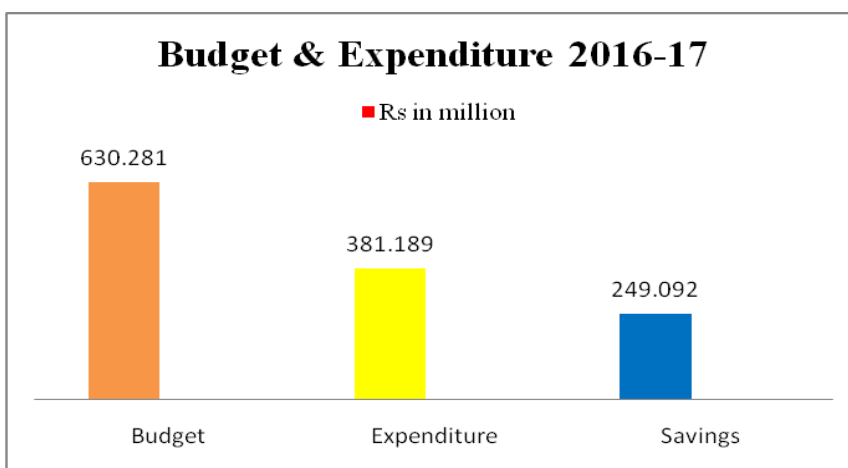
DHA Bhakkar manages following primary and secondary health care facilities and institutues:

Description	No. of health facility/ institute
Basic Health Units	40
Government Rural Dispensary	09
Rural Health Centre	03
Tehsil Head Quarter Hospitals	03
District Head Quarter Hospitals	01
District Health Development Centre	01
District Health Officers	03
Any other institute/ health facility	16

## 2.2 Comments on Budget and Accounts

Total budget of District Health Authority for the Financial Year 2016-17 was Rs 630.281 million, against which only Rs 381.189 million was spent. Overall savings of Rs 249.092 million during the Financial Years 2016-17 which was 40% of budgetary allocation, showing non-utilization of funds meant for provisions of amenities in District Health Authority thus depriving the community from getting better facilities.

(Rs in million)				
Financial Year	Budget	Expenditure	Savings	% Savings
2016-17	630.281	381.189	249.092	40



## 2.3 Brief Comments on the Status of Compliance with PAC Directives

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

## **2.4 AUDIT PARAS**

## **2.4.1 Non-production of Record**

### **2.4.1.1 Non-production of Record - Rs 172.809 million**

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

MS DHQ Hospital Bhakkar made payment of Rs 172.809 million under the object head A05270-Others (Cost Center BK-5270) to the different suppliers/ vendors, during the Financial Year 2016-17 but the record was not produced to audit for verification.

Audit held that due to financial indiscipline and weak internal controls, relevant record was not produced to audit by the auditee in violation of provisions of Ordinance.

In the absence of record, authenticity, validity, accuracy and genuineness of expenditure could not be verified.

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

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

## **2.4.2 Irregularities & Non-compliance**

### **2.4.2.1 Irregular Expenditure - Rs 27.28 million**

According to Rule 12(1) of Punjab Procurement Rules 2009, procurements over one hundred thousand rupees and up to the limit of two million rupees shall be advertised on the PPRA's website in the manner and format specified by PPRA regulation from time to time.

MS DHQ Hospital Bhakkar, made an irregular payment of Rs 27.28 million for the purchase of different items for hospital from the suppliers during the Financial Year 2016-17. The formations neither advertise the procurement on web site nor in any national daily news paper.

Sr. No.	Name of formation	Account/Items	PDP No.	Amount
1	MS DHQ Hospital, District Bhakkar	AC	9	5.92
2	MS DHQ Hospital, District Bhakkar	Bed sheets	10	1.52
3	MS DHQ Hospital, District Bhakkar	Stabilizer	11	1.19
4	MS DHQ Hospital, District Bhakkar	Blood bags	12	1
5	MS DHQ Hospital, District Bhakkar	oxygen cylinder, circuit bakers, bet sheets uniforms	13	5.07
6	MS DHQ Hospital, District Bhakkar	synthetic paints, LED lights, water dispenser , poles	14	6.84
7	MS DHQ Hospital, District Bhakkar	ACs, CCTV Cameras, Fans	30	2.88
8	MS DHQ Hospital, District Bhakkar	racks, benches, walk through	32	2.86
<b>TOTAL</b>				<b>27.28</b>

Further, given below short coming were also noticed.

- i. No PC-I was got approved.
- ii. Technical specification of AC was not pre defined as per the need of the hospital
- iii. Earnest money @2% and the performance security @5% was not obtained.
- iv. After sales service/ warranty was not ensured.

Audit held that due to financial indiscipline and weak internal controls, the procurement was made in violation of Punjab Procurement Rules.

This resulted in an irregular expenditure of Rs 27.28 million.

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

Audit recommends action against the responsible and condemnation of irregularity from the PPRA authority.

#### **2.4.2.2 Irregular Expenditure - Rs 26.409 Million**

According to Rule 9 read with Rule 12 (1) of Punjab Procurement Rules 2014, procurements over one hundred thousand rupees and up to the limit of two million rupees shall be advertised on the PPRA's website in the manner and format specified by regulation by the PPRA's from time to time. Further, a procuring agency shall announce in an appropriate manner all proposed procurements for each Financial Year and shall proceed accordingly without any splitting or regrouping of the procurement so planned.

Various formation of District Health Authority of District Bhakkar purchased different items i.e, refrigerator, furniture, electric water cooler and dispensers, and laboratory items, computers, AC type heater, , ultrasonic neubilizers, stabilizers Rs 26.409 million (Annexure-C) by calling quotation and splitting expenditure in order to avoid its advertisement on PPRA web site in violation of the above rule.

Audit held that due to financial indiscipline and weak internal controls the procurement was made in violation of Punjab Procurement Rules.

This resulted in an irregular expenditure of Rs 26.409 million.

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

Audit recommends action against the responsible and condemnation of irregularity from the PPRA authority.

#### **2.4.2.3 Unauthorized payment of medicines without obtaining DTL Reports - Rs 8.17 million**

According to Health Department's policy letter No. SO (P-I) H/RC 2001-2002/01, dated 29<sup>th</sup> September, 2001, no drug / medicine shall be accepted & used without the report of Drug Testing Lab (DTL). Moreover, payment on accounts of Drugs / Medicines shall be released to the suppliers only on receipt of standard / positive DTL report.

Drawing and Disbursing Officer of the following formations purchased medicines of Rs 8.17 million from different suppliers during the Financial Year 2016-17. The formations made payment without obtaining DTL reports.



Sr.	Name of Supplier	Name of Medicine	Batch No.	Qty	Rate	Amount (Rs)
1	HakimSons (Impex) Pvt. Ltd	Rhophylac 300 mcg	4369600008	50	4487	224,350
2		Rhophylac 300 mcg	4369600011	450	4487	2,019,150
3	Pfizer Pak Ltd	Feldene Caps 20 mg	1707003	2250	324	729,000
4	S. Ejazuddin & Co.	Micro Burette 100 ML	161017511,161003512, 160929511,160928511, 160926511,160928513	32800	159	5,198,800
<b>Total</b>						<b>8,171,300</b>

Audit held that due to weak internal controls the expenditure was incurred without fulfilling laid down instructions.

This resulted in an irregular expenditure of Rs 8.17 million.

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

Audit recommends regularization of the matter. (PDP-05)

#### **2.4.2.4 Loss due to non-forfeiture of performance Guarantee from default contractors – Rs 4.082 million**

According to terms and conditions of bidding document for central zone made by Secretary Health Punjab, Lahore condition # 10 (iii), if the Supplier fails to supply the whole consignment and not able to deliver to consignee's end, the entire amount of Performance Guaranty/Security shall be forfeited to the Government account and the firm shall be blacklisted minimum for two years for future

Drawing and Disbursing Officer of the following formations issued supply order to various contractors for supply of medicines but suppliers failed to make supply within stipulated time period. Neither the security was forfeited nor the firms were blacklisted by the departments.

Sr. No.	Name of formation	PDP No.	Amount
1	MS DHQ Hospital, District Bhakkar	6	3.158
2	THQ Hospital, Darya Khan	37	0.529
3	THQ Hospital, Kallure kot	52	0.395
<b>TOTAL</b>			<b>4.082</b>

Audit held that due to weak internal controls neither efforts were made to forfeit the security nor to blacklist the firms.

This resulted in loss to government due to non forfeiture of performance guarantee of Rs 4.082 million.

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

Audit recommends recovery besides fixing responsibility against the persons at fault. (PDP No.6,37,52)

#### **2.4.2.5 Non-deposit of bid security - Rs 1.632 million**

As per clause 27 of Punjab Public Procurement Rules 2014, the procuring agency may require the bidders to furnish a bid security not exceeding 5% of the estimated price

DDOs of the following formations purchased medicines from the different venders but did not obtain earnest money of RS 1.632 million from the firms in violation of rule ibid.

Sr. No.	Name of formation	PDP No.	Amount
1	MS DHQ Hospital, District Bhakkar	6	1.263
2	THQ Hospital, Darya Khan	37	0.211
3	THQ Hospital, Kallure kot	52	0.158
<b>TOTAL</b>			<b>1.632</b>

Audit held that due to weak internal controls and financial discipline the earnest money was not obtained.

This resulted in non obtaining of earnest money of Rs 1.632 million.

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

Audit recommends fixing responsibility against the person at fault.

#### **2.4.2.6 Irregular expenditure without TS – Rs 3.582 million**

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

DDOs of the following formations of the District Health Authority Bhakkar got executed civil works from the contractor/ concerned supplier without formal approval of as administrative approval and technical sanction, estimate and made payment accordingly. Further, the item of work executed was not recorded in the measurement book.

Sr. No.	Name of formation	PDP No.	Amount
1	THQ Hospital, Darya Khan	36	0.449
2	THQ Hospital, Darya Khan	40	0.833

Sr. No.	Name of formation	PDP No.	Amount
3	THQ Hospital, Kallure kot	54	1.10
4	THQ Hospital Mankera	74	1.200
<b>TOTAL</b>			<b>3.582</b>

Audit held that due to weak internal controls expenditure was incurred without essential codal formalities.

This resulted in an irregular expenditure of 3.582 million

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

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

#### **2.4.2.7 Irregular procurement of walk through gates – Rs 0.657 million**

According to Rule 12(1) and 9 of Punjab Procurement Rules 2014, a procuring agency shall advertise procurement of more than one hundred thousand rupees and up to the limit of two million rupees on the website of the Authority in the manner and format specified by regulations but if deemed in public interest, the procuring agency may also advertise the procurement in at least one national daily newspaper.

CEO health purchased walk through gates for RHCs of Rs 656,856 from MS Imran Traders Bhakkar during Financial Year 2016-17, the formation neither advertised the procurement on PPRA web site nor in any national news papers. No specifications was defined, furthermore, no technical committee was constituted to verify the quality of walk through gates.

Audit held that due to weak internal controls and financial discipline the procurement could not made at economical competitive rates.

This resulted in loss to government of Rs 656,856.

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

Audit recommends that expenditure may be got regularized besides fixing of responsibility against the person(s) at fault.

(PDP No.83)

## **2.4.3 Internal Control Weaknesses**

### **2.4.3.1 Loss due to non-deduction of Income Tax – Rs 1.039 million**

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

- a) For the sale of goods shall deduct tax @ 4.5% of the gross amount payable, if the person is a filer and 6.5% if the person is a non-filer.
- b) For the rendering of or providing of services shall deduct tax @ 10% of the gross amount payable, if the person is a filer and 15% if the person is a non-filer;

Following formations of District Health Authority Bhakkar, made payments to suppliers for the procurement of different items but Income Tax valuing Rs 1.039 million was not deducted from the gross amount.

(Rs in million)

<b>Sr. No.</b>	<b>Name of formation</b>	<b>PDP No.</b>	<b>I.T</b>
1	DHQ Hospital Bhakkar	1	0.040
2	DHQ Hospital BhakkarBhakkar	4	0.700
3	THQ Hospital, Darya Khan	38	0.084
4	THQ Hospital, KallurKot	60	0.039
5	District Officer Health Bhakkar	65	0.098
	SMO RHC Jandanwala	87	0.078
<b>TOTAL</b>			<b>1.039</b>

Audit held that due to weak financial discipline income tax and GST was not deducted.

This resulted in loss of Rs 1.039 million to public exchequer.

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

Audit recommends recovery of the stated amount besides fixing of responsibility against the person at fault.

(PDP No. 1,4,38,60,65,87)

### **2.4.3.2 Non-crediting of public receipts in local government fund and misuse thereof –Rs 4.59 Million**

According to Rule 76 (1) of the PDG and TMA (Budget) Rules 2003, the primary obligation of the Collecting Officers shall be to ensure

that all revenue due is claimed, realized and credited immediately into the local government fund under the proper receipt head.

MS DHQ Hospital Bhakkar collected the receipt of the hospital during the Financial Year 2016-17. The amount was neither entered in the cash book nor credited into Govt. treasury. (Annexure-D)

Audit held that due to weak internal controls the receipt was not deposit into the government treasury.

This resulted in misuse of public money of Rs 5.59 million.

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

Audit recommends credit the receipts into the proper receipt head besides fixing of responsibility against the person at fault.

#### **2.4.3.3 Loss due to purchases at exorbitant rates - Rs 4.003 million**

According to the Rule 2.33 of PFR Vol-I, every Government servant should realise fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part, and that he will also be held personally responsible for any loss, arising from fraud or negligence.

MS DHQ Hospital Bhakkar, procured certain items from different suppliers on quotations basis. Comparison of rates charged and prevailing rates in market showed that the rates paid were exorbitantly higher than the market rates.

<b>Sr. No.</b>	<b>Name of formation</b>	<b>PDP No.</b>	<b>Amount</b>
1	MS DHQ Hospital, District Bhakkar	27	3.025
2	MS DHQ Hospital, District Bhakkar	29	0.978
<b>TOTAL</b>			<b>4.003</b>

Audit held that due to financial indiscipline and administrative controls the purchases were made at the exorbitant rates.

This resulted in loss of Rs 4.003 million to the government exchequer.

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

Audit recommends probe into the matter and fixing responsibility and recovery of loss from the defaulters.

#### **2.4.3.4 Irregular purchase of store items Rs 9.616 million and recovery of contractors profit - Rs 1.923 million**

According to Letter No RO (Tech)FD-18-29/2004 Government of Punjab Finance Department dated 03-03-2005, Plant & machinery and other store items like generators, lifts, AC, electric motors and street lights, etc., were required to be purchased as final product instead of through the contractors because of avoiding 20% profit & overhead charges of contractors.

MS DHQ Hospital purchased AC, Ceiling fans, LED lights and generator from the contractor valuing Rs 9.616 million by allowing 20% contractor's profit valuing Rs 1.923 million instead of purchasing as final product in violation of rule mention above.

Audit held that due to financial indiscipline the formation had to pay 20% contractor profit.

This resulted in overpayment of contractor profit of Rs 1.923 million.

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

Audit recommends recovery of overpaid stated amount besides fixing of responsibility against the person at fault.

#### **2.4.3.5 Less recovery of House Rent Allowance - Rs 1.133**

According to instructions contained in Finance Department, Government of the Punjab (Monitoring Wing) Lahore's letter No.FD(M-I)1-15/82-P-I dated 15<sup>th</sup> January, 2000, the Government servant who is allotted a government residence is not allowed to draw House Rent Allowance and will have to pay House rent charges @ 5% of the basic pay

The following formations were allotted government accommodation to some of its employees, but house rent allowance and 5% maintenance charges were not deducted from their pay.

Sr.	Name of formation	Account/ Items	Rs in million
1	THQ Hospital Kallure kot	HRA and 5% maintenance charges	0.918
2	THQ hospital Darya Khan	HRA and 5% maintenance charges, CA	0.215
	<b>Total</b>		<b>1.133</b>

Audit held that due to financial indiscipline and administrative controls the HRA and 5% maintenance charges were not deducted.

This resulted in loss to government of Rs 1.133 million

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

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

(PDP 50, 45)

#### **2.4.3.6 Inadmissible payment of allowances during leave – Rs 0.246 million**

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

DDOs of following formations of District Health Authority Bhakkar, made unauthorized payment of Rs 0.246 million on accounts of different allowance during the leave period in violation of the rule ibid.

(Rs in million)

Sr. No.	Name of formation	Account/ Items	Amount
1	MS THQ Hospital Mankera	CA, HSRA	0.083
2	MS THQ hospital Darya Khan	CA	0.163
			0.246

Audit held that due to financial indiscipline allowances were not deducted from the pay of concerned.

This resulted in an unauthorized drawl of allowances Rs 0.246 million

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

Audit recommends recovery of the stated amount besides fixing of responsibility against the person at fault.

(PDP 68,46)

#### **2.4.3.7 Loss to government due to less recovery of house rent - Rs224,880**

In terms of the Government of the Punjab, Finance Department Letter No. FD/SR-I-3-4/85 dated 12-7-1989 the officials provided Government residences above their entitlement are required to pay house

rent @ 10% of the maximum of the scale for which the residence occupied was actually meant. Further according to para 7 of Finance Department Letter No.FD(M-I)1-15/82-P-I dated 15-1-2000, in case a government servant is allotted residence above entitlement, he will not allowed to draw HRA and will pay 10% of the maximum of scale for which the residence is meant.

Following officials of the THQ Hospital Darya Khan were residing above entitlement and the deduction were not being made in the light of the above rule. Detail is given below.

Name of Official	Residence Allowed	Residing over entitlement	Maximum BPS-16	10% of Maximum Basic Pay	Period/ Month	Less Deducted (Rs)
M. Arshad (Driver)	BPS-04	BPS-16	54280	5480	5480x12	65,760
Majid Javeed (Radiographer)	BPS-09	BPS-16	54280	5480	5480x12	65,760
M. Saeed (Dispenser)	BPS-09	BPS-16	54280	5480	5480x12	65,760
Hasnain Shah (Cook)	BPS-02	BPS-09	23000	2300	2300x12	27,600
<b>Total</b>						<b>224,880</b>

Audit held that due to financial indiscipline and administrative controls the HRA was less deducted from the concerned.

This resulted in loss to government of Rs 224,880

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

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

#### **2.4.3.8 Irregular purchase of filter from the supplier other than approved company - Rs 2.213 million**

According to rate contract concluded by Health Department vide Notification No. No.P&SHD-TCO(III) E 4-54/2016 Dt 30-12-2016, the department was required to procure the F-6 HPS filter from the pre qualified/approved pharmaceutical company i.e BSN medical Pvt LTD , at the rate approved by the Government.

MS DHQ Hospital Bhakkar procured 2330 numbers F-6 HPS filter @ Rs 950 per filter from M/s Zuraiz Surgical & Medicine whereas the Secretary Health, Govt. of the Punjab Lahore approved the contractor Feresenius Medical Care for purchase of the said item at the rate of Rs 864.



Audit held that due to financial indiscipline and administrative controls the formation made excess payment to the contractor.

This resulted in an irregular expenditure of Rs 2.213 million.

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

Audit recommends regularization of the expenditure beside recovery of the stated amount.

#### **2.4.3.9 Overpayment due to drawl of inadmissible allowances - Rs 152,748**

According to Government of the Punjab, Finance Department's letter No FD(M-1)1-15/82-P-I, dated 15.01.2000, in case a designated residence is available, the government servant for whom it is meant cannot draw House Rent Allowance, Conveyance allowance even if he does not reside in it.

MS DHQ Hospital Bhakkar, drew house rent allowance and conveyance allowance despite designated residence for MS was available. The drawl of the both allowances are not admissible in the light of of rule ibid. the rule ibid. Detail is as below.

<b>B Pay</b>	<b>From</b>	<b>CA</b>	<b>HR A</b>	<b>HR Charges 5%</b>	<b>Sub total</b>	<b>Month</b>	<b>Recovery</b>
77490	01/017 to 12/017	5000	3873	3875	12748	18	152,748

Audit held that due to defective financial control the MS drew inadmissible allowances

This resulted in drawl of inadmissible allowances of Rs 152,748

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

Audit recommends recovery of the stated amount besides fixing of responsibility against the person at fault.

#### **2.4.3.10 Less deduction of income tax- Rs 59,672**

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

- a. for the sale of goods shall deduct tax @ 4.5% of the gross amount payable, if the person is a filer and 6.5% if the person is a non-filer.
- b. for the rendering of or providing of services shall deduct tax @ 10% of the gross amount payable, if the person is a filer and 15% if the person is a non-filer;

MS THQ Hospital Mankera, deducted less income tax @ 4.5 % Rs 59,672 instead of @ 6.5% from the gross amount of payable to the non filer.

Audit held that due to financial indiscipline and administrative controls the income tax was less deducted.

This resulted in loss to government of Rs 59,672

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

Audit recommends recovery of the stated amount besides fixing of responsibility against the person(s) at fault. (PDP No.78)

#### **2.4.3.11 Non deduction of PST @ 16% on services - Rs94,149**

As per section 3(1) of Punjab sales tax on services Act 2012, PST @16% is required to be deducted from the services provided if services listed in the second schedules of PSt on services Act 2012.

During the scrutiny of record of the following formations of District Health Authority Bhakkar, for the Financial Year 2016-17, it was observed that payment of Rs 0.296 million was made on accounts of labour provided by the contractor but Punjab sales tax @ 16% was not deducted in violation of the above instructions.

Sr. No.	Name of formation	PDP No.	Amount
1	MS DHQ Hospital, District Bhakkar	7	0.094
2	THQ Hospital, Darya Khan	39	0.044
3	THQ Hospital, KallurKot	48	0.050
4	District Officer Health	66	0.108
<b>TOTAL</b>			<b>0.296</b>

Audit held that due to financial indiscipline PST @16% was not deducted.

This resulted in loss of Rs 0.296 million to public exchequer.

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

Audit recommends recovery of the stated amount besides fixing of responsibility against the person at fault.

(PDP No. 7, 39, 48, 66)

#### **2.4.3.12 Loss due to non-imposition of penalty – Rs 67,305**

According to Government of Punjab Health Department Notification No.S.O (P-I) H/3-64/2008 dated 18.10.2008, the shelf life in case of imported items must not be less than 80% and in case of local items 90% at the time of delivery. However, in case of imported medicines, the stores may be accepted up to 70 % shelf life and in case of locally manufactured / packed drugs up to 80 % at the time of supply / delivery subject to 1 % penalty charges for the actual short fall.

MS DHQ Hospital, District Bhakkar, purchases medicines from Hakim Sons (Impex) valuing Rs 67,305 at the shelf life below 90 % and penalty @ 1 % against the short fall was not deducted. This resulted in loss of Rs 67,305 due to non-deduction of penalty to the Government.

Qty	Rate	Bill Amount	MGF Date	Expiry Date	Shelf life	Penalty %	Penalty (Rs)
500	4487	2243500	28-05-16	30-04-19	77%	3%	67,305

Audit held that due to weak financial discipline the penalty was not imposed.

This resulted in loss of Rs 67,305 to the public exchequer.

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

Audit recommends imposition and recovery of the penalty besides fixing of responsibility against the person at fault.

(PDP-02)

#### **2.4.3.13 Non-deduction of Liquidated Damages due to late Supply of Medicine-Rs 50,703**

According to term and condition of supply order, sixty(60) days as delivery period + Fifteen (15) days as grace period from the date of

issuance of purchase order or earlier Extension in Delivery period with penalty @0.067 per day after 60 (sixty) days (as Delivery period) shall be decided by consignee/procuring agency on the formal request of supplier as specified in clause 20 of General Conditions of the contract.

MS DHQ Hospital Bhakkar, accepted late supply of medicines from the supplier. The Liquidated damages amounting to Rs 50,703 were neither imposed nor deducted from the gross payment in violation of the above instructions.

<b>Sr.</b>	<b>Qty</b>	<b>Rate</b>	<b>Amount (Rs)</b>	<b>Days allowed</b>	<b>Late Days</b>	<b>Penalty (Rs)</b>
1	50	4487	224350	60	113	5,070
2	450	4487	2019150	60	113	45,633
			<b>Total</b>			<b>50,703</b>

Audit held that due to weak financial discipline the liquidated damages charges were not imposed.

This resulted in non deduction of liquidated damages Rs 50,703.

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

Audit recommends recovery of the liquidated damages besides fixing of responsibility against the person at fault.

(PDP-03)

## CHAPTER 3

### District Health Authority, Chakwal

#### 3.1 Introduction of the Authority

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

Prior to promulgation of the Act, District Health Department was headed by the Executive District Officer (Health) who is Departmental Accounting Officer of group of offices of District Health Department and District Coordination Officer was the Principal Accounting Officer under PLGO, 2001.

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

- establish, manage and supervise primary and secondary health care facilities and institutions;
- approve the budget of the Authority and allocate funds to health institutions;
- coordinate health related emergency response during any natural calamity or emergency;
- develop referral and technical support linkages between primary and secondary levels of health care on the one hand and tertiary level health facilities and medical education institutions on the other;
- ensure human resource management and capacity development of health service delivery personnel under the policy framework given by the Government;
- ensure timely reporting of progress on health indicators relating to disease surveillance, epidemic control, disaster management to the Government; and
- ensure implementation of minimum standards of service delivery, infrastructure, patient safety, hygiene and public health as prescribed by the Punjab Health Care Commission.

DHA Chakwal manages following primary and secondary health care facilities and institutes:

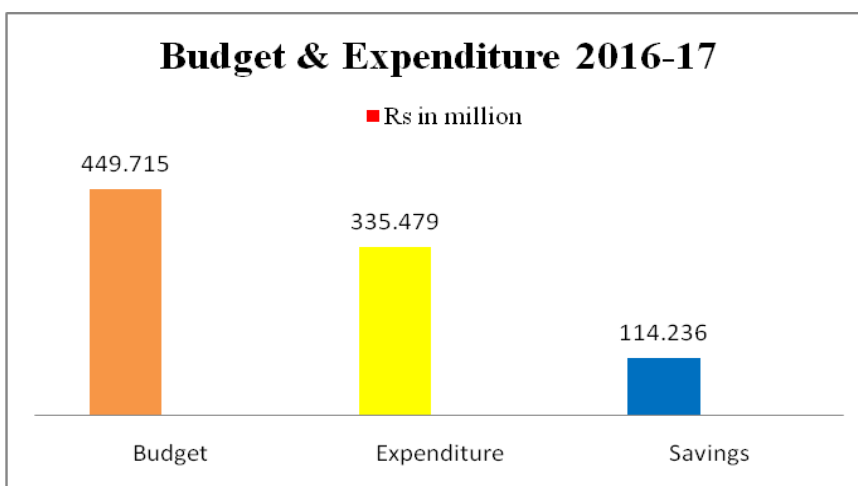
Description	No. of health facility/ institute
Basic Health Units	54
Government Rural Dispensary	8

Rural Health Centre	10
Tehsil Head Quarter Hospitals	3
District Head Quarter Hospitals	1
District Health Development Centre	1
District Health Officers	1
Chief Executive Officer	1

### 3.2 Comments on Budget and Accounts

Total budget of District Health Authority Chakwal for the Financial Year 2016-17 was Rs 449.715 million, against which only Rs 335.479 million was spent. Overall savings of Rs 114.236 million during the Financial Years 2016-17 which was 25.42% of budgetary allocation, showing non-utilization of funds meant for provisions of amenities in District Health Authority thus depriving the community from getting better facilities.

(Rs in million)				
Financial Year	Budget	Expenditure	Savings	% Savings
2016-17	449.715	335.479	114.236	25.420



### 3.3 Brief Comments on the Status of Compliance with PAC Directives

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

## **3.4 AUDIT PARAS**

### **3.4.1 Non-production of Record**

#### **3.4.1.1 Non-production of Record – Rs 14.397 million**

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

Various formations of District Health Authority Chakwal did not produce auditable record amounting to Rs 14.397 million In the absence of record, authenticity, validity, accuracy and genuineness of expenditure could not be verified as detailed below:

<b>Sr No.</b>	<b>Name of Formation</b>	<b>PDP No.</b>	<b>Detail of Record</b>	<b>Amount (Rs)</b>
1	SMO RHC Balkasar	14	Fin. Assis. to the families of G. Serv. who expired during service - Pay roll/payslips record	400,000 9,357,131
2	SMO RHC Tamman	30	Fin. Assis. to the families of G. Serv. who expired during service	400,000
3	Trauma Centre Kallar Kahar	47	Tendering documents relating to purchase of medicine	4,239,952
4	RHC Dhudial	95	Payroll record	0-
<b>Total</b>				<b>14,397,083</b>

Audit held that due to financial indiscipline and weak internal controls, relevant record was not produced to audit by the auditee in violation of provisions of Ordinance.

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

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

(PDP No. 14,30,47,95)



### **3.4.2 Irregularity & Non-Compliance**

#### **3.4.2.1 Expenditure without approved budget allocation - Rs 239.183 million**

According to Rule 17.15 of PFR Vol-I no govt. servant without previously obtaining and extra appropriation, incur expenditure in excess of amount provided for expenditure under the head concerned.

Following offices working under District Health Authority, Chakwal has incurred expenditure amounting to Rs. 239,183,957 without obtaining approval of budget estimates from competent authority during the period from 01.01.2017 to 30.06.2017. Detail is as under:

<b>Name of office</b>	<b>PDP No.</b>	<b>Salary</b>	<b>Non-Salary</b>	<b>Total (Rs)</b>
DHO Chakwal	1	42,570,666	3,063,903	42,570,666
DHO Chakwal	1	3,656,746		3,656,746
DHO Chakwal	1	402,166		402,166
DHO Chakwal	1	17,765,677		20,829,580
SMO RHC Dhudiai	6	6,697,406	-	6,697,406
MS THQ Chakwal	6	152,076,269	-	152,076,269
MS DHQ Chakwal	24		12,951,124	12,951,124
<b>Total</b>				<b>239,183,957</b>

Audit was of the view that expenditure without obtaining allocation of budget is serious violation of financial rules and has resulted in un authorized expenditure.

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

Audit recommends that action be taken against the persons after fixing responsibility against the persons at fault besides regularization.

(PDP No. 1,6,24)

#### **3.4.2.2 Unauthorized transfer of funds to PRSP-Rs 80.977 million**

As per agreement Clause D(3), the PRSP shall render Accounts of Management Operation to the District Government Chakwal within a period of 3 months after the conclusion of each Financial Year. Further, as per clause D(4) of the agreement, the accounts of the management operations shall be audited by the third party and a copy thereof shall be provided by the PRSP to the District Government Chakwal, as agreed upon by District Government Chakwal and PRSP. Further, according to

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

CEO District Health Authority Chakwal revealed that a sum of Rs 80,976,770 had been transferred to District Support Manager PRSP Chakwal as detailed below:

Received in	Nature of Expenditure	Amount (Rs)	Transferred through
Received in SDA District Health Authority, Chakwal	Salary	39,509,501	SDA Cheque No.728815 dated 08.05.2017
	Medicines	288,884	
	Non-salary	690,000	
	<b>Total</b>	<b>40,488,385</b>	
Received in Account VI District Health Authority, Chakwal	Salary	39,509,501	Through Simple receipt form A/C-VI dated 31.05.2017
	Medicines	288,884	
	Non-salary	690,000	
	<b>Total</b>	<b>40,488,385</b>	
<b>Grand Total</b>		<b>80,976,770</b>	

It was noticed that BHUs of District Chakwal was handed over to PRSP against an agreement between District Support Manager PRSP Chakwal and District Government Chakwal DGCL since 2004. Setup / System of District Governments Chakwal had been closed on 31<sup>st</sup> December 2016. Agreement between DGCL and PRSP had also been suspended. After formation of District Health Authority, Chakwal a new agreement with PRSP was required to be sign. Without signing new agreement CEO DHA Chakwal was not authorized to transfer the funds to PRSP. Further, PRSP authorities were required to submit the financial accounts of Management operations for the Financial Year 2016-17 to District Health Authority Chakwal, but it was noticed that Audited Accounts were neither submitted to the District Health Authority, Chakwal nor produced to Audit.

In the absence of record, authenticity, validity and accuracy of the expenditure incurred, could not be verified.

Audit was of the view that due to internal control failures and financial mismanagement, PRSP authorities did not submit the financial accounts of management operations to District Health Authority Chakwal.

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

Audit recommends fixing responsibility against the person(s) at fault, for non-submission of annual accounts. (PDP # 1)

### **3.4.2.3 Irregular Payment - Rs 22.260 million**

According to conditions of contract/ purchase order at serial No. V (a)(i) 100% payment to the suppliers will be made by the concerned purchaser/DDO of the concerned District against satisfactory performance and upon submission of required documents (standard quality test/ analysis report from testing laboratory and satisfactory inspection report from inspection committee) and in accordance with procedures mentioned in Rule 64 and other relevant rules of Punjab Procurement Rules 2014.

During scrutiny of accounts of THQ Hospital Talagang, it was noticed that following expenditures were made during FY 2016-17 by DDO concerned but medicines and others items were received in store without inspection by notified inspection committee.

<b>Name of office</b>	<b>PDP No.</b>	<b>Description</b>	<b>Expenditure (Rs)</b>
City Hospital, Talagang	1	Purchase of Medicine	13,049,000
THQ Hospital, Talagang	1	Purchase of Medicine	9,211,395
			<b>22,260,395</b>

Audit was of the view that due to weak financial and internal controls the medicines were received and payment was made without obtaining satisfactory inspection report from notified committee.

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

Audit recommends fixing responsibility against the person(s) at fault besides regularization of expenditure. (PDP No.1)

### **3.4.2.4 Irregular Purchase of Medicines on rate contract of executed by the Secretary – Rs 22.034 million**

According to Rule 8 of Punjab Procurement Rules 2014, a procuring agency shall, within one month from the commencement of a Financial Year, devise annual planning for all proposed procurements with the object of realistically determining the requirements of the procuring agency, within its available resources, delivery time or completion date and benefits that are likely to accrue to the procuring agency in future.

Further according to Rule 9 read with Rule 12(1) of Punjab Procurement Rules 2014, procurements over one hundred thousand rupees and up to the limit of two million rupees shall be advertised on the PPRA'S website in the manner and format specified by regulation by the PPRA'S from time to time. Further, a procuring agency shall announce in an appropriate manner all proposed procurements for each Financial Year and shall proceed accordingly without any splitting or regrouping of the procurement so planned.

During audit of CEO (District Health Authority) Chakwal for the period 1/2017 to 6/2017, it was observed that the medicines (Bulk Purchase) amounting to Rs 22,033,839 had been purchased from the firms whom rate contract were awarded by the Secretary primary and secondary Health Care Department, Govt. of Punjab as below:

Head of Account	Period	Account	Amount (Rs)
Purchase of Drugs and Medicines	01.01.2017 to 14.05.2017	SDA, DHA Chakwal	5,608,590
	15.05.2017 to 30.06.2017	Account-VI, DHA	16,425,249
	<b>Total</b>		<b>22,033,839</b>

Audit noted the following irregularities which made expenditure irregular.

- i. According to above mentioned rules of Punjab Procurment Rules 2014, all the stages of procurement process including annual planning for procurement to tendering should be done by procuring agency. But neither any advertisement for procurements by procuring agency was made nor any record regarding Tendering proceedings was produced regarding purchase of medicines.
- ii. Procurement of medicines as per rate contract of Health Department Govt., of the Punjab was unauthorized, unlawful and in violation of Punjab Procurement Rules 2014 where in rate contract did not fall under any specified methods of procurement.

Audit was of the view that due to weak managerial controls and negligence, relevant procedure was not followed which resulted in irregular purchase of medicines.

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

Audit recommends fixing responsibility against the person(s) at fault besides regularization. (PDP # 2)

### **3.4.2.5 Irregular advance drawl from treasury and amount transferred to Secretary P&SHCD – Rs 20.385 million**

According to 2.10(b)(5) of PFR Volume-I that no money is withdrawn from the treasury unless it is required for immediate disbursement or has already, been paid out of the permanent advance and that it is not permissible to draw advances from the treasury for the execution of works the completion of which is likely to take a considerable time. According to revised procedure for operation of Special Drawing Accounts, circulated by Finance Department circular letter No. SO(TT)6-1/2007, dated 11<sup>th</sup> September, 2007, all payments through Special Drawing Account should be invariably made through "Crossed Cheques" in the name of valid payees only.

During audit of CEO (District Health Authority) Chakwal for the period 1/2017 to 6/2017, it was observed that a sum of Rs 20.385 million was drawn from SDA against purchase of different medical equipment's as detailed below.

<b>SDA Cheque No.</b>	<b>Dated</b>	<b>To</b>	<b>Amount (Rs)</b>
155035	27.03.2017	Secretary P& S Health Care, Lahore	5,385,015
159426	19.04.2017		15,000,000
		<b>Total</b>	<b>20,385,015</b>

- i. The amounts were drawn in advance from SDA of District Health Authority without approval of Finance Department.
- ii. Payment was not made to actual payees.
- iii. Amount was transferred in commercial account of Secretary P&SHCD Lahore through cheques.
- iv. Equipment's purchased were not delivered /received on the respective place even till the date of Audit November 2017.

Audit was of the view that due poor managerial controls and financial mis-management, payment was drawn in advance and not paid to actual payees.

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

Audit recommends fixing responsibility against the person(s) at fault besides regularization. (PDP # 3)

### **3.4.2.6 Irregular Payment of Pay and Allowances from Head A01270-Others – Rs 16.204 Million**

According to NAM, the budgetary allocation be made according to the chart of accounts/classification approved by the Auditor General of Pakistan. As per Article 30 of Audit Code, all financial transactions are required to be recorded and allocated to proper heads of account. According to Rule 55(2) of Punjab District Authorities (Budget) 2017, head of offices and DDO shall be responsible to ensure that authorized budget allocations are spent in conformity with the Schedule of Authorized Expenditure.

Following Health Centers working under District Health Authority, Chakwal had drawn Rs 1.369 million on accounts of Purchase of medicine and Pay and Allowance of the officials/officers for different allowances under head A01270-Others without mentioning actual nomenclatural of the allowance during 2016-17 in violation of Govt., instructions. This resulted in irregular payment of different allowances of Rs 16.204 million.

<b>S. No.</b>	<b>Name of office</b>	<b>Medicine, Pay &amp; Allowances booked under</b>	<b>Actual Heads of Classification</b>	<b>Amount (Rs)</b>
1	MS DHQ CHAKWAL	AO-1270 Others	Purchase of Medicine	14,835,258
2	SMO RHC Balkassar	AO-1270 Others	Pay & Allowances	653,961
3	SMO RHC Lawa	AO-1270 Others	Pay & Allowances	300,507
4	SMO RHC Tamman	AO-1270 Others	Pay & Allowances	414,611
<b>Total</b>				<b>16,204,337</b>

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

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

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

### **3.4.2.7 Non-transparent expenditure on construction of buildings under scheme Up-gradation of RHC Basharat - Rs 16.161 million**

According to para No. 2.104(2) of B&R Code, no deposit should be received for “Deposit Works” until such time as the works have been sanctioned by the competent authority. Further according to Rule 2.105 (VI), in case of deposit works all anticipated excesses owing to the tenders having been received in excess of the estimated rates should be brought at once to notice of the local body or the party concerned accepting the excess and arranging the funds accordingly.

During audit of record of CEO (Health) Chakwal, it was noticed that CEO Health transferred Rs 16.161 million from SDA District Health Authority, Chakwal to Executive Engineer Buildings Division Chakwal on accounts of Construction of Building Portion under Scheme Up-gradation of BHU Basharat to RHC Level during the year 2016-17.

The expenditure was not justified due to the following:

- i. Detailed TS Estimate of the work not shown
- ii. PC-I of the scheme not provided.
- iii. Vouched account of the scheme not obtained from the Buildings Department
- iv. Completion Report / PC-IV not prepared
- v. Amount in excess of estimate was not reported and refunded to CEO (District Health Authority) Chakwal.

Audit was of the view that due to weak internal controls non transparent purchases were made.

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

Audit recommends regularization of the expenditure besides fixing responsibility against the person(s) at fault. (PDP # 6)

### **3.4.2.8 Unjustified purchase of medicines through rate contract -Rs 14.340 million**

According to government of Punjab primary and secondary health care department letter dated 4<sup>th</sup> November 2016, Para no.2, the contracts shall be awarded strictly in accordance with specification and rates approved by Primary & Secondary Healthcare Department. Further ordered quantity of each item shall not go beyond their demand.

Medical Superintendent DHQ Chakwal has purchased following medicines in excessive quantities without any demand. The following medicines were already provided through MSD and therefore purchase of medicines without needs has blockage the government money. Therefore, excessive purchase of medicines is unjustified and deprived the public from provision of other medicines having scarcity. The detail is as under and detailed in Annexure-E:

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

Audit recommends regularization of misclassified expenditure besides fixing responsibility against the person(s) at fault. (PDP # 25)

#### **3.4.2.9 Irregular expenditure on purchase of Local purchase - Rs 10.997 million and loss of discount –Rs 219,945**

According to Punjab Procurement Rules 2014, Save as otherwise provided there shall be no negotiations with the bidder having submitted the lowest evaluated bid or with any other bidder

According to Government of the Punjab Health Department letter No.SO(P-I)H/3-64/2008 dated 12.09.2013, Local purchase contract shall be entered through open Competitive Bidding as per PPR 2009. According to Punjab Procurement Rules 12(1) Subject to Rule 59, a procuring agency shall advertise procurement of more than one hundred thousand rupees and up to the limit of two million rupees on the website of the Authority in the manner and format specified by regulations but if deemed in public interest, the procuring agency may also advertise the procurement in at least one national daily newspaper. Further According to Rule 22 of the Punjab Procurement Rules 2014, the procuring agencies shall use open competitive bidding as the principal method of procurement for the procurement of goods, services and works.

Audit of accounts of DHQ Chakwal during 01.01.2017 to 30.06.2017 revealed that MS DHQ Hospital advertised in the newspapers for provision of medicines on local purchase and tender was opened after 15 days of publication of tender. Two companies participated in the bid namely, New Chakwal medical store and Kamal pharmacy. They submitted their quotations @ 8% discount on national and 10% discount on international companies medicines. Both the companies were selected after negotiation rate 11.5%.The following shortcoming pointed out on tender evaluation process.



- i. Technical proposal including valid license of Pharmacist, storage capacity, distance, etc was not evaluated indicating scoring of each point.
- ii. The tender was only advertised in the Newspaper and same was not uploaded in the PPRA website which resultantly lowers the competitions.
- iii. The discount rates was negotiated and as per Procurement Rules negotiation is not allowed.
- iv. No supply order was given to New Chakwal medical stores

In the absence of above, tender was not awarded in transparent manner and authorities did not re-advertised in the News Paper and uploaded in the PPRA website due to ambiguity in rates as negotiation is not allowed as per Punjab Procurement Rules. Due to non-observance of Punjab Procurement Rules the competition has lessen and maximum discount could not be availed. Similarly, The DHQ Hospital has floated tender during 2017-18 for purchase of medicines on local purchased and finalized the discount rate 13.5% and same was not only advertised in daily Newspaper but also uploaded in PPRA website.

Audit was of the view that due to weak internal controls purchases were made without proper tendering process / receiving valid discount.

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

Audit recommends regularization of the expenditure besides fixing responsibility against the person(s) at fault. (PDP # 1)

#### **3.4.2.10 Irregular purchase of Local Purchase of medicines- Rs 10.997 million**

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

MS DHQ Chakwal spent Rs 10,997,272 during 01.01.2017 to 30.06.2017 on local purchase of medicines from Kamal Pharmacy. It was observed that neither Outdoor/indoor/emergency/wards receipts were not vetted by Pharmacist nor patient OPD No./ receipt number to whom medicines were issued mentioned in the bills. A number of bills were also not approved by the Medical Superintendent. Further the medicines

purchased were not entered in main stock register and indent was not issued to the respective department.

Audit held that due to weak internal controls and financial indiscipline, LP medicines were purchased without approval of pharmacist and LP medicines were not entered in the stock register.

This resulted in irregular purchase of LP medicines Rs 10.997 million.

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

Audit recommends regularization of the expenditure besides fixing responsibility against the person(s) at fault. (PDP # 23)

#### **3.4.2.11 Irregular expenditure on accounts of General Stores and Lab items - Rs 1.093 million**

According to Government of the Punjab Health Department letter No.SO(P-I)H/3-64/2008 dated 12.09.2013, Local purchase contract shall be entered through open Competitive Bidding as per Punjab Procurement Rules. According to Punjab Procurement Rule 12(1), a procuring agency shall advertise procurement of more than one hundred thousand rupees and up to the limit of two million rupees on the website of the Authority in the manner and format specified by regulations but if deemed in public interest, the procuring agency may also advertise the procurement in at least one national daily newspaper. Further According to Punjab Procurement Rule 22, the procuring agencies shall use open competitive bidding as the principal method of procurement for the procurement of goods, services and works.

MS THQ Choa Saiden Shah, District Chakwal has spent expenditure of Rs 1,092,704 on accounts of General Store item and lab item during 01.01.2017 to 30.06. 2017. The amount was expended without calling tender and in the absence of tender economy of rate could not be achieved.

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

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

(PDP # 3)

### **3.4.2.12 Non-transparent purchases – Rs 9.221 million**

According to Rule (59) (b) of Punjab Procurement Rule 2014, a procuring agency may provide for petty purchases through at least three quotations where the cost of the procurement is more than fifty thousand rupees but less than one hundred thousand rupees and such procurement shall be exempted from the requirements of bidding procedures; the procuring agency shall, however, ensure that such procurement is in conformity with the principles of procurement. Further, expenditure should not be split up so and avoid necessity for obtaining the sanction of higher authority (Rule-15.2(b) (iii) of PFR). As per Rule 9 (i) and Rule 12 of Punjab Procurement Rules 2014, the procurement over Rs 100,000 and up to the limit of Rs 02.00 million shall be advertised on the PPRA's website as well as in one leading newspaper.

Following offices made purchases without advertisement at PPRA website and failed to ensure open competition and the lowest market rates in violation the rule *ibid*:

S. No.	Name of Health Center	Amount (Rs)	PDP No.
1	City Hospital, Talagang	656,880	3
2	SMO, RHC Lawa	124,358	2
3	MS Trauma Center, Kallar Kahar	7,777,959	13
4	THQ Hospital Talagang	662,009	3
	<b>Total</b>	<b>9,221,206</b>	

Audit was of the view that due to weak internal controls, non-transparent tendering process was adopted.

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

Audit recommends regularization of expenditure besides fixing responsibility against the person(s) at fault. (PDP No. 3,2,13,3)

### **3.4.2.13 Unjustified purchase of medicines through rate contract Rs 3.199 million**

According to government of Punjab primary and secondary health care department letter dated 4<sup>th</sup> November 2016, Para No.2, the contracts shall be awarded strictly in accordance with specification and rates approved by Primary & Secondary Healthcare Department. Further ordered quantity of each item shall not go beyond their demand.

Medical Superintendent THQ Choa Saiden Shah District Chakwal has purchased various medicines in excessive quantities without any

demand. The medicines were already provided through MSD and therefore purchase of medicines without needs has blockage the government money. Therefore, excessive purchase of medicines is unjustified and deprived the public from provision of other medicines having scarcity. The detail is as Annexure-F.

Audit was of the view that due to weak internal controls, unnecessary purchases were made.

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

Audit recommends regularization of expenditure besides fixing responsibility against the person(s) at fault. (PDP # 10)

#### **3.4.2.14 Irregular expenditures on purchase of medicines – Rs 2.687 million**

According rate contract approved by secretary primary & Secondary Health care department condition No.(iv)(a) the will firm will provide the batch release certificate, certificate of analysis & laboratory test reports of each batch of the product on its delivery which will be sent to the concerned testing laboratory along with collected sample for testing.

MS THQ Choa Saiden Shah District Chakwal has paid an amount of Rs 2,686,862 to the GlaxoSmith Kline Pakistan Limited on accounts of purchase of medicines during the Financial Year 2016-17 but batch release certificate was not obtained. In the absence of batch release certificate, the payment held irregular and undue benefit was given to the firm.

Audit was of the view that due to weak internal controls, resulted in non-provision of batch release certificate.

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

Audit recommends regularization of expenditure besides fixing responsibility against the person(s) at fault. (PDP # 7)

#### **3.4.2.15 Irregular expenditure on pay and allowances of staff detained outside the RHC Dhudial – Rs 2.364 million**

Rule 3.3 of TA provides that competent authority may depute any civil servant on duty outside his headquarter and order him to reside at a temporary headquarter for a period not exceeding 3 months.

During audit of the RHC Dhudial it was observed that following employees/staff of the institution was found detained by the EDO (Health) Chakwal on different other stations/ institutions for more than (3) months in violation of above rule. All such adjustment was made just to facilitate these people and to give them undue benefit. Hence payment made on the account of pay and allowances to the detained staff during the period Jan 2017 to November 2017 amounting to Rs 2,364,120 million stands irregular as detailed below,

Sr No	Name of Staff	Designation	BPS	Pay	Months	Amount (Rs)
1	Razia Sultana	W/S	2	19,860	11	218,460
2	Nageena Mussarrat	M/W	4	16,140	11	177,540
3	Farha Safdar	Dai	2	17,890	11	196,790
4	Mudassar Nazar	Dispenser	9	18,550	11	204,050
5	M. Azam Mughal	S.P	7	25,740	11	283,140
6	Muhammad Azam	S.P	7	25,740	11	283,140
7	Abdul Rehman	S.P	7	29,750	11	327,250
8	Azhar Mehmood	S.P	7	28,380	11	312,180
9	M. Zumarad	S.P	7	32,870	11	361,570
	<b>Total</b>					<b>2,364,120</b>

Audit was of the view that due to weak internal controls, the expenditure was incurred irregularly.

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

Audit recommends regularization of expenditure besides fixing responsibility against the person(s) at fault. (PDP # 1)

#### **3.4.2.16 Irregular payment from Account-IV- Rs 2.323 million**

As per 2.10 (b)(2) of PFR Volume-I, necessary funds to cover the charge exist; that expenditure does not exceed these funds; that the disbursing officer will be responsible for any excess over the sanctioned funds and that expenditure in anticipation of funds is incurred only in authorized cases.

Scrutiny of FI data, it was noticed that pay & allowances for the month of January & February 2017 were paid from A/C-IV (District Govt.) instead of District Health Authority A/C- VI in violation of rules.

Audit was of the view that due to weak internal controls, the expenditure was incurred irregularly.

This resulted in irregular payment from Account IV Rs 2.323 million.

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

Audit recommends regularization of expenditure besides fixing responsibility against the person(s) at fault. (PDP # 1)

### **3.4.2.17 Unjustified expenditures on repair of vehicles and POL-Rs 2.140 million**

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

According to para 20 of west Pakistan staff vehicles (use & Maintenance) Rules, 1969, log book, history sheet and Petrol account register shall be maintained for each government owned vehicle.

Medical Superintendent DHQ Chakwal has expended an amount of Rs.941,347 under the head POL of vehicles and Rs.1,198,165 on repair of transport during 01.01.2017 to 30.06.2017. It was observed that most of ambulances was new and huge amount of expenditure on repair of transport in the absence of any accidental to vehicle was unjustified. Further neither any history sheet nor rate contract from any workshop was made. Due to non-rate contract for repair of and repair of transport from Chaudhry General Order Supplier Chakwal and Al-Meezan Associates which is not an auto workshop is unjustified.

Moreover, it was observed that receipts from ambulance was not deposited and shown to audit. No refer tickets duly verified from in charge was shown to audit. Due to non-deposit of ambulance receipts, the vehicle is not used for patient's benefit. Hence expenditures incurred on repair of transport and POL is unjustified.

Audit was of the view ambulance receipts along with verified referral tickets be verified to audit besides recovery. Further huge expenditures on repair of transport during six months without used for benefit of patients due to non-deposit of ambulance fees is unjustified.

Audit was of the view that due to weak internal controls, the expenditure was incurred irregularly.

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

Audit recommends regularization of expenditure besides fixing responsibility against the person(s) at fault. (PDP # 21)

#### **3.4.2.18 Irregular expenditure on LP -Rs.2.023 million**

According to Rule 12(i) of Punjab Procurement Rule 2014, a procuring agency shall advertise the procurement of more than one hundred thousand rupees and up to limit of two million rupees in the website of the authority in the manner and format specified by the regulations but if deemed in public newspapers. Further Expenditure should not be split up so and avoid necessity for obtaining the sanction of higher authority (Rule-15.2(b) (iii) of PFR). Expenditure should not be split up so (Rule 9 (i) and Rule 12 of Punjab Procurement Rules 2014, the Procurement over Rs 100,000/- and up to the limit of Rs 02-million shall be advertised on the PPRA's website as well as in one leading newspaper.

Trauma Centre Kallar Kahar for the FY 2016-17, it was observed that DDO incurred expenditure on local purchase of medicines amounting to Rs. 2,022,999 in violation of Punjab Procurement Rules. Splitting of expenditure and avoiding tendering process is serious violation of Punjab Procurement Rules. Non-compliance of Punjab Procurement Rules resulted in irregular purchase at non-competitive rates and loss to government.

Audit was of the view that due to weak internal controls, the expenditure was incurred irregularly.

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

Audit recommends regularization of expenditure besides fixing responsibility against the person(s) at fault. (PDP # 3)

#### **3.4.2.19 Irregular expenditure on purchase of medicines on Local purchase 1.337 million and loss of discount –Rs 133,712**

According to Government of the Punjab Health Department letter No.SO(P-I)H/3-64/2008 dated 12.09.2013, Local purchase contract shall be entered through open Competitive Bidding as per Procurement Rules 22014. According to Rules12(1) of Punjab Procurement Rules 2014, a procuring agency shall advertise procurement of more than one hundred

thousand rupees and up to the limit of two million rupees on the website of the Authority in the manner and format specified by regulations but if deemed in public interest, the procuring agency may also advertise the procurement in at least one national daily newspaper. Further, according to Rule 22 of Punjab Procurement Rules 2014, the procuring agencies shall use open competitive bidding as the principal method of procurement for the procurement of goods, services and works.

MS THQ Choa Saiden Shah District Chakwal has purchased medicines Rs.1337125 during 01.01.2017 to 30.06.2017 without rate contract and calling tender. In the absence of tender, the economy of rates could not be achieved. Further MS THQ Choa Saiden Shah Hospital could not obtain discount @10% to 14%.

Audit was of the view to justify the position for violation of Punjab Procurement Rules and non-availing of discount.

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

Audit recommends regularization of expenditure besides fixing responsibility against the person(s) at fault. (PDP # 2)

#### **3.4.2.20 Unjustified expenditure on accounts of POL – Rs 1.078 million**

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

During audit of DHO Chakwal for the Financial Year 2016-17, it was observed that DDO incurred expenditure on accounts of POL Rs.1,077,697 during the period from 01.01.2017 to 30.06.2017. The log books of expenditure incurred on POL were neither maintained nor produced to audit for verification.

Audit was of the view that due to weak internal controls, the expenditure was incurred irregularly.

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

Audit recommends regularization of expenditure besides fixing responsibility against the person(s) at fault. (PDP # 7)



### **3.4.3 Performance**

#### **3.4.3.1 Non-utilization of development budget-Rs10.817 million**

According to PDG & TMA Budget Rule 2003, Local Government shall utilize its resources effectively & efficiently. As per Rule 4(b) of Punjab District Authorities (Budget) Rules 2017, CEO being PAO is responsible for review progress of execution of the projects for their timely completion.

During audit of CEO(Health) Chakwal it was noticed that an amount of Rs 31.499 million was allocated under Up gradation of BHU Bashart to RHC Level Tehsil C.S.Shah District Chakwal during 2016-17. From Jan 2017 to June 2017 only amount of Rs 20.681 million was drawn out of this budget and remaining amount of Rs 154.976 million was remained unutilized.

<b>Code</b>	<b>Head</b>	<b>Budget Released (Rs)</b>	<b>Expenditure (Rs)</b>	<b>Balance (Rs)</b>
A05270	Up gradation of BHU Bashart to RHC Level Tehsil C.S.Shah District Chakwal for Purchase of Equipment	25,000,000	16,161,000	8,839,000
	Development Budget	6,499,000	4,520,927	1,978,073
	<b>Total</b>	<b>31,499,000</b>	<b>20,681,927</b>	<b>10,817,073</b>

Audit was of the view that due to non-performance of function, budget was not utilized.

Non-utilization of funds and non-completion of schemes resulted in deprived the community from getting better health facilities.

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

Audit recommends taking appropriate action after fixing responsibility against the person(s) at fault.

(PDP # 5)

#### **3.4.3.2 Non taking of legal action against defaulters due to non supply of medicines – Rs 8.821 million**

According to condition No.04 of Rate Contract awarded by the Government of the Punjab Health Department vide No.SO(P-I)4-4/2016 dated 04.10.2015 “ all suppliers are bound to abide by all terms and

condition of bidding documents. In case of failure to comply with any term & condition, District Health Department can initiate legal action against the firm or they may refer the case to Health Department for lawful action”.

Scrutiny of record of following Health Centers / Offices revealed that various firms failed to supply medicines amounting to Rs 8,821,156. Health Authority neither initiated legal action against the defaulting firm nor the cases was referred to Health Department Punjab for lawful action or for black listing the firms. Detail of medicines not supplied is as below:

Sr.	Name of Health Center / Office	PDP No.	Amount (Rs)
1	THQ Talagang	07	307,070
2	Chief Executive Officer (Health)	04	3,684,600
3	MS THQ Choa Saiden Shah	09	615,806
4	City Hospital, Talagang	2	1,233,620
5	Trauma Center, Kallar Kahar	5	2,980,060
<b>Total</b>			<b>8,821,156</b>

Audit was of the view that neither security of defaulting firms was forfeited nor the firms were declared black listed.

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

Audit desires that security be forfeited from defaulters.

(PDP No. 7,4,9,2,5)

### **3.4.3.3 Unjustified expenditure on Dialysis medicines - Rs 5.00 million**

According to Government of Punjab, Primary and Secondary Health Care Department letter dated 4<sup>th</sup>, November, 2016, Para No.2, the contracts shall be awarded strictly in accordance with specification and rates approved by Primary & Secondary Healthcare Department. Further ordered quantity of each item shall not go beyond their demand.

Medical Superintendent DHQ Chakwal has purchased instrumental disinfectant solution containing quantity 500 amounting to Rs. 5,000,000 from Intra Health. The medicines were purchase for dialysis patients but no Nephrologist was posted in the DHQ Hospital Chakwal and only technician is posted performing the duties. Further medicines

were purchased on 08.02.2017 containing quantity 500 and up till now only 30 Nos. quantities were consumed and 470 still lying in the stock.

In the absence of Nephrologist (Specialist), the expenditures held irregular and blockage of government money. The MS DHQ Chakwal's needs to justify the huge amount of supply order and blockage of government funds.

Audit was of the view that blockage of funds was made due to laxity of the management and weak financial indiscipline.

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

Audit recommends taking appropriate action after fixing responsibility against the person(s) at fault.

(PDP # 7)

#### **3.4.3.4 Non-purchase of machinery with standard specification-Rs 4.415 million**

According to Government of Punjab Primary and Secondary Health Care Department letter dated 4<sup>th</sup>, November, 2016, Para no.2, the contracts shall be awarded strictly in accordance with specification and rates approved by Primary & Secondary Healthcare Department. Further ordered quantity of each item shall not go beyond their demand. The department finalized the rates as per advertised policy reflected in Bidding documents.

Medical Superintendent DHQ Chakwal has purchased Fresenius dialyzer containing specification of F6 and F5 through rate contract awarded by the secretary primary health care department amounting to Rs.4415100 from Fresenius medical care. The supply order was silent regarding provision of Fresenius dialyzer in respect of their specification. The high quality fresenius dialyzer is FX8 was not provided by the company whose rate is higher than F6 and F5. The MS DHQ Hospital has not obtained any clarification regarding specification and further no Nephrologist was posted in the DHQ Hospital Chakwal.

In the absence of supply of requisite specification by the the firm and without any post of Nephrologist the above expenditures held irregular and in violation of contract.

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

Audit was of the view justify the position and any overpayment be recovered from the person at fault.

(PDP # 8)

### **3.4.3.5 Non-deposits of Income tax, DTL Fees LD Charges and penalty on accounts of less shelf life - Rs 2.390 million**

As per Rules, amount deducted on accounts of income tax, DTL fees, LD charges and short life should be deposited to the accounts of respective authorities.

Audit of accounts of MS DHQ Chakwal revealed that an amount of Rs. 2,390,461 was lying in the SDA Accounts during 2016-17 deductions as income tax, DTL FEES LD charges and short shelf life but same was not deposited in the accounts of respective authorities which is a violation of the rules. The detail is as under,

<b>Sr. No.</b>	<b>Nature of receipt</b>	<b>Amount (Rs)</b>
1	Income Tax	1,641,778
2	DTL Fee	203,500
3	Late Delivery Charges	515,796
4	Penalty on accounts of Short-Shelf Life	29,387
		<b>2,390,461</b>

Audit was of the view that due to laxity of the management and weak internal controls government receiveables were not deposited.

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

Audit recommends taking appropriate action after fixing responsibility against the person(s) at fault.

(PDP # 14)

### **3.4.4 Internal Control Weaknesses**

#### **3.4.4.1 Unauthorized Payment on accounts of different allowances and recovery thereof – Rs 7.505 million**

According to Sub Treasury Rules 7-A, conveyance allowance was not admissible during leave. Further according to Rule 7.12 of PFR Volume-1 the Head of an office is personally responsible for every pay drawn on a bill.

According to instructions contained in Finance Department, Government of the Punjab (Monitoring Wing) Lahore's letter No.FD(M-I)1-15/82-P-I dated 15<sup>th</sup> January, 2000, the Government servant who is allotted a government residence is not allowed to draw House Rent Allowance and will have to pay House rent @ 5% of the basic pay.

According to Finance Department Government of the Punjab NoFD.PC-2-2/2010 dated 15.07.2010 further clarified vide No.FD.PC40-04/2012 dated 17.04.2012, Adhoc Relief Allowance 2010 is not admissible with Health Sector Reform Allowance (HSRA) and Health professional Allowance (HPA) w.e.f 2012.

According to Sr. No.V of Health Department Government of Punjab No. PO(P&E) 19-11 13/2001 dated 13.04.2007, Government approve the Health Sector Reform Allowance for the Doctor posted at DHQ/THQ Hospital with condition that "Specialist will be allowed only Hospital based practice after duty hours." HSRA is admissible to the doctor posted at DHQ/THQ in less attractive areas.

According to Notification No.PA/DS (G)4-8/2016 dated August 3, 2016 "the specialist should visit the hospital in the evening and stay for one hour for round in the wards after check in on the biometric system otherwise 40% of the incentive allowance should be deducted".

As per letter Health Department Government Of Punjab No.PMU/PHSRP/G-1-06/61/270-300 dated 18<sup>th</sup> march 2007 "PHSRP allowance is admissible only when the doctor, para medic & other staff perform their duties under the PHSRP at RHC,s and BHU,s. Any doctor, para- medic & other staff whether regular or on contract posted and drawing pay against the posts of RHCs and BHUs is directed to perform duties somewhere else, then, he will not be entitled to PHSRP. Any Such allowance so paid should be recovered.

Following DDOs working under the control of District Health Authority Chakwal made un-authorized payments on accounts of different

allowances resulting in the loss of Rs 7.505 million to the government as given below:

Sr.	Health Center	Nature of recovery	PDP#	Amount (Rs)
1	SMO RHC Lawa	Overpayment of account of HRA, CA & 5% Maintenance Charges	1	283,548
2	SMO RHC Tamman	Overpayment of account of HRA, CA & 5% Maintenance Charges	2	151,662
3	SMO RHC Tamman	Hill Allowance	6	24000
4	SMO RHC Jhatla	CA during leave	4	2408
5	MS DHQ	Adhoc Relief Allow 2010	11	178,740
6	MS DHQ	CA during leave	13	146,197
7	MS DHQ	HSRA	12	3,099,640
8	MS DHQ	Incentive Allowance	26	1537741
9	RHC Dhudial	CA during leave	08	12,355
10	SMO RHC Dhumman	5% Maint. Charges	03	33072
11	SMO RHC Pir Pulahi	5% Maint. Charges	05	39063
12	THQ Choa Saidu Shah	Adhoc Relief Allow. 2010	11	162,060
13		Incentive Allowance	12	1733823
14		CA during leave	13	14576
15	MS THQ Talagang	CA during leave	10	24,266
16	City Hospital Talagang	CA during leave	12	47,998
17	SMO RHC Balkasar	Adhoc Relief Allowances	5	13,761
<b>Total</b>				<b>7,504,910</b>

Audit was of the view that due to negligence, allowances were drawn unauthorized.

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

Audit recommends immediate recovery from the defaulter.

## **CHAPTER 4**

### **District Health Authority, Gujranwala**

#### **4.1 Introduction of the Authority**

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

Prior to promulgation of the Act, District Health Department was headed by the Executive District Officer (Health) who is Departmental Accounting Officer of group of offices of District Health Department and District Coordination Officer was the Principal Accounting Officer under PLGO, 2001.

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

- establish, manage and supervise primary and secondary health care facilities and institutions;
- approve the budget of the Authority and allocate funds to health institutions;
- coordinate health related emergency response during any natural calamity or emergency;
- develop referral and technical support linkages between primary and secondary levels of health care on the one hand and tertiary level health facilities and medical education institutions on the other;
- ensure human resource management and capacity development of health service delivery personnel under the policy framework given by the Government;
- ensure timely reporting of progress on health indicators relating to disease surveillance, epidemic control, disaster management to the Government; and
- ensure implementation of minimum standards of service delivery, infrastructure, patient safety, hygiene and public health as prescribed by the Punjab Health Care Commission.

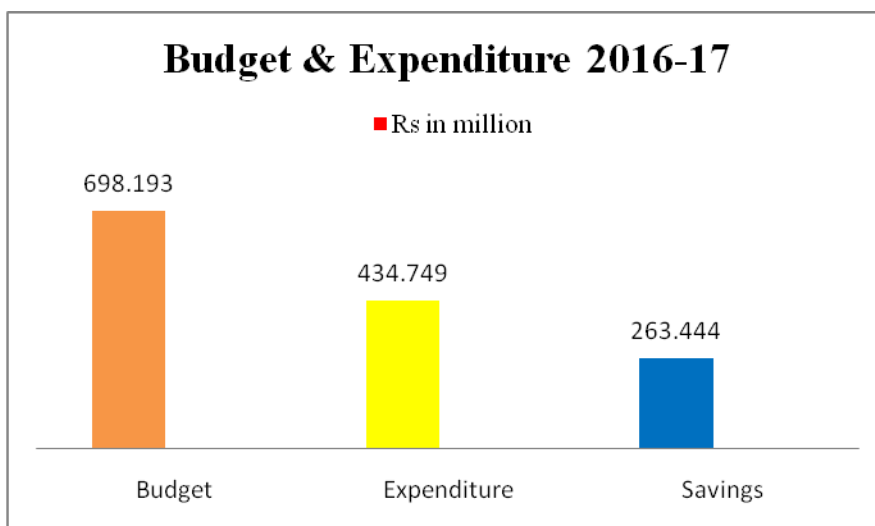
DHA Gujranwala manages following primary and secondary health care facilities and institutes:

Description	No. of health facility/ institute
Basic Health Units	93
Government Rural Dispensary	23
Rural Health Centre	12
Tehsil Head Quarter Hospitals	03
District Head Quarter Hospitals	0
District Health Development Centre	01
District Health Officers	01
Any other institute/ health facility	12

#### 4.2 Comments on Budget and Accounts

Total budget of District Health Authority for the Financial Year 2016-17 was Rs 698.193 million, against which only Rs 434.749 million was spent. Overall savings of Rs 263.444 million during the Financial Years 2016-17 which was 37.73% of budgetary allocation, showing non-utilization of funds meant for provisions of amenities in District Health Authority thus depriving the community from getting better facilities.

(Rs in million)				
Financial Year	Budget	Expenditure	Savings	% Savings
2016-17	698.193	434.749	263.444	37.73



#### 4.3 Brief Comments on the Status of Compliance with PAC Directives

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



## **4.4 AUDIT PARAS**

**4.4.1 Irregularity & Non-compliance**  
**4.4.1.1 Irregular Payment/ consumption of medicine due to non-submission of samples for DTL -Rs 63.339 million**

According to clause “C” of the purchase order by the Chief Executive Officer Health Gujranwala i.e “Govt. is well cognizant of its extra ordinary care. In addition to procuring agency’s inspection committee the department’s inspection committee may collect 1-2 samples at random from any batch/supply. The samples will be got tested by any international WHO qualified Lab, engaged/hired/authorized by provincial Govt. the cost of such lab test shall also be born by the supplier/contractor. The supplier will directly pay the charges to that particular Laboratory.

Chief Executive Officer Health Gujranwala Purchased medicine for Rs 63.339 million during 2016-17 from different vendors but the samples of the same were not got tested from any international WHO qualified Lab. Furthermore, the medicine has been issued to the subsidiary formations for consumption which was required to be issued after these reports. Moreover, the department did not collect warranty certificate from the suppliers to assure the return of unconsumed medicine within the shelf life of medicine, as required in the purchase order. This resulted in irregular payment/consumption of medicine worth Rs 63.339.

Audit held that due to non compliance of rules the medicine was issued and payment was made without getting lab testing reports.

No reply was submitted by the Management.

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

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

[PDP No.10,11]

**4.4.1.2 Unauthorized / Unverifiable payments made through cash instead of crossed cheques - Rs12.842 million**

According to Para No. 4.49 of Sub Treasury Rules, all payments exceeding Rs.100,000 are to be paid through crossed cheques / pay-order and not by cash.

MS THQ Hospital Wazirabad incurred an expenditure of Rs12.842 million on accounts of purchase of different items for hospital and services

rendered during Financial Year 2017. The payment was disbursed to the vendors through cash instead of crossed cheque. Further no acknowledge of receipts were found on record. This resulted in unauthorized/unverified payments through cash instead of crossed cheques.

Audit was of the view that due to non compliance of rules, cash payment was made to the suppliers instead of cross cheques.

No reply was submitted by the Management.

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

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

[PDP No.07]

#### **4.4.1.3 Unjustified transfer of funds to the Secretary Health - Rs 5.883 million**

According to Rule 8 of Punjab Procurement 2014, a procuring agency shall, within one month from the commencement of a Financial Year, devise annual planning for all proposed procurements with the object of realistically determining the requirements of the procuring agency, within its available resources, delivery time or completion date and benefits that are likely to accrue to the procuring agency in future. Further according to Rule 9 read with Rule 12(1) of Punjab Procurement Rules 2014, procurements over one hundred thousand rupees and up to the limit of two million rupees shall be advertised on the PPRA'S website in the manner and format specified by regulation by the PPRA'S from time to time. Further, a procuring agency shall announce in an appropriate manner all proposed procurements for each Financial Year and shall proceed accordingly without any splitting or regrouping of the procurement so planned.

CEO Health Gujranwala transferred an amount of Rs 5.883 million to the Secretary Health Punjab vide cheque No. 657165 dated 10.4.17 for construction of Trauma Center and Gynee ward at THQ Hospital Wazirabad. The expenditure/Transfer is held irregular because;

- i. There is no provision of law to transfer any amount to the apex department under Punjab Local Governemnt Act, 2013.
- ii. The purpose of transfer or any orders for transfer of funds were not found in the record.

- iii. No expenditure has been reported by the involved departments till the date of audit which shows that amount is still laying in the commercial account of the secretary health Punjab.
- iv. Neither vouched account has been produced by the health department nor any residual balance was refunded to the department.

Audit was of the view that due to non compliance of rules, funds were transferred to the apex office.

No reply was submitted by the Management.

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

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

[PDP No.09]

#### **4.4.1.4 Irregular drawl of pay and allowances without posts - Rs 5.164 million**

According to Transitional arrangements under Punjab Local Government Act 2013 the finance department have abolished the posts under PLGO 2001 from A/C IV of District Government and at the same time the same posts are created in district Health Authorities w.e.f 02.1.2017

Scrutiny of records of the posts of the District Health Authority Gujranwala revealed that various posts were not re-created by the finance department, but the District Health Authority is continuously drawing pay and allowances of the these posts. This resulted in irregular drawl of Pay and allowance of Rs 5.164 million as detailed below;

<b>Sr. No.</b>	<b>Name of Post</b>	<b>Rate of pay &amp; allowances</b>	<b>Pay and Allowances Drawn for 7 months</b>
1	Assistant Director Nursing	99,829	698,803
2	Drug Controller BS-19	69,078	483,546
3	Deputy Drug Controller BS-18	69,078	483,546
4	Deputy Drug Controller	58,030	406,210
5	Drug Inspector BS-17	45,976	321,832
6	Drug Inspector BS-17	46,925	328,475
7	Drug Inspector BS-17	46,925	328,475
8	Drug Inspector BS-17	46,925	328,475

9	Statistical Officer BS 17	94,357	660,499
10	HEO BS17/18	83,244	582,708
11	Sr. Homeopathic Doctor BS-16	53,933	377,531
12	Statistical Assistant BS 11	23,478	164,346
13	Artist BS 11	0	0
14	Jr. Technician HealthCare BS 09	0	0
15	Projectionist BS-08	0	0
	<b>Total</b>		<b>5,164,446</b>

Audit was of the view that due to weak internal irregular pay and allowances were withdrawn by the department.

No reply was submitted by the Management.

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

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

[PDP No.01]

#### **4.4.1.5 Splitting of Job Orders to avoid advertisement on PPRA Website –Rs 4.773 million**

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

District officer (Health) Gujranwala incurred expenditure out of Special Drawing Account and Account (VI) for Rs 4.773 million for procurement of printing material, Strachey, water coolers and furniture items etc. for BHUs through quotations in petty bills during the Financial Year 2016-17. Indents were split up in order to avoid fair competition advertisement at PPRA website and print media was not given.

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

No reply was submitted by the Management.

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

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

[PDP No.01]

#### **4.4.1.6 Splitting of Job Orders to avoid Advertisement on PPRA Website –Rs 2.49 million**

According to Rule 12(1) read with Rule 9 of Punjab Procurement Rules 2014, procurements over one hundred thousand and up to the limits of two million rupees should be advertised on the PPRA's website. A procuring agency shall announce in an appropriate manner all proposed procurements for each Financial Year and shall proceed accordingly without any splitting of the procurements so planned. The annual requirements thus determined would be advertised in advance on the PPRA's website.

MS THQ Hospital Wazirabad incurred an expenditure of Rs 2.49 on accounts of procurement of lab items and cost of other stores etc. through quotations in petty bills during the period 2017. Indents were split up in order to avoid advertisement at PPRA website as well as at print media.

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

No reply was submitted by the Management.

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

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

[PDP No.06]

#### **4.4.1.7 Unauthorized expenditure–Rs 1.627 million**

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

MS THQ Hospital Kamoke District Gujranwala procured different items from various firms during the Financial Year 2016-17. However management did not advertise for contractual arrangements and violate the Punjab Procurement Rules. Further it was general practice, while buying in bulk the discounts were needed. The procurement department failed to negotiate at reduced rates.

Bill No.	Date	Firm	Description	Amount (Rs)
667197	18.01.17	Skill Medical System Grw	-	360,340
667190	18.1.17	Skill Medical System Grw	-	187,179
1073	15.7.2016	-	infusiopn Metromisdazikw 500mg Boii if 100ml with dflger indivualluy Pauced in cartinb and nbisa disposlw iv set ( unizol-100ml)	585,000
0	12.11.2016	ND	Pippet 10,1000 ul 50,500 ul 200 ul 100 ul 50 ul 20 ul 10 ul `	295,000
220	03.2.2017	Data Enterprises	5 Shelf Havey Rack	99,750
225	17.2.2017	Data Enterprises	5 Shelf Heavy Rack	99,750
<b>Total</b>				<b>1,627,019</b>

Audit held that due to non compliance of rules, unauthorized expenditure was incurred without inviting tenders.

No reply was submitted by the Management.

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

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

[PDP No.03]

#### **4.4.1.8 Irregular consumption of LP medicine–Rs 1.471 million**

According to Government of the Punjab (Health Department) letter No.AAC/HD/1-42/94(P) dated 14th April, 1998 following directives were to be observed while making local purchase of medicines (day to day).

- i. Local purchase should not be for more than seven days for one patient.
- ii. Treatment register should be maintained encompassing name, registration number, address, diagnosis, medicines, etc.
- iii. Local purchase is not allowed for outdoor patients.
- iv. Drugs should be received, defaced and issued from store against proper acknowledgement on the register.

M.S THQ Wazir Abad purchased LP medicine costing Rs 1,471,171 without maintaining patient's record as a routine matter which resulted into unauthorized purchase of medicine. LP register was also not maintained and medicine was issued to store keeper without record.

Audit was of the view that due to non compliance of rules, LP medicine was purchased without codal formalities.

No reply was submitted by the Management.

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

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

[PDP No.09]

#### **4.4.1.9 Payment of Pending Liabilities – Rs 1.101 million**

According to Rule 17.17(A) read with Rule 17.18 of PFR Vol-I, every disbursing officer shall maintain a register of liabilities in P.F.R form 27 in which he should enter all these items of expenditure for which payment is to be made by or through another officer, budget allotment or sanction of a higher authority is to be obtained or payment would be required partly or wholly during the next Financial Year or years.

District officer Health Gujranwala paid the pending liability bills to different vendors for Rs 1.101 million pertaining to the Financial Year 2015-16 during the year June/ 2017. Moreover, liability register was also not prepare on PFR form 27 in violation of the rule ibid and codal formalities as detailed below.



Sr	Vr.#	Date	Period	Vehicle No.	Rs
1	76	21-06-2017	Sept-2015	GAE-9958,GAG-27,GAV-4060,LRN-2557,NL-779,X68-AF-1,Generator	37,714
2	77	21-06-2017	July-2015	GAE-9958,GAG-27,GAG-28,GAJ485,GAM-2662,GAV-4060,Generator,LRN-2557,LN-779,X68AF,X68 Auto Truck,X68AF-1, X68AF-3,X68AF-8,	205,323
3	78	21-06-2017	April-2015	GAE-9958,GAG-27,GAG-28,GAJ485,GAM-2662,GAV-4060,Generator,LRN-2557,LN-779,X68AF,X68 Auto Truck,X68AF-1, X68AF-3,X68AF-8,	227,952
4	79	21-06-2017	June-2015	GAE-9958,GAG-27,GAG-28,GAJ485,GAM-2662,GAV-4060,Generator,LRN-2557,LN-779,X68AF,X68 Auto Truck,X68AF-1, X68AF-3,X68AF-8,	172,396
5	80	21-06-2017	May-2015	GAE-9958,GAG-27,GAG-28,GAJ485,GAM-2662,GAV-4060,Generator,LRN-2557,LN-779,X68AF,X68 Auto Truck,X68AF-1, X68AF-3,X68AF-8, Dengue Spray, GAM-2662 LEG-2084	202,661
6	81	21-06-2017	August-2015	GAE-9958,GAG-27,GAG-28,GAJ485,GAM-2662,GAV-4060,Generator,LRN-2557,LN-779,X68AF,X68 Auto Truck,X68AF-1, X68AF-3,X68AF-8,	255,196
<b>Total Amount</b>					<b>1,101,242</b>

Audit was of the view that due to non compliance of rules payment of pending liabilities were made.

No reply was submitted by the Management.

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

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

[PDP No.17]

#### **4.4.2 Internal Control Weaknesses**

##### **4.4.2.1 Irregular drawl of Conveyance Allowance -Rs 32.892 million**

As per clarification issued by Government of the Punjab, Finance Department letter No. FD(M-1)1-15/82-P-I dated 15.1.2000 in case a designated residence is available the Government servant for whom it is meant cannot draw conveyance allowance.

During scrutiny of record of District officer (Health) Gujranwala, it was observed that different officers/officials were availing govt. accommodation/designated residences of BHUs situated within working premises but conveyance allowance for Rs 32.892 million was not deducted from the pay and allowances of the officers/officials.

Audit was of the view that due to weak internal controls, conveyance allowance was not deducted from Salaries.

No reply was submitted by the Management.

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

Audit recommends that matter needs to be investigated and amount needs to be recovered besides fixing the responsibility against the person(s) at fault. [PDP No.06]

##### **4.4.2.2 Overpayment due to drawl of HSRA at Higher rate - Rs 19.838 million**

According to Govt. of the Punjab revised pay scales 2011, all the special pay, special allowances or the allowances admissible as percentage of pay shall stand frozen on at the level of its admissibility as on 30.06.2011.

During scrutiny of record of District officer Health Gujranwala, it was observed that different officials are being drawn health sector reform allowance more than the admissible limit as on 30.06.2011 in violation of above instructions resulted in overpayment of health sector reform allowance Rs19.838 million.

Audit was of the view that due to weak internal controls, HSRA was paid more than the prescribed limits.

No reply was submitted by the Management.

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

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

[PDP No.09]

#### **4.4.2.3 Non-deduction of 5% maintenance charges -Rs 15.00 million**

As per clarification issued by Government of the Punjab, Finance Department letter No. FD(M-1)1-15/82-P-I dated 15.1.2000 in case a designated residence is available the Government servant for whom it is meant cannot draw HRA even if he does not reside in it as well as will pay rent @5% even if the facility is not availed and residence remains vacant during the period.

During scrutiny of record of District officer (Health) Gujranwala, it was observed that different officers/officials are being resided in designated residences of BHUs but 5% maintenance charges of Basic Pay amounting to Rs 15.000 million was not deducted from the pay and allowances of the officers/officials as the residences are situated within working premises.

Audit was of the view that due to weak internal controls, 5% charges were not deducted from salaries.

No reply was submitted by the Management.

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

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

[PDP No.08]

#### **4.4.2.4 Irregular drawl of House Rent Allowance-Rs 14.190 million**

As per clarification issued by Government of the Punjab, Finance Department letter No. FD(M-1)1-15/82-P-I dated 15.1.2000 in case a designated residence is available the Government servant for whom it is meant cannot draw house rent allowance.

During scrutiny of record of District officer (Health) Gujranwala, it was observed that different officers/officials are being resided in designated residences of BHUs but house rent allowance Rs14.190 million was not deducted from the pay and allowances of the officers/officials.

Audit was of the view that due to weak internal controls, house rent was not deducted from the salaries of employees.

No reply was submitted by the Management.

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

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

[PDP No.07]

#### **4.4.2.5 Non-recovery on accounts of Conveyance Allowance – Rs 3.19 million**

According to the Finance Department Government of the Punjab No.FD.SR 19-86(P)(PR) dated 21.04.2014, it is clarified that Officers/Officials who are availing Govt. vehicles including motorbikes are not entitled to the facility of Conveyance Allowance.

During scrutiny of record of District Officer (Health) Gujranwala, it was observed that conveyance allowance amounting to Rs 3.19 million was paid to the 186 no. vaccinators w.e.f. 01-01-17 to 30-06-17. Further probe revealed that said staff availed the official transport facility/POL (15 liter per month). This resulted in an overpayment of Rs 3.19 million (Rs 2856x 186 x 06).

Audit was of the view that due to weak internal controls, conveyance allowance was not deducted from the salaries of employees.

No reply was submitted by the Management.

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

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

[PDP No.13]

#### **4.4.2.6 Unjustified payment on accounts of Health Sector Reform Allowance (HSRA)-Rs 3.023 million**

According to Government of Punjab Health Department Letter No.PMU/PHSRP/G.1-06/61/270-340 dated 16<sup>th</sup> March 2007, The HSRA allowance is payable only when the doctors, para-medic & other staff perform their duties under the PHSRP at RHCs and BHUs. Any Doctor, para-medic & other staff whether regular or on contract, posted and drawing pay against the posts of RHCs and BHUs, is directed to perform duties somewhere else, he will not be entitled to PHSRP allowance. Any allowance so paid should be recovered.

Scrutiny of payroll and attendance registers of Basic Health Units of DO Health Gujranwala, it was observed that different officials were drawing HSRA without performing duties at their posting stations. This resulted in unauthorized payment to the officials on accounts of HSRA for Rs 3.023 million.

Actual recovery may be calculated at own level.

Audit was of the view that due to weak internal controls, unauthorized payment of HSRA was made.

No reply was submitted by the Management.

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

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

[PDP No.18]

#### **4.4.2.7 Non-deduction of sales tax -Rs2.134 million**

As per notification vide letter No. D.O. No.5 (21) L & D /97-4910/FS dated 03.10.1997 every DDO is responsible to collect the proof of deposit of sales tax paid to suppliers has been deposited into Government treasury.

Scrutiny of accounts record of Health Councils of BHUs under District Officer (Health) Gujranwala revealed that expenditure amounting to Rs 12.618 million was incurred for the purchase of various items from different un-registered suppliers. The payment was made to the suppliers including sales tax amounting to Rs 2.134 million. Due to non deduction

of sales tax at source from un-registered vendors, overpayment was made to the contractors/suppliers.

Audit was of the view that due to weak internal controls, sales tax for Rs 2.134 million was not deducted at source while making the payment to vendors.

No reply was submitted by the Management.

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

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

[PDP No.04]

#### **4.4.2.8 Overpayment of pay and allowances after resignation – Rs1.481 million**

According to Rule 2.31 (1) of PFR Vol-I, a drawer of a bill of pay and allowances, contingent charges and other expenses the DDO will be held personally responsible for any over charges, fraud and misappropriation.

During scrutiny of record of District officer Health Gujranwala, it was observed that following medical officers had resigned from their post but the salaries were not stopped through computerized change in time which resulted in overpayment of pay and allowances for Rs 1.218 million as detailed below.

S. #	Name of officer	Place of Posting at BHU	Date of Resignation	Pay per month	Period	Amount (Rs)
1	Dr. Maha Atta	Buddo Ratta	08-04-16	61218	05-08-16 to 31-10-16	175754
2	Dr. Maria Sana	Botalal Sharam Singh	14-12-16	61218	15-12-16 to 28-02-17	156007
3	Dr. Awais Asghar	Sokhana Bajwa	18-01-2017	61218	18-01-17 to 31-03-17	150082
4	Dr. Malak Shohab	Malke	03-05-17	83648	05-03-17 to 31-07-17	374165
5	Dr. Ahsan Raza	Artali Virkan	15-12-15	53262	15-12-15 to 29-02-16	132295
6	Dr. Areeba Moazzam	Mari Thakran	5-6-2017	83636	6.6.17 to 31.7.17	160000
7	Dr. Kanwal Shahzadi	Gakka Mitter	30.6.17	69372	1.7.17 to 31.7.17	69372
	<b>Total Rs.</b>					<b>1217675</b>

**B)** Further it was observed that the above mentioned doctors neither served prior one month notice nor one salary was recovered at the time of resignation which resulted in loss to the Govt. of Rs263,183.

Total Recovery = A + B = Rs1217675 + Rs263183 = **Rs1.481 million**

Audit was of the view that due to weak internal controls, excess payment was made to the doctors.

No reply was submitted by the Management.

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

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

[PDP No.16]

#### **4.2.2.9 Shortage of Stores-Rs 1.280 million**

According to Rule 2.31 (1) of PFR Vol-I, a drawer of a bill of pay and allowances, contingent charges and other expenses the DDO will be held personally responsible for any over charges, fraud and misappropriation.

During audit of THQ Hospital Wazirabad, comparison of stock register and physical inspection revealed that there was difference in quantity of items as per stock register and actual quantity in store. No indents, detail of issuance and receiving was found on record which resulted in shortage of stores Rs1,280,400 as detailed below:

(Amount in Rs)

Item	Qty as per record	Actual Qty	Difference	Rate	Amount
Lyringscope	11	5	6	8,000	48,000
ECG Machine	5	2	3	129,000	387,000
Diatherme 450 watt	2	1	1	80,000	80,000
Neubilizer	8	3	5	-	-
Ambo Bag	11	7	4	11,500	46,000
Draw Sheet	800	600	200	-	-
Succer Machiner	7	4	3	114,800	344,400
Hot Air Oven	2	1	1	165,000	165,000
Patient Monitor	6	3	3	70,000	210,000
<b>Total</b>				<b>578,300</b>	<b>1,280,400</b>

Audit was of the view that due to weak internal controls, stock was misappropriated/lost from the hospital.

No reply was submitted by the Management.

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

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

[PDP No.03]



## **CHAPTER 5**

### **District Health Authority, Gujrat**

#### **5.1 Introduction of the Authority**

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

Prior to promulgation of the Act, District Health Department was headed by the Executive District Officer (Health) who is Departmental Accounting Officer of group of offices of District Health Department and District Coordination Officer was the Principal Accounting Officer under PLGO, 2001.

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

- establish, manage and supervise primary and secondary health care facilities and institutions;
- approve the budget of the Authority and allocate funds to health institutions;
- coordinate health related emergency response during any natural calamity or emergency;
- develop referral and technical support linkages between primary and secondary levels of health care on the one hand and tertiary level health facilities and medical education institutions on the other;
- ensure human resource management and capacity development of health service delivery personnel under the policy framework given by the Government;
- ensure timely reporting of progress on health indicators relating to disease surveillance, epidemic control, disaster management to the Government; and
- ensure implementation of minimum standards of service delivery, infrastructure, patient safety, hygiene and public health as prescribed by the Punjab Health Care Commission.

DHA Gujrat manages following primary and secondary health care facilities and institutues:

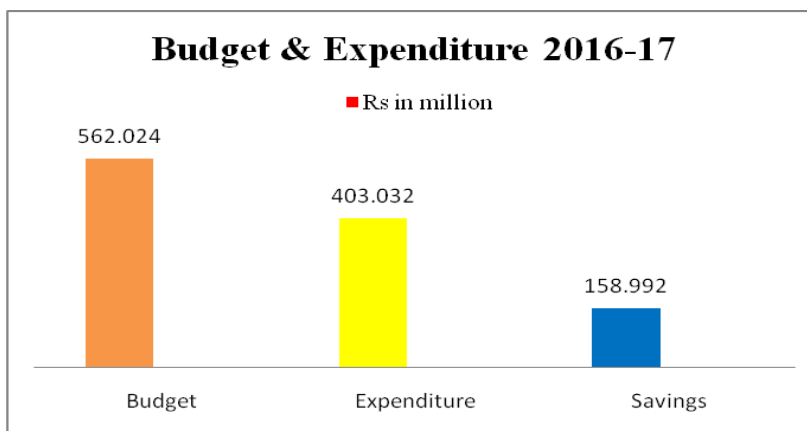
Description	No. of health facility/ institute
Basic Health Unit	89
Government Rural Dispensary	03
Mother and Child Health care	11
Rural Health Centre	11
Government Maternity Hospital	06
Civil Hospital	03
Tehsil Head Quarter Hospitals	04
District Blood Transfusion Officer	01
District Health Development Centre	01
District Health Officers	01
General Nursing School	01

## 5.2 Comments on Budget and Accounts

Total budget of District Health Authority for the Financial Year 2016-17 was Rs 562.024 million, against which only Rs 403.032 million was spent. Overall savings of Rs 158.992 million during the Financial Years 2016-17 which was 28.29% of budgetary allocation, showing non-utilization of funds meant for provisions of amenities in District Health Authority thus depriving the community from getting better facilities.

(Rs in million)

Financial Year	Budget	Expenditure	Savings	% Savings
2016-17	562.024	403.032	158.992	28.29



## 5.3 Brief Comments on the Status of Compliance with PAC Directives

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

## **5.4 AUDIT PARAS**

## **5.4.1 Irregularity & Non-compliance**

### **5.4.1.1 Unauthorized payments in cash-Rs 9.384 million**

No authority should sanction any expenditure which is likely to involve at a later date expenditure beyond its own power of sanction as laid down under Rule 2.10(a)(5) of PFR Vol-I. Further no authority shall sanction any expenditure, which is directly or indirectly to its own advantage as laid down under Rule 32(c) of PLG (Accounts) Rules 2001.

Scrutiny of accounts record of DHO and MS THQ Hospital Sarai Alamgir District Gujrat revealed that Rs9.384 million paid for the purchase of different items during the FY 2016-17. The payments were made in cash instead crossed cheques. Further Health Council of THQ Hospital Sarai Alamgir did not approve the payments in cash to the suppliers.

Audit was of the view that due to non-compliance of rules and dereliction on the part of the financial management, payments were made in cash instead of crossed cheques.

No reply was submitted by the Management.

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

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

[PDP No.06&03]

### **5.4.1.2 Splitting of job orders to avoid advertisement on PPRA website – Rs 8.390 million**

According to Rule 12(1) read with Rule 9 of Punjab Procurement Rules 2014, procurements over one hundred thousand rupees and up to the limit of two million rupees shall be advertised on the PPRA's website in the manner and format specified by PPRA regulation from time to time. A procuring agency shall announce in an appropriate manner all proposed procurements for each Financial Year and shall proceed accordingly without any splitting of the procurements so planned. The annual requirements thus determined would be advertised in advance on the PPRA's website.

Management of 06 (six) formations of DHA Gujrat incurred an expenditure of Rs 8.39 million on accounts of procurement of different items during the Financial Year 2016-17. Indents were split up in order to avoid advertisement at PPRA website.

Audit was of the view that due to non-compliance of rules and dereliction on the part of the financial management, expenditure was split to avoid the floating of tender at PPRA website.

No reply was submitted by the Management.

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

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

[PDP No.03,06,03,07,08,04,04,01&02]

#### **5.4.1.3 Irregular expenditure on purchase of medicines – Rs 2.00 million**

As Per Government of the Punjab Health department letter No 199-336 dated 30.04.1998 and letter No AAC/HD/1-42/94(p) 14.04.1998 the procedure for purchase of day to LP medicine should be as follows: -

Tender register should be maintained. The same committee should process the case which is nominated by the Government for bulk purchase of medicines. 5% security of the LP budget should be obtained from successful bidder. Discount rate for drugs of multinational items finalized by the Government should be kept in view. Contract for disposable and surgical items should be finalized separately on the basis of open tender, discount rate, rate contract. Patient's treatment register showing name, registration number, address, diagnosis, medicines etc. should be maintained. LP should not be for more than seven days for one patient. Drugs should be received defaced and issued from store against proper acknowledgement.

MS Tehsil Headquarter Level Hospital Lalamusa District Gujrat incurred a sum of Rs2.00 million out of SDA for the purchase of LP medicines from M/s Bin Dad Pharmacy during the FY 2016-17. The Rate Contract was awarded by MS THQ Hospital Kharian and management of the Civil Hospital Lalamusa adopted the same Rate Contract instead of advertising and awarding own Rate Contract. As per LP medicine guidelines, supplier located within a radius of 2 km. Moreover, the LP medicine was purchased in bulk instead of day to day requirements patient wise. This resulted in irregular expenditure.

Audit was of the view that due to non-compliance, expenditure was incurred without fulfillment of LP guidelines.

No reply was submitted by the Management.

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

Audit recommends regularization of the matter besides fixing the responsibility against the person(s) at fault. [PDP No.02]

**5.4.1.4 Inadmissible expenditure on accounts health council - Rs 1.699 million**

According to letter No. PSO/Secy./P&SH/05/2016 date 02.07.2016 Secretary of the Health Councils shall prepare M&R Schemes, Purchase and repair of Machinery / Equipment and may suggest to the Health Council any step they deem necessary for up-keep of that health facility and improve service delivery. After approval from Health Council, the scheme shall be executed using local expertise etc.

Scrutiny of accounts record of MS THQ Hospital Sarai Alamgir and MS MSSS Hospital Kunjah District Gujrat revealed that medicines amounting Rs1.699 million were purchased from health council funds during the Financial Year 2016-17. As per Health Council Guidelines medicines were not allowed to purchase from health council funds. Further Health Councils of the respective hospitals did not approve the expenditure on purchase of medicine.

Audit was of the view that due to non-compliance of rules, medicines were purchased from the Health Council Funds which was inadmissible.

No reply was submitted by the Management.

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

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

[PDP No.02 &05]

## **5.4.2 Internal Control Weaknesses**

### **5.4.2.1 Unauthorized drawl of Adhoc Relief Allowance 2010- recovery thereof Rs2.67 million**

According to Govt. of the Punjab, Finance Department letter No.FD.PC.40-04/12 dated 17-2-2012, those employees who are drawing health sector reform allowance and health professional allowance are not entitled to Adhoc Allowance-2010 @50%. This adhoc allowance has not been granted to the employees who have been allowed an allowance equal to at least one month's initial of pay scale of 2008.

Certain formations of District Health Authority Gujrat paid amounting to Rs2.67 million on accounts of Adhoc Relief allowance-2010 @50% to doctors and nurses whereas the doctors were also drawing Health Sector Reform Allowance and Health Professional Allowance in violation of the above rule. Similarly nurses were drawn Adhoc Relief allowance-2010 @50% along with the dress and mess allowances. Due to non deduction of Adhoc Relief Allowance 2010@ 50%, overpayment was made to the doctors and nurses.

Audit was of the view that due to weak internal controls, unauthorized allowance was drawn which resulted overpayment.

No reply was submitted by the Management.

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

Audit recommends recovery of the amount.

[PDP No.08,04,04,03,04,02,04&03]

### **5.4.2.2 Recovery of pay & allowances- Rs1.906 million**

Every government servant should realize fully and clearly that he will be held personally responsible for any loss sustained through fraud, negligence on the part of the government servant up to the extent to which he has contributed towards the fraud according to Rule 2.33 of the PFR Vol-I.

Scrutiny of accounts record of certain formation of District Health Authority Gujrat revealed that numerous doctors resigned from govt. services during the period under audit. One month prior notice was required to submit to the competent authority for the acceptance of resign of the doctors. However pay and allowance were transferred to their salary bank accounts for the month of resignation and after this month. Due to

non-submission of pay change form in DAO Gujrat, pay and allowances were credited to their bank accounts.

Audit was of the view that due to weak internal controls, pay and allowances were paid to the officers/officials without their entitlement which resulted overpayment.

No reply was submitted by the Management.

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

Audit recommends recovery of the amount.

[PDP No.04,04,01,02,01&04]

#### **5.4.2.3 Non/Less realization of liquidated damages – Rs 1.623 million**

As per purchase order, the supplier has to deliver the machinery within the stipulated time period mentioned in supply order otherwise liquidated damages @0.067% per day for the delayed period will be imposed.

CEO District Health Authority Gujrat issued supply orders of medicine to the tune of Rs28.399 million to different suppliers during the Financial Year 2016-17. However the suppliers failed to supply the medicine within stipulated time period. Management did not impose the penalty @0.067% per day due delay in supply of medicine in violation of Purchase Order clause. Due to non imposition of penalty, govt. revenues were not realized as detailed below;

Sr#	Supply order Date	Date of Supply to be delivered	Actual date of Delivery	No. of Days Delays	Name of Firm	Amount	L.D
1.	04.1.17	5.03.17	15.5.17	71days	GSK Limited	260,750	12,403
2	22.12.16	24.2.17	15.5.17	92 days		1,643,875	101,328
3	13.10.16	14.12.16	25.3.17	161-60=101		16,892,728	1,102,934
4	4.1.17	4.3.17	15.5.17	131-60=71		6,667,745	317,184
5	15.11.16	15.1.17	20.2.17	97-60=37	Sanofiaventis	574,977	14,253
6	22.12.16	20.2.17	17.4.17	115-60=55	Novartis	108,400	3,995
7	22.12.16	20.2.17	15.3.17	82-60=22		100,000	1,474



8	22.12.16	20.2.17	22.3.17	89-60=29	Abbot Lab	100,000	1,943
9	22.12.16	20.2.17	25.3.17	92-60=32		185,000	3,966
10	15.11.16	14.1.17	15.3.17	118-60=58		1,372,500	53,335
11	22.12.16	20.2.17	25.3.17	92-60=32		492,600	10,561
						<b>Total</b>	<b>1,623,376</b>

Audit was of the view that due to weak internal controls, liquidate damages were not recovered due to late supply of medicine which resulted in non realization of govt. revenues.

No reply was submitted by the Management.

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

Audit recommends recovery of the amount.

[PDP No.06]

#### **5.4.2.4 Recovery of house rent and conveyance allowance – Rs 1.049 million**

According to Government of Punjab Finance Department letter No. FD(M-I) 1-15/82 – P-I, dated 15.06.2000 in case of Government servant is allotted above entitlement residence, he / she will not draw the house rent and will pay 10% of the maximum of the scale for which residence is meant, 2000In case of availability of designated residence, deduction of house rent allowance at the prescribed rate should be made whether a government.According to Rule-7 of Treasury Rules, conveyance allowance is not admissible during leave period. Further, according to Finance Division O.M. No.(1)-imp.1/77, dated 28<sup>th</sup> April 1977, conveyance allowance would not be admissible in cases where office and residential buildings are located within the same boundary wall even if the residential building are far away from the office building.

Scrutiny of accounts record of the certain formations of District Health Authority Gujrat revealed that officers/officials were allotted designated residences or residing in Govt. accommodations in hospital premises. However house rent allowance as well as conveyance allowance was not deducted from their salaries. Due to non deduction of HRA and CA, overpayment was made to the officers/officials.

Audit was of the view that due to weak internal controls, pay and allowances were paid to the officers/officials without their entitlement which resulted overpayment.

No reply was submitted by the Management.

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

Audit recommends recovery of the amount.

[PDP No.07,02,03,03,05&02]

## **CHAPTER 6**

### **District Health Authority, Hafizabad**

#### **6.1 Introduction of the Authority**

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

Prior to promulgation of the Act, District Health Department was headed by the Executive District Officer (Health) who is Departmental Accounting Officer of group of offices of District Health Department and District Coordination Officer was the Principal Accounting Officer under PLGO, 2001.

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

- establish, manage and supervise primary and secondary health care facilities and institutions;
- approve the budget of the Authority and allocate funds to health institutions;
- coordinate health related emergency response during any natural calamity or emergency;
- develop referral and technical support linkages between primary and secondary levels of health care on the one hand and tertiary level health facilities and medical education institutions on the other;
- ensure human resource management and capacity development of health service delivery personnel under the policy framework given by the Government;
- ensure timely reporting of progress on health indicators relating to disease surveillance, epidemic control, disaster management to the Government; and
- ensure implementation of minimum standards of service delivery, infrastructure, patient safety, hygiene and public health as prescribed by the Punjab Health Care Commission.

DHA Hafizabad manages following primary and secondary health care facilities and institutues:

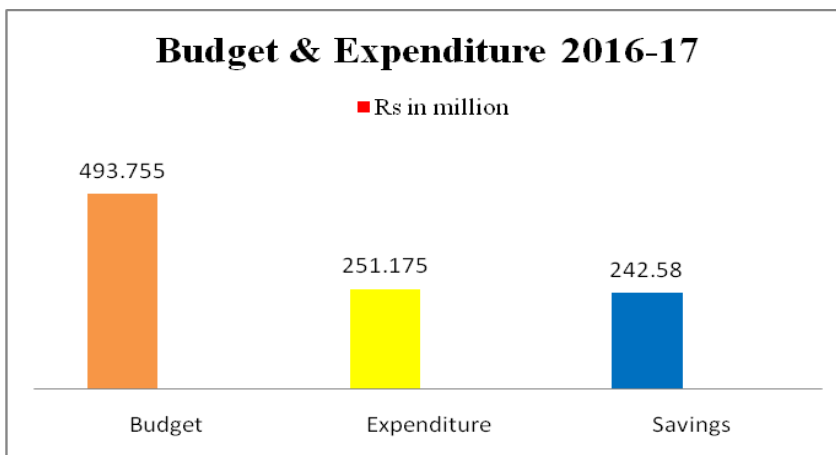
Description	No. of health facility/ institute
Basic Health Unit	89
Government Rural Dispensary	03
Mother and Child Health care	11
Rural Health Centre	11
Government Maternity Hospital	06
Civil Hospital	03
Tehsil Head Quarter Hospitals	04
District Blood Transfusion Officer	01
District Health Development Centre	01
District Health Officers	01
General Nursing School	01

## 6.2 Comments on Budget and Accounts

Total budget of District Health Authority for the Financial Year 2016-17 was Rs 493.755 million, against which only Rs 251.175 million was spent. Overall savings of Rs 242.580 million during the Financial Years 2016-17 which was 49.13% of budgetary allocation, showing non-utilization of funds meant for provisions of amenities in District Health Authority thus depriving the community from getting better facilities.

(Rs in million)

Financial Year	Budget	Expenditure	Savings	% Savings
2016-17	493.755	251.175	242.580	49.13



## 6.3 Brief Comments on the Status of Compliance with PAC Directives

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

## **6.4 AUDIT PARAS**

## **6.4.1 Non-production of Record**

### **6.4.1.1 Non-production of Record – Rs 44.962 million**

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

Following formations incurred an expenditure of Rs 10.096 million during January 2017 to July 7 but vouched accounts of the expenditure were not produced for audit scrutiny. In absence of record, authenticity, validity, accuracy and genuineness of expenditure could not be verified:

<b>Formations</b>	<b>Detail of expenditure</b>	<b>Amount (Rs)</b>
DO (Health)	Medicines were purchased and issued for BHUs, GRDs and Flood centers but the approved distribution plan, indents and consumption record was not found on record.	785,110
D.O (Health)	Amount of Rs 2.35 million was disbursed to the vaccinators for measles campaign but the plan, No. of children vaccinated etc. and acquaintance roll was not available	2,353,050
D.O (Health)	POL was drawn but the log books of ambulances DA-1 to DA-15	1129809
DHQ Hospital Hafizabad	Purchase of machinery and equipment but details of equipment purchased, Tendering process, supply order and invoices of equipment were not on record.	5,828,000
<b>Total</b>		<b>10,095,969</b>

Audit held that due to financial indiscipline and weak internal controls, relevant record was not produced to audit by the auditee in violation of provisions of Ordinance.

The observation was discussed with the department but no reply was submitted by the Management.

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

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

[PDP No.06,08,09& 03]

## **6.4.2 Irregularity & Non-compliance**

### **6.4.2.1 Unauthorized purchase of LP medicines - Rs 13.265 million**

According to Government of the Punjab Health Department letter No.SO(P-I)H/3-64/2008 dated 12.09.2013, policy and operational guidelines for Local Purchase of Medicines (Day to Day) chalked out by the health department for guidance & strict compliance (copy attached)

- i. The policy requires the hospital to establish non availability of prescribed medicines through an authorized pharmacist in the hospital on case to case basis to avoid duplication of resources.
- ii. The policy requires hospital to document all the items to be purchase under local purchase system. This will help to prepare trend list.
- iii. It is established policy of the government to enter into local purchase contracts through open competitive tendering. The policy emphasis to use same purchase committee in local purchase tenders who processes bulk purchase contracts. The policy requires the hospital to chalk out clear mechanism for receiving local purchase indent, its scrutiny, sanctioning, placement of order, receiving, defacing & issuance of medicines, record keeping and payment process. The MS of the hospital shall be responsible for having all these arrangements.
- iv. A responsible hospital pharmacist usually send indent to the suppliers.
- v. Patient who receives medicines should be registered at the central point and should be allotted registration number etc.

Heads of various formations of Health Department District Hafizabad paid Rs 13.265 million on accounts of purchase of LP Medicines during the period from January 2017 to June 2017. The medicines were purchased without observing of guidelines of purchase of LP medicine as detail below:

<b>Name of Formations</b>	<b>Description</b>	<b>Amount</b>
SMO RHC Jalalpur Bhattian	Violation of Guideline No. 2,3 &5	154,870
SMO RHC Jalalpur Bhattian)	Violation of Guideline No. 22&28	154,870
SMO RHC Kaleki Mandi	Violation of Guideline No. 2,3&5	114,180
THQ Hospital NosheraVirkan	Violation of Guideline No. 2,3&5	4,462,644
RHC Sukheki	Violation of Guideline No. 2,3&5	3274492
DHQ Hospital Hafizabad	Violation of Guideline No. 2,3&5	5,104,171
<b>Total</b>		<b>13,265,227</b>

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

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

Audit recommends regularization of matter from Finance Department otherwise recovery be effected from officials concerned.

[PDP No.01,02, 07,03,& 01]

#### **6.4.2.2 Unjustified advance payment - Rs7.10 million**

According to Finance Department, Government of the Punjab letter dated 17.3.2017 on the subject, Request for Advance Withdrawal of Funds, para (3) the above said advance withdrawal is under Rule 2.10 (b) (5) of PFR Vol-I subject to the following conditions,

- i. Vouched account with supporting vouchers/documents to be furnished to Accountant General, Punjab within one month of the withdrawal of advance for adjustment in the books of accounts.
- ii. Provision of Bank Guarantee of the invoice amount by the concerned supplier firm.

During the course of audit, it was observed that fund amounting Rs 7.11 million were withdrawn from Govt. treasury in advance. The cheques were issued to the Secretary P&S Healthcare Department for the procurement of the machinery & equipment. However vouched account was still awaited from the department. Further department did not collect bank guarantee from the supplier. In the absence of vouched account drawl of funds was unjustified.

<b>Cheque No.</b>	<b>Date</b>	<b>Payee</b>	<b>Amount (Rs)</b>
401899	6.4.2017	Secretary P&S Health Care Department	4,244,610
401900	6.4.2017	Lahore	2,860,560
<b>Total</b>			<b>7,105,170</b>

Audit held that due to non compliance of rules, drawl of funds without getting vouched account was unjustified.

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



#### **6.4.2.3 Overpayment due to non-deduction of 5% house maintenance charges - Rs 4.34 million**

As per clarification issued by Government of the Punjab, Finance Department letter No. FD(M-1)1-15/82-P-I dated 15.1.2000 in case a designated residence is available the Government servant for whom it is meant cannot draw HRA even if he does not reside in it as well as will pay rent @5% even if the facility is not availed and residence remains vacant during the period.

During scrutiny of record of District officer (Health) Gujranwala, it was observed that following officers/officials were allotted and being resided in designated residences of BHUs but 5% maintenance charges of Basic Pay amounting to Rs 4.34 million was not deducted from the pay and allowances of the officers/officials.

Audit held that due to weak financial indiscipline, overpayment was made to employees.

This resulted in overpayment to officer(s) and official(s).

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

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

#### **6.4.2.4 Loss due to unauthorized drawal of allowance – Rs 1.295 million**

According to Govt. of the Punjab, Finance Department letter No.FD.PC.40-04/12 dated 17-4-2012, those employees who are drawing health sector reform allowance and health professional allowance are not entitled to Adhoc Allowance,2010 @50%. This adhoc allowance has not been granted to the employees who have been allowed an allowance equal to at least one month's initial of pay scale.

Heads of various formations of Health Department paid Rs 1.295 million to Doctors on accounts of Health Sector Reform Allowance, Health professional allowance as well as Adhoc Relief allowance,2010 @50% in violation of the above rule which resulted in loss to Government exchequer of about Rs 1.295 million.

<b>Name of Formations</b>	<b>Description</b>	<b>Amount (Rs)</b>
SMO RHC KoloTarrar	50% Adhoc Allowance 2010	109,080
SMO RHC KalekiMandi		145,440
SMO RHC Kassoki		169,680

SMO RHC VanikayTarar		145,440
THQ PindiBhattian		217380
DHQ Hafizabad		508,240
<b>Total</b>		<b>1,295,260</b>

Audit was of the view that due to non-compliance of rules and dereliction on the part of the financial management, unauthorized payment was drawn from treasury.

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

Audit recommends initiating recovery from the Doctors.

[PDP No.04,03,05,02,04,07&04]

### **6.4.3 Internal Control Weaknesses**

#### **6.4.3.1 Recovery of House Rent and Conveyance Allowance - Rs 23.568 million**

As per clarification issued by Government of the Punjab, Finance Department letter No FD(M-1)1-15/82-P-I dated 15.1.2000 in case a designated residence is available the Government servant for whom it is meant cannot draw HRA even if he does not reside in it as well as conveyance allowance and will pay rent @5% even if the facility is not availed and residence remains vacant during the period. Further, according to Government of the Punjab, S&GAD letter No.EO (S&GAD)/Policy/2002-1942, dated 16-10-2002, 60% of basic pay is required to be charged as penal rent from the officials residing in Government residences unauthorized.

Management of various formations of Health Department District Hafizabad did not recover house rent allowance as well as conveyance allowance from the officers / officials residing in government accommodations located within the same boundary wall in DHQ & RHC during financial period from July 2016 to December 2016. This resulted in overpayment of Rs 23.568 million as detailed below:

<b>Formations</b>	<b>Description</b>	<b>Amount Rs</b>
SMO RHC Rasoolpur Tarar District Hafizabad	Non-deduction of House Rent & CA	435,732
District officer (Health) Hafizabad	Designated residences of BHUs but CA	16,586,208
District officer (Health) Hafizabad	Designated residences of BHUs but HRA	6,033,168
RHC KalekiMandi	Non-deduction of House Rent & CA	272,720
M.S THQ PindiBhattian	Non Recovery of Conveyance Allowance	240,198
<b>Total</b>		<b>23,568,026</b>

Audit was of the view that due to non-compliance of rules and dereliction on the part of the financial management, house rent & conveyance allowance were not deducted.

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

Audit recommends fixing of responsibility against the officers / officials at fault besides recovery of Rs 3.937 million.

[PDP No.03,01,02,05& 02]

#### **6.4.3.2 Splitting of Job Orders to avoid open tender – Rs 18.340 million**

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

Head of various formations paid an amount of Rs 18.340 million for the purchase of different supplies by splitting the indents through calling quotations in small orders instead of publishing advertisement on PPRA website during the period from January 2017 to June 2016. This resulted is uneconomical purchase as detail below:

<b>Name of Formation</b>	<b>Description</b>	<b>Amount (Rs)</b>
DO (Health) Hafizabad	Printing & Publication	881893
DO (Health) Hafizabad	Strychnine and LP Medicines	458125
MS THQ Hospital Pindi Bhattian	Medicines	17,000,000
<b>Total</b>		<b>18,340,018</b>

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

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

Audit recommends fixing responsibility besides regularization of the matter with the sanction of competent authority.

(PDP No.04,07,&12)

#### **6.4.3.3 Non-recovery due to non-registration of food license- Rs 2.00 million**

According to the Punjab Pure Food Rules 2007, an application for the grant or renewal of a license shall be accompanied by a fee of rupees five Thousand for the premises in category (a) and rupees ten Thousand for the premises in category (b) and rupees fifty Thousand for the premises in category (c) in sub-rule (1) of rule 27.

Scrutiny of accounts record of CEO District Health Authority Hafizabad revealed that 289 food units were operating its business in the district. Food units were visited by the DSI or staff of Sanitation branch during the Financial Year 2016-17. All the categories were needed to be registered by the Health Department. However DSI (District Sanitary Inspector) did not register the food shop/factories due to which license fee was not recovered.

Audit held that due to non compliance of govt. instructions, visited food units were not registered which resulted in non recovery of food license fee.

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

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

#### **6.4.3.4 Unauthorized drawl of 35% share of Radiologist by the MS-Rs 50870**

According to the standing order of the Health Department, Government of the Punjab, 35% share was entitled to the radiologist only.

Contrary to above, an audit scrutiny of accounts record of DHQ Hafizabad has revealed that the M.S DHQ Hafizabad has received an amount of Rs 50870 on accounts of share of the radiologist in violation of the ibid instructions. The Medical Superintendent DHQ Hospital has received radiologist's share without actually working against that post and without having specialization in radiologist field.

<b>Name of Formations</b>	<b>Description</b>	<b>Amount (Rs)</b>
M.S DHQ Hafizabad	Radiologist's share	50,870
M.S DHQ Hafizabad	Pathologist share	1,558,718
M.S DHQ Hafizabad	Cardiologist share	110,166
<b>Total</b>		<b>1,719,754</b>

Audit held that Radiologist share was paid to medical superintendent due to defective financial position and weak internal controls.

This resulted in loss of Rs 50870 from public exchequer.

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

Audit stresses recovery of the amount.

[PDP No.10,11&12]

#### **6.4.3.5 Irregular payment of Health Sector Reform Allowance - Rs 1.288 million**

According to the Government of the Punjab, Health Department's letter No.PMU/PHSRP/G-I-06/61/760, dated the 16th March 2007, the Punjab Health Sector Reform Allowance is payable only when the doctors / paramedics and other staff perform their duties under the Punjab Health Sector Reform Programme at RHCs / BHUs. Any doctor / Paramedic and other staff whether regular or on contract, posted and drawing pay against the posts of RHCs / BHUs is directed to perform somewhere else will not be entitled to PHSR Allowance, any such allowance paid should be recovered. Further, no HSRA is admissible during leave period

Management of twelve formations made irregular payment of Rs 1.288 million on accounts of HSRA on general duty or during leave and unauthorized absence from duty as detail below:-

<b>Formation</b>	<b>Description</b>	<b>Amount (Rs)</b>
S.M.O RHC KoloTarrar	Leave Period	43,679
S.M.O RHC KoloTarrar	General Duty Staff	21,864
SMO RHC KoloTarrar	absent from their duties	113,001
SMO Rural Health Centre JalalpurBhattian	absent from duty and their	67,932
S.M.O RHC KalekiMandi	Leave Period	35,847
SMO RHC KalekiMandi	General Duty Staff	17,510
S.M.O RHC Kassoki	Leave	79,124
SMO RHC Kassoki	Absentee	53,386
S.M.O RHC VanikayTarar	Leave	267,924
DHQ Hospital Hafizabad	Absent	167,665
M.S DHQ Hafizabad	Leave	88,964
<b>Total</b>		<b>1,287,509</b>

Audit held that due to non-compliance of rules and negligence on the part of the management, HSRA was not deducted from the salaries of the employees.

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

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

[PDP No.01,02,03,04,01,02,05& 06]

#### **6.4.3.6 Non-accountal of Stock - Rs 1.695 million**

According to Rule 15.4(a) of PFR Vol-I, all materials received should be examined, counted, measured and weighed, as the case may be,

when delivery is taken, and they should be kept in charge of a responsible government servant. The receiving government servant should also be required to give a certificate that he has actually received the materials and recorded them in his appropriate stock registers. Moreover, Rule 15.17(b) of PFR Vol-I states that all discrepancies noticed must properly investigated and brought to the account immediately, so that the stores account may represent the true state of store.

Heads of under mentioned formations of District Hafizabad paid Rs 1.695 million to on accounts of Medicines but purchased items were neither taken on stock nor its issuance and consumption shown to audit as detailed below:-

<b>Name of Formations</b>	<b>Description</b>	<b>Amount (Rs)</b>
CEO (DHA)	Medicines	1,262,395
RHC RasoolPurTarar	LP Medicine	277,980
RHC JalalpurJattan	LP Medicine	154,870
<b>Total</b>		<b>1,695,245</b>

The absence of such procedural formality, leads to be doubtful issuance / consumption of store & Stock valuing Rs 1.695 million.

No reply was submitted by the Management.

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

Audit recommends action against the persons for non maintenance of stock register.

[PDP No.04, 01, &05]

#### **6.4.3.7 Less/ non-deduction of Income Tax on purchase of Equipment – Rs 1.091 million**

According to Section 153 of Income Tax Ordinance, 2001, every prescribed person making a payment in full or part including a payment by way of advance to a resident person or permanent establishment in Pakistan of a non-resident person shall, at the time of making the payment, deduct tax from the gross amount @ 4% & 4.5% is required to be deducted from companies & individuals on supplies.

Management of various formations incurred expenditure and made payment to the various suppliers but income tax was either not deducted or less deducted than rates specified. This resulted in loss of revenue of Rs 1.091 million as detail below:

<b>Name of Formations</b>	<b>Description</b>	<b>Amount (Rs)</b>
SMO RHC KoloTarrar	Less Deducted of Income Tax	19,275
CEO (Health) Hafizabad	Non-deduction of Income Tax	935,872
CEO(H) Hafizabad	Less deduction of Income Tax	135,393
<b>Total</b>		<b>1,090,540</b>

Audit was of the view that due to non-compliance of rules and dereliction on the part of the financial management, income tax was not / less deducted from the suppliers.

No reply was submitted by the Management.

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

Audit recommends recovery of income tax of Rs 1.580 million from concerned.

[PDP No.06,01&08]



## **CHAPTER 7**

### **District Health Authority, Jhelum**

#### **7.1 Introduction of the Authority**

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

Prior to promulgation of the Act, District Health Department was headed by the Executive District Officer (Health) who is Departmental Accounting Officer of group of offices of District Health Department and District Coordination Officer was the Principal Accounting Officer under PLGO, 2001.

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

- establish, manage and supervise primary and secondary health care facilities and institutions;
- approve the budget of the Authority and allocate funds to health institutions;
- coordinate health related emergency response during any natural calamity or emergency;
- develop referral and technical support linkages between primary and secondary levels of health care on the one hand and tertiary level health facilities and medical education institutions on the other;
- ensure human resource management and capacity development of health service delivery personnel under the policy framework given by the Government;
- ensure timely reporting of progress on health indicators relating to disease surveillance, epidemic control, disaster management to the Government; and
- ensure implementation of minimum standards of service delivery, infrastructure, patient safety, hygiene and public health as prescribed by the Punjab Health Care Commission.

DHA Jhelum manages following primary and secondary health care facilities and institutues:

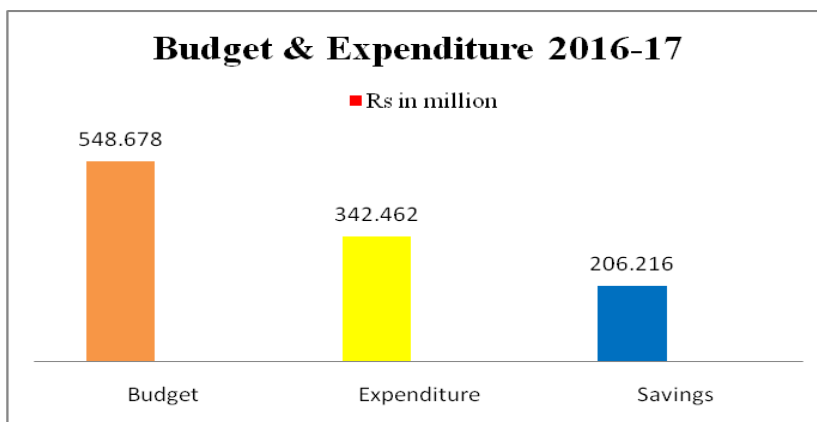
Description	No. of health facility/ institute
Basic Health Units	47
Government Rural Dispensary	6
Rural Health Centre	6
Tehsil Head Quarter Hospitals	2
District Head Quarter Hospitals	1
District Health Development Centre	1
District Health Officers	2

## 7.2 Comments on Budget and Accounts

Total budget of District Health Authority for the Financial Year 2016-17 was Rs 548.678 million, against which only Rs 342.462 million was spent. Overall savings of Rs 206.216 million during the Financial Years 2016-17 which was 37.580% of budgetary allocation, showing non-utilization of funds meant for provisions of amenities in District Health Authority thus depriving the community from getting better facilities.

(Rs in million)

Financial Year	Budget	Expenditure	Savings	% Savings
2016-17	548.678	342.462	206.216	37.580



## 7.3 Brief Comments on the Status of Compliance with PAC Directives

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

## **7.4 AUDIT PARAS**

## **7.4.1 Non-production of Record**

### **7.4.1.1 Non-production of Record –Rs 21.246 million**

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

Various DDOs of District Health Authority Jhelum did not produce the requisite record for Audit verification. In the absence of record, authenticity, validity, accuracy and genuineness of expenditure could not be verified as detailed below:

<b>Name of Formation</b>	<b>Description of Record</b>	<b>Amount (Rs)</b>
DHQ Hospital Jhelum.	Non-provision of record of Long Leave,	0
SMO E&EDC Center Jhelum	Record of payroll for the year 2016-17 and unserviceable item register	2,727,335
SMO RHC Jalal Pur	Record of payroll for the year 2016-17 and unserviceable item register	18,518,219
<b>Total</b>		<b>21,245,554</b>

Audit held that due to financial indiscipline and weak internal controls, relevant record was not produced to audit by the auditee in violation of provisions of Ordinance.

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

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

PDP#19,7&10

## **7.4.2 Irregularity & Non-compliance**

### **7.4.2.1 Irregular Purchase of Medicines – Rs 169.995 million**

According to Rule 8 of Punjab Procurement Rules 2014, a procuring agency shall, within one month from the commencement of a Financial Year, devise annual planning for all proposed procurements with the object of realistically determining the requirements of the procuring agency, within its available resources, delivery time or completion date and benefits that are likely to accrue to the procuring agency in future. Further according to Rule 9 read with Rule 12(1) of Punjab Procurement Rules 2014, procurements over one hundred thousand rupees and up to the limit of two million rupees shall be advertised on the PPRA'S website in the manner and format specified by regulation by the PPRA'S from time to time. Further, a procuring agency shall announce in an appropriate manner all proposed procurements for each Financial Year and shall proceed accordingly without any splitting or regrouping of the procurement so planned.

Scrutiny of record of Following DDOs of District Health Authority Jhelum for the period 1/2017 to 6/2017, it was observed that the medicines (Bulk Purchase) amounting to Rs 169.995 million had been purchased from the firms whom rate contract was awarded by the Secretary Health Department Govt. of Punjab

Audit noted the following irregularities which made expenditure irregular.

- i. According to above mentioned rules of Punjab Procurement Rules, all the stages of procurement process including annual planning for procurement to tendering should be done by procuring agency. But neither any advertisement for procurements by procuring agency was made nor any record regarding Tendering proceedings was produced regarding purchase of medicines.
- ii. Procurement of medicines as per rate contract of Health Department Govt., of the Punjab was unauthorized, unlawful and in violation of Punjab Procurement Rules 2014 where in rate contract did fall under any specified methods of procurement. Detail is as under:

Name of Formation	Nature of Record	Rs in million
CEO DHA Jhelum	Irregular Purchase of Medicines on the rate Contract by Secretary Health Punjab	13.47
THQ Sohawa		16.06
MS DHQ Jhelum		6.450
..do..		0.261
..do..		1.468
RHC Dina		0.468
THQ PDK		9.377
MS DHQ Jhelum		111.878
MS THQ Hospital Sohawa		0.238
RHC Dina		6.136
MS THQ PDK		4.189
	<b>Total</b>	<b>169.995</b>

Audit in of the view that due to weak managerial controls and negligence, relevant procedure was not followed which resulted in irregular purchase of medicines.

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

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

PDP # 1,1,8,7,4,4,4,3,1,1&3.

#### **7.4.2.2 Irregular Issuance of Medicines without DTL – Rs 23.176 million**

According to Drug Act 1967, the payment to suppliers of medicines should be made after obtaining DTL reports. Further, Government of the Punjab, Health Department letter No. SO (P-1)H/3-54-2001 dated 06-09-2001, contains procedure for procurement of medicines.

Scrutiny of record of Following DDOs of District Health Authority Jhelum for the year 2016-2017, it was observed that medicines for Rs. 23.176 million were issued without receipt of DTL reports. In the absence of DTL report, issuance of medicines was irregular / unjustified. The detail is as under:

Name of Formation	Nature of Record	Amount (Rs)
DO (H) Jhelum	Issuance of medicines without DTL	4.308
MS THQ Hospital Sohawa	...do...	4.66
CEO DHA Jhelum	...do...	2.72
MS THQ PDK	...do...	11.488
	<b>Total</b>	<b>23.176</b>

The irregularity occurred due to weak financial controls. This resulted in risk of health and deprived patients from quality medicines.

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

The matter was reported for fixing of responsibility against the person(s) at fault beside the disciplinary action. PDP # 7,11,5,10

#### **7.4.2.3 Irregular Misclassification of Expenditure - Rs 1.169 million**

As per Article 30 of Audit Code, all financial transactions are required to be recorded and allocated to proper heads of account. According to Rule 55(2) of Punjab District Authorities (Budget) 2017, head of offices and DDO shall be responsible to ensure that authorized budget allocations are spent in conformity with the Schedule of Authorized Expenditure.

Scrutiny of record of Medical Superintendent THQ Hospital PD Khan for the period 01.01.2017 to 31.06.2017, it was observed that this office incurred expenditures of Rs1.169 which were charged to wrong heads of account instead of actual heads of account as detailed below. This resulted in irregular expenditure of Rs 1.169 million.

Audit is view that due to weak financial management and poor budgeting resulted in wrong classification of expenditure of Rs 1.169 million.

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

Audit recommends for regularization of the expenditure from the competent authority besides fixing responsibility against on persons at fault.

PDP # 01

### 7.4.3 Performance

#### 7.4.3.1 Non-reconciliation of expenditure incurred from SDA – Rs 230.767 million

According to Rule 12.19 & 12.20 it is the duty of the PLA to maintain passbook in Form 25 and reconcile the receipts into and payments there from with treasury once in a month. According to clause 68 (3) of the Punjab local Government Accounts Manual 2003, reconciliation of expenditure has to be made with the Accounts Office on monthly basis.

Scrutiny of record of Following DDOs of District Health Authority Jhelum, it was observed that an amount of Rs 230.767 was spent on accounts of non-salary expenditure during Financial Year 2016-17 The expenditure statement showing head was head wise allocation and expenditure duly verified by District Accounts Officer, Jhelum was not provided. In the absence which the expenditure incurred could not be verified.

Rs in million		
Name of Formation	Nature of Record	Amount
DHQ Hospital Jhelum	Non-reconciliation of Expenditure incurred from SDA	186.430
MS THQ Hospital Sohawa	Non-conducting of physical verification of stores and non-reconciliation of SDA Account	22.407
..do..	Payroll	21.93
<b>Total</b>		<b>230.767</b>

Pass book of SDA showing inwards and outward transactions on monthly basis duly verified by District Account Office, Jhelum was not prepared.

Further, lump-sum grant was available/ transferred in SDA and budget was not allocated to incur expenditure in each head with approval of competent authority. All the expenditure booked in A05270-others irregularly.

Audit was of the view that due to weak financial control the expenditure was not reconciled with District Account Office.

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

Audit recommends for immediate reconciliation with Budget & Accounts officer.

PDP #18,14



#### **7.4.3.2 Non-maintenance of Tree & Plant Register valuing - Rs 2.00 million (Approx)**

According to rule 2.33 of PFR Volume-I, every government servant should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part, and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he contributed to the loss by his own action or negligence.

Scrutiny of record of Medical Superintendent DHQ (Hospital) Jhelum it was observed that a number of Trees and plants valuing Rs 2.00 (Approx) in the boundary wall DHQ Hospital but the trees and plant register also known as green register showing the name of tree/plant, measurement and estimated age was not maintained.

Audit was of the view that due to weak financial control the irregularity was occurred resulting in non-maintenance of Trees & Plants record.

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

Audit stresses that the omission may please be justified and needful may be done.

PDP#20

#### **7.4.4 Internal Control Weaknesses**

##### **7.4.4.1 Non-clearance of Cheques of Suppliers, blockage of funds – Rs16.466 million**

According to Rule 2.33 of PFR Volume-I, every government servant should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part, and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he contributed to the loss by his own action or negligence.

Scrutiny of record of DHQ Hospital Jhelum it was noticed that following cheques issued from SDA for payment of non-salary Expenditure had not been cleared. SDA was closed on 30.6.2017 hence keep the cheques not cleared creates the doubt for the transactions. Detail is given in Annexure-G.

Above said amounts are still payable and liability on DHQ Hospital. Matte needs justifications.

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

Audit requires that matter be justified and action be taken against the concerned.

PDP # 11

##### **7.4.4.2 Irregular Purchase of Medicine-Rs 13.150 million**

According to the Rule 2.32 (a) of PFR Vol.-I, it is essential that the records of payments and transactions in general must be clear, explicit and self contained. According to Government of the Punjab, Health Department (Purchase Cell) letter No.SO(P-1)Health/8-64/93 dated 2<sup>nd</sup> August, 1993, all Medical Superintendents/Indenting Officers shall be held personally responsible for the drugs/medicines expired due to the non-consumption/ local purchase/un-realistic demand of the expired drugs & medicines.

Scrutiny of record of CEO Health, Jhelum for the period 01.01.2017 to 30.06.2017, it was observed that neither date of manufacturing nor the date of expiry was mentioned on the bills nor the same was available on the inspection report.

Audit was of the view that due to weak internal controls, non availability of important dates of manufacturing and expiry quality and efficacy of the medicine with regard to useable shelf life could not be established.

This resulted in irregular expenditure of medicines Rs 13.150 million.

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

Audit requires that action be taken against the concerned.

PDP # 04

#### **7.4.4.3 Non-recovery of various allowances – Rs 12.122 million**

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

Various formations of District Health Authority Jhelum did not recover the various amounts in violation of above. As per detail given in Annexure-H.

Audit was of the view that due to weak internal control, the irregularity was occurred resulting in non recovery of allowances.

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

Audit recommends recovery from concerned besides fixing of responsibility.

PDP #1,3,1,3,10,5,6,11,5,7,10,15,16,12,17,4,5,2,4,2,4,6,14,19,20,2,5,  
14,6,1,20,21,22,6,11 and 2

#### **7.4.4.4 Unjustified purchase of large quantity of Printed Material for Lab Test – Rs 5.700 million**

According to Para 15.18 of PFR Volume - I “balances of stores must not be held in excess of the requirements of a reasonable period or in excess of any prescribed maximum limit. In order to ensure the observance of this rule, a periodical inspection must be made by a responsible Government servant, who must submit a report of surplus stores to the authority competent to issue orders for their disposal. The inspection must be made six monthly in the case of perishable stores, and

once a year in the case of other stores, unless there be good reason to the contrary. Stores remaining in stock for over a year should be considered surplus unless there is any good reason to treat them otherwise.

Scrutiny of record of DHQ hospital Jhelum it was noticed that sum of Rs 5,700,000 was incurred on printing of lab test reports as detailed below:

Name of Firm	Bill No	Date	Item	Quantity	Rate	Amount (Rs)
Khyber International Printers, Lahore	830	05.06.2017	CBC Analysis for Lab	10,000 pads of 100pages each	335	3,350,000
			Chemistry Analysis for lab	10,000 pads of 100pages each	235	2,350,000
Total						5,700,000

On scrutiny of record revealed that expenditure was incurred on printing of 20,000 pads of 100 pages each for lab test reports it means 2,000,000 pages which can be used for 2,000,000 tests. As per current test ratio, this quantity is more than the demand of five years.

Further, the rates provided were inclusive of GST and supplies of DHQ Hospital were exempted from GST but GST @ 17% was not excluded from the rates amounting to Rs 828,205. This needs recovery.

Audit was of the view that this huge expenditure on accounts of printing was wastage of Government money and undue favour to supplier.

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

Audit desired that inquiry be conducted to probe the fact and disciplinary action be initiated against the persons at fault.

PDP # 12

#### **7.4.4.5 Unauthorized Payment of Incentive Allowance – Rs 3.760 million**

According to Notification No.PA/DS (G)4-8/2016 dated August 3<sup>rd</sup> 2016, the specialist should visit the hospital in the evening and stay for one hour for round in the wards after check in on the biometric system otherwise 40% of the incentive allowance should be deducted”.

During audit of DHQ Hospital Jhelum, it was observed that all specialists were drawing full amount of incentive allowance without

visiting the hospital in the evening. There was no proof of evening visits in biometric attendance system of DHQ Hospital. This resulted in overpayment of Rs 3,760,000 on accounts of non-deduction of 40% of the incentive allowance from the allowances paid to the specialist during the 01/2017 to 10 2017.

Audit was of the view that due to weak internal control, 40% incentive allowance was not deducted. This resulted in violation of government rules and loss to the government.

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

Audit recommends that action be taken against the concerned along with recovery.

PDP # 18

#### **7.4.4.6 Unjustified Payment of GST – Rs 1.026 million**

According to Sales Tax Department notification, Hospital above 45 beds are exempted from General Sales Tax. Console Enterprises quoted prices inclusive of taxes.

Scrutiny of record of the following formation of District Health Authority Jhelum it was noticed that an amount of Rs 7,770,319 was incurred on purchase of Generator, dust bins and shoppers 17% GST amounting to Rs 1,026,057 was paid. Payment of GST was irregular as detailed below:

<b>Formation Name</b>	<b>Description</b>	<b>Supplier</b>	<b>Amount</b>	<b>GST</b>
DHQ Hospital	Generator along with Foundation Pad	Iman Group Islamabad.	7,600,244	997,144
DHO	Dust bins and shoppers	Console Enterprises	170075	28,913
<b>Total</b>			<b>7,770,319</b>	<b>1,026,057</b>

Audit was of the view that due to weak financial control, GST amounting to Rs 1,026,057 was paid.

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

Audit desired that GST amounting to Rs 1,026,057 be recovered and deposited in treasury.

PDP # 5, 23.

## **CHAPTER 8**

### **District Health Authority, Kasur**

#### **8.1 Introduction of the Authority**

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

Prior to promulgation of the Act, District Health Department was headed by the Executive District Officer (Health) who is Departmental Accounting Officer of group of offices of District Health Department and District Coordination Officer was the Principal Accounting Officer under PLGO, 2001.

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

- establish, manage and supervise primary and secondary health care facilities and institutions;
- approve the budget of the Authority and allocate funds to health institutions;
- coordinate health related emergency response during any natural calamity or emergency;
- develop referral and technical support linkages between primary and secondary levels of health care on the one hand and tertiary level health facilities and medical education institutions on the other;
- ensure human resource management and capacity development of health service delivery personnel under the policy framework given by the Government;
- ensure timely reporting of progress on health indicators relating to disease surveillance, epidemic control, disaster management to the Government; and
- ensure implementation of minimum standards of service delivery, infrastructure, patient safety, hygiene and public health as prescribed by the Punjab Health Care Commission.

DHA Kasur manages following primary and secondary health care facilities and institutues:

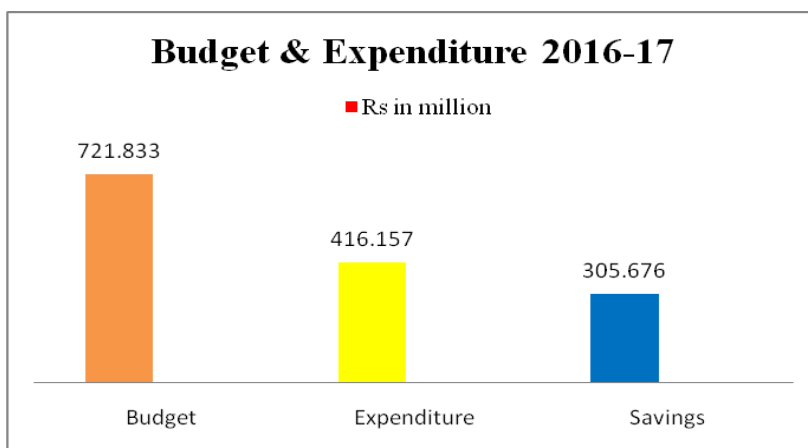
Description	No. of health facility/ institute
Basic Health Units	82
Government Rural Dispensary	20
Rural Health Centre	12
Tehsil Head Quarter Hospitals	3
District Head Quarter Hospitals	1
District Health Development Centre	1
District Health Officers	1
Other institutes/ health facility	3

## 8.2 Comments on Budget and Accounts

Total budget of District Health Authority for the Financial Year 2016-17 was Rs 721.833 million, against which only Rs 416.157 million was spent. Overall savings of Rs 305.676 million during the Financial Years 2016-17 which was 42.35% of budgetary allocation, showing non-utilization of funds meant for provisions of amenities in District Health Authority thus depriving the community from getting better facilities.

(Rs in million)

Financial Year	Budget	Expenditure	Savings	% Savings
2016-17	721.833	416.157	305.676	42.35



## 8.3 Brief Comments on the Status of Compliance with PAC Directives

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

## **8.4 AUDIT PARAS**



#### **8.4.1 Misappropriation/ Fraud**

##### **8.4.1.1 Likely embezzlement of government receipts- Rs 11.734 million**

According to Rule 78 (1) of Punjab District Authorities (Budget) Rules 2017, the primary obligation of collecting officer shall be to ensure that all revenue due is claimed, realized and credited immediately into the District Authority fund, under the proper receipt head. The head of office shall supervise and take corrective measures in respect of activities of collecting officer..

During audit of office of DHQ Hospital Kasur it was observed that during Financial Year 2016-17 different lab tests were performed at laboratory of hospital and fee amounting to Rs 11.734 million was collected from the patients. The tests were performed without doctor's advice as the same were not shown to audit for verification.

Audit was of the view that blood samples were collected from private labs and using OPD number of hospital unauthorized tests were performed.

This resulted in loss to government amounting to Rs 11.734 million.

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

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

[PDP # 13]

##### **8.4.1.2 Shortage of store items- Rs 870,360**

As per Rule 2.33 of PFR Volume-I, every Government servant should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he constituted to the loss by his own action or negligence.

In case of any loss of property of the local government, the responsibility for such loss shall be fixed by the concerned local government and the amount of the loss shall be recovered from the

defaulting person and a report to this effect shall forthwith be submitted to the concerned Council in the meeting next following according to Section 126 of the PLGO, 2001.

During audit of THQ KRK, it was noticed that a sum of Rs 870,360 was drawn in Financial Year 2016-17 on accounts of purchase of consumable items. Stock register showed balance of the quantity mentioned against each item but the items were not available in the store as evident from physical verification report duly signed by the management and Audit officer. This resulted in shortage of store items to the tune of Rs 870,360.

Audit held that physically goods were not available due to weak internal controls and pilferages.

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

Audit recommends inquiry into the matter besides fixing responsibility against the officers/ officials at fault.

[PDP # 09]

#### **8.4.1.3 Misappropriation by showing fake consumption of medicines - Rs 184,707**

As per Rule 2.33 of PFR Volume-I, every Government servant should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he constituted to the loss by his own action or negligence.

During audit of THQ Hospital Chunian, it was noticed that various medicines were issued from main stock register to indoor of the hospital against an indent which was cancelled by the storekeeper of main store himself. Scrutiny of indoor register of medicine consumption revealed that the medicines were neither received nor consumed in indoor wards of the hospital. Annexure-I.

Audit held that issuance of medicines against the cancelled indents was due to weak internal controls.

This resulted in misappropriation of medicines worth Rs 184,707.

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

Audit recommends inquiry into the matter besides fixing responsibility against the officers officials at fault.

[PDP # 09]

## **8.4.2 Non-production of Record**

### **8.4.2.1 Non-production of record - Rs 1.140 million**

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

Management of THQ Chunian did not provide the record for audit relating to procurements for ACs and Printing material. In the absence of aforementioned record, authenticity, validity and accuracy of expenditure worth Rs 1.140 million could not be verified as detailed below:

<b>Sr. No.</b>	<b>Description of Purchase</b>	<b>Amount (Rs)</b>
1	Purchase of 2 chillers/ACs	390,000
2	Printing material (total exp-Rs 1,277,281- record produced-Rs 527,281)	750,000
	<b>Total</b>	<b>1,140,000</b>

Audit held that due to financial indiscipline and weak internal controls, relevant record was not produced to audit by the auditee in violation of provisions of Ordinance.

The matter reported to the management in October, 2017. The department did not submit any reply nor DAC meeting convened till the finalization of this report.

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

[PDP # 15]

### **8.4.3 Irregularities & Non-compliance**

#### **8.4.3.1 Irregular payment of salaries without sanctioned posts -Rs 291.869 million**

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

During Audit of CEO Health Kasur for the year 2016-17, it was observed that CEO District Health Authority Kasur made payment amounting to Rs 291.869 million on accounts of pay and allowances without getting approval from the Finance Department and adjustment of regular employees of defunct council.

Audit was of the view that payment of salaries without approval of Finance Department was due to weak internal controls.

This resulted in unjustified payment of salaries amounting to Rs 291.869 million

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

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

#### **8.4.3.2 Unjustified transfer of funds – Rs 80.00 million**

According to Para (d) sub para 3 and 4 of the agreement between Punjab Rural Support Programme and District Government Kasur vide notification No. PD-PSU/CMI-PHC/271 dated January 4, 2005, the PRSP shall render accounts of the management operation to the District Government, Kasur within a period of three months after the conclusion of each Financial Year and the accounts of the management operation shall be audited by the auditors of the PRSP and a copy thereof be provided by the PRSP to the District Government Kasur within thirty days of the

approval of accounts in the Annual General Meeting of the PRSP. Further, according to the provisions set forth in term of para 2.3(a) of Treasury Rules read with para 2.2(b) of the rule *ibid*, vouched account of PLA funds are required to be post audited prior to disbursement of new releases. Para 4.2.7.1 of APPM stated that Every claim voucher (bill) must be certified by an officer in the relevant District Account Office/Accountant General Office/Accountant General Pakistan Revenue Office and who shall be deemed to be the certifying officer.

An audit scrutiny of accounts record of DOH, Kasur revealed that funds to the tune of Rs 80.000 million was released to District Support Manager (PRSP) under object head “KS21C16-General Hospital Services BHUs” for Pay & Allowances, telephone, electricity, hot & Cold and medicine during 2016-17. The DSM, PRSP did not render accounts to the District Health Authority Kasur in violation of above agreement as detailed below;

Sr. No.	Cost center	Object head	Cheque #	Date	Amount
1	KS-5413	Others	608533	08.03.2017	6,249,486
2	KS-5413	Others	608573	04.04.2017	2,000,000
3	KS-5413	Others	775605	06.05.2017	35,875,257
4	KS-5413	Others	3159331	12.06.2017	35,875,257
		<b>Total</b>			<b>80,000,000</b>

Audit was of the view that due to weak internal and administrative control vouched account of PRSP funds was not obtained. This resulted in unjustified transfer of funds amounting to Rs 80.000 million

The matter was reported to the management in October, 2017. The department did not submit any reply nor was DAC meeting convened till the finalization of this report.

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

[PDP # 1]

#### **8.4.3.3 Payment of pay and allowances without admissibility - Rs 3.463 million**

According to the Government of Punjab, Health Department’ s order No SO(N.D)2-26 / 2004(P.II), non-practicing allowance @ Rs. 4,000 pm (BS- 17 & 18) and Rs. 6,000 pm (BS-19 & 20) w.e.f 1.1.2007 is admissible only for those doctors who do not opt for private practice. According to clause 6 of terms and conditions of the admission, it is

mandatory for the Nursing Students to reside in the Hostel during training and they will be paid Rs 500 / month as mess allowance.

Management of the following formations made payment of Rs 3.463 million on accounts of non-practicing allowance to the doctors without obtaining certificate of not doing private practice. It was further observed that mess allowance was being made to the student not availing the hostel facility.

Sr. No	Name of Formation	PDP #	Amount (Rs)
1	RHC Mustafabad	07	30,000
2	RHC Kangan Pur	05	28,000
3	RHC Joura	03	45,000
4	RHC Joura	06	82,640
5	General Nursing School	01	165,000
6	Govt. Aziz Bibi Hospital	06	264,000
7	Cardiac Center Chunian	06	120,000
8	DHQ Hospital	17	2,729,000
<b>Total</b>			<b>3,463,640</b>

Audit was of the view that payment of inadmissible allowances was made due to weak internal controls.

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

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

#### **8.4.3.4 Irregular Payment of Conveyance Allowance - Rs 1.066 million**

According to Govt. of Punjab, FD Letter No.FD-SR.I.9-4/86(P)(PR) dated 21<sup>st</sup> April 2014, the officers who are availing Govt. vehicles including bikes (sanctioned / pool) are not entitled to the facility of conveyance allowance w.e.f.01-03-2014. This Department's instructions whereby Conveyance Allowance was allowed on a certificate of not using vehicle from house to office and vice versa are withdrawn accordingly.

During audit of DO Health Kasur revealed that 92 vaccinators were paid conveyance allowance @ Rs 1,932 per month during the financial period from January, 2017 to June, 2017 amounting to Rs 1.066 million despite of availing facility of motorcycle and petrol.

Audit was of the view that due to weak internal and administrative control conveyance allowance was not deducted in the presence of conveyance facilities. This resulted in overpayment amounting to Rs 1.066 million.

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

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

[PDP # 02]

#### **8.4.3.5 Payment of allowance during leave period – Rs 1.303 million**

According to Rule 1.15 (2) of Punjab Travelling Allowance Rules, conveyance / mobility allowance is not admissible during LFP (Leave with Full Pay) and in any other form of leave. Further According to Rule 1.15 (2) of Punjab Travelling Allowance Rules, conveyance / mobility allowance is not admissible during summer & winter vacations. Further according to Government of the Punjab, Health Department letter No. PO(D-III)9-8/2008 date 22<sup>nd</sup> November, 2008 “. The officers / officials on long leave will not be entitled to draw the special Allowances during leave period.

Management of the following formations did not deduct conveyance allowance amounting to Rs 1.303 million from the salaries of employees during leave period and during winter and summer vacations

<b>Sr. No.</b>	<b>Name of Formation</b>	<b>PDP #</b>	<b>Amount (Rs)</b>
1	DOH Kasur	08	60,036
2	DHQ Hospital	14	203,934
3	Cardiac center Chunian	02	496,104
		09	68,221
		10	32,500
4	RHC Kangan pur		50,704
5	RHCMustafabad	01	66,980
	<b>Total</b>		<b>1,303,078</b>

Audit was of the view that deduction of conveyance allowance during leave period was not made due weak internal controls. This resulted in irregular and unjustified payment of allowances amounting to Rs 1.303 million during leave period.



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

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

#### **8.4.3.6 Cash payment instead of cross cheque-Rs 37.623 million**

Finance Department vide No. FD(FR)V-6/75(P) dated 04.03.2010 stated that “ payment of Rs 100,000 & above shall not be made in cash by Drawing & Disbursing Officer (DDOs).

During audit of District Government Kasur, it was observed that management of the following formations either made payment through cash or by issuing cheques in the name of DDOs resulting in irregular payment of Rs 36.877 million.

(Rs in million)

<b>Sr. No.</b>	<b>Formation Name</b>	<b>Description of expenditure</b>	<b>PDP #</b>	<b>Amount</b>
1	DO Health	Others	03	36.877
2	RHC Ellahabad	Difference claims of suppliers	02	0.746
		<b>Total</b>		<b>37.623</b>

Audit held that payment through cash by issuing cheques in the name of DDO was due to weak internal controls. This resulted in irregular payment of Rs 37.623 million.

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

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

#### **8.4.3.7 Purchase of medicines without DTL Reports – Rs 41.771 million**

No drug / medicine shall be accepted & used without the report of Drug Testing Lab (DTL). Moreover, payment on accounts of Drugs / Medicines shall be released to the suppliers only on receipt of standard / positive DTL report according to Health Department’s policy letter No. SO (P-I) H/RC 2001-2002/01, dated 29<sup>th</sup> September, 2001.

Following formations made payment amounting to Rs 41.771 million for purchase of medicine without receiving positive DTL reports from Drug Testing Laboratory, Lahore.

Sr.	Formations Name	PDP #	Rs in million
1	RHC Ganda Sigh Wala	01	2.812
2	THQ Hospital Chunian	07	7.338
3	DHQ Hospital	04	28.469
4	RHC Joura	01	0.382
5	RHC Kangan Pur	07	2.770
			<b>41.771</b>

Audit held due to weak financial management and internal control irregular payment without DTL reports was made.

This resulted in unjustified payment amounting to Rs 41.771 million.

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

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

#### **8.4.3.8 Irregular purchase without advertisement at PPRA website – Rs 32.521million**

According to Rule 12(1) of Punjab Procurement Rules 2014, procurements over one hundred thousand rupees and up to the limit of two million rupees shall be advertised on the PPRA's website in the manner and format specified by regulation by the PPRA from time to time. Moreover as per Rule 15.2(c) & (d) of PFR Vol-I, purchase orders should not be split up so as to avoid the necessity for obtaining the sanction of higher authority required with reference to the total amount of the orders.

During compliance audit of following formations for the year 2016-17, it was observed that an expenditure of Rs 32.521 million was incurred on the purchase of following items without adopting the system of open tendering and making purchase either through quotations or by splitting the indent.

Sr.	Formations	Description of item	PDP #	Rs in million
1	RHC Joura	LP medicines	02	0.382
2	THQ Hospital Chunian	Purchase of Ceiling fans, exhaust fans, furniture,	15	1.431

		cloth, lab items etc		
3	THQ Kot Radha Kishan	Purchase of x-ray films, printing, machinery etc	03	2.383
4	DHQ Hospital	Purchase of medicine, wood work and paint	01	28.325
	<b>Total</b>			<b>32.521</b>

Audit was of the view that purchase of different items without observing Punjab Procurement Rules was due to poor financial discipline and weak internal controls.

This resulted in uneconomical purchase of above mentioned items amounting to Rs 32.521 million.

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

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

#### **8.4.3.9 Irregular payment against partial delivery – Rs 2.138 million**

As per clause of the operative rate contract, payment will be made to the firm against full supply of medicines and no payment for partial delivery shall be made.

During audit of THQ Hospital Chunian, it was observed that an payment of Rs 2.138 million was made to the M/S GSK against partial supply of medicines amounting to Rs 0.603 million in violation of contract agreement.

<b>Cheque No. &amp; Date</b>	<b>Description</b>	<b>Name of Supplier</b>	<b>Amount (Rs)</b>
732972 dt. 07.06.17	Purchase of medicines	M/S GSK	491,022
732976 dt. 07.06.17	Purchase of medicines	M/S GSK	1,647,245
<b>Total</b>			<b>2,138,267</b>

Audit held that payment against partial delivery of medicines was due to poor financial discipline and weak internal controls.

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

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

[PDP # 06, 08]

#### **8.4.3.10 Irregular Expenditure due to Misclassification– Rs 1.061million**

As per Article 30 of Audit Code, all financial transactions are required to be recorded and allocated to proper heads of account. According to Rule 55(2) of Punjab District Authorities (Budget) 2017, head of offices and DDO shall be responsible to ensure that authorized budget allocations are spent in conformity with the Schedule of Authorized Expenditure.

During compliance audit of the following formations during the year 2016-17, it was observed that expenditure of Rs 1.061 million was incurred but was not charged to proper / relevant head of account.

<b>Sr.</b>	<b>Name of formations</b>	<b>Amount (Rs)</b>
1	THQ Hospital Chunian	989,102
2	RHC Ganda Singh Wala	71,815
	<b>Total</b>	<b>1,060,917</b>

Audit held that booking of expenditure in wrong head of account was due to poor financial discipline and weak internal controls.

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

This resulted in use of budget of from the irrelevant head of account.

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

[PDP # 10, 03]

#### **8.4.3.11 Irregular local purchase of medicines – Rs 4.125 million**

According to Rule (9) of Punjab Procurement Rules 2014, a procuring agency shall announce in an appropriate manner all proposed procurements for each Financial Year and shall proceed accordingly without any splitting or regrouping of the procurements so planned the annual requirements has determined would be advertised in advance on the PPRA's website as well as on the website of the procuring agency in case the procuring agency has its own website. Further, as per LP guideline issued by the Health Department, discount rate should be outcome of open tender in the press and discount rate for drugs of multi-national firms may be made from 5 to 8% and for national from 8 to 12%.

MS THQ Hospital Kot Radha Kishan purchased LP medicines for Rs 4.125 million without entering into local rate contract disregarding imperatives of discount in violation of guidelines of the health department. Moreover, job order was split up in order to avoid competitive rates of discount through advertisement at PPRA website. Medicine invoices showed that local purchase of medicines was made without deducting/obtaining any discount.

Audit was of the view that purchase of LP medicines without discount and without open tender was due to financial indiscipline and poor procurement planning. This resulted in irregular purchase of medicines worth Rs 4.125 million and loss of Rs 494,973 to the government.

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

Audit recommends regularization of the matter besides fixing responsibility against the persons at fault. [PDP # 01]

#### **8.4.3.12 Non-utilization of Medical Machinery & Equipment- Rs 2.560 million**

Rule 4 (c) of PLG (Property) Rules 2003 requires that manager shall take steps to ensure that property meant for use of public is actually used to the maximum benefit of the public. according to 4 (c) of PLG (Property) Rules, 2003, the manager, in the month of July each year, shall take stock of the movable property under his charge, verify the immovable property under his charge, submit a report to the concerned Council showing the result of such stock taking and verification including particulars of unserviceable articles, losses and wastage if any, cases of defalcation of accounts or misappropriation of property.

During audit of THQ Hospital Kot Radha Kishan, it was noticed that specific medical equipment were transferred to THQ Hospital, but equipment were found in original packing in hospital store till the date of audit i.e. September 2017 as detailed at Annexure-J.

Audit held that non-utilization of medical equipment and machinery was due to poor asset management. This resulted in non-utilization of medical machinery & equipment worth Rs 2.560 million (approx.) as detailed below:

The matter was reported to the PAO in October, 2017. The department neither submitted any reply nor DAC meeting convened till

finalization of this report.

Audit recommends use of machinery & equipment to provide better health facilities to the general public besides fixing responsibility against the person(s) at fault. [PDP # 08]

#### **8.4.3.13 Non-recovery of electricity charges Rs 0.897 million**

According to Rule 76 (1) of PDG & TMA Budget Rules 2003, the primary obligation of the collecting officer shall to ensure that all revenue due is claimed , realized and expedited immediately into local Govt. funds under proper receipt head. As per Rule 2.33 of PFR Volume-I, every Government servant should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he constituted to the loss by his own action or negligence.

During audit of office of MS DHQ Hospital Kasur it was observed that no electricity meters were installed at the residences of the hospital direct electricity was supplied to the residences from the electricity meter of hospital. Even no sub meters were arranged in the residences so it was a clear case of theft which was not taken up by the management of the hospital or health authority. Instead of fixing responsibility management decided to recover fix charges from the residents of the colony. It was a noticed that residents who were using expensive electricity without any account did not pay minor charges since February 2017. The recoverable amount w.e.f. Feb to June 2017 amounts to Rs 0.897 million.

Audit was of the view that use of electricity without meters was due to weak internal controls. This resulted in misuse of electricity amounting to Rs 0.897 million and loss to public exchequer.

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

Audit recommends recovery of the amount besides fixing responsibility against the officers / officials at fault. [PDP # 03]

#### **8.4.3.14 Irregular transfer of fund to building department Rs 1.05 million**

According to Rule 38 (2), (5) & (14) of Punjab District Authorities (Budget ) Rules 2017 the executing agency shall execute development

projects as per parameters fixed in the approved PC-I and in accordance to the rules or instructions relevant to the respective executing agency who shall follow PC-III format for monitoring development projects. In case of development project under execution, the executing agency shall send monthly progress reports in the prescribed forms BM-5 and BM-7 to CEO 10<sup>th</sup> of each succeeding. The PC-IV signed by the head of office and institutions shall be mandatory for all the projects and PC –V shall be prepared for mega projects.

MS DHQ Hospital Kasur transferred a sum of Rs 1.05 million to building department for works to the hospital building under the control of CEO Health. Transfer of fund was held irregular because no estimate and scope of work was shared by the building department. Technically sanctioned estimates, inclusion of schemes in ADP of the building department and flotation of tenders were not on record. In the absence of requisite record and non-availability of vouched accounts the authenticity of payment and timely completion of work could not be warranted.

Audit was of that transfer of funds without codal formalities and vouched account was due to poor financial discipline and weak internal controls. This resulted in irregular transfer of funds to the tune of Rs 1.05 million.

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

Audit recommends recovery of the amount besides fixing responsibility against the officers / officials at fault. [PDP # 09]

#### **8.4.3.15 Unauthorized and doubtful consumption of syringes & Branulas Rs 6.336 million**

According to Rule 15.4 (a) and 15.5 of the PFR Vol-I “all materials received should be examined, counted, measured and weighted, as against may be, when delivery is taken and they should be kept in charge of responsible government servant. The receiving government servant should also require giving certificate that he has actually received the materials and recorded them in his appropriate stock register. When material are issued a written acknowledgement would be obtained from the person to whom in order to be delivered or dispatched and when material are issued from stock for departmental use the government servant in charge of the stores should see that an indent in PFR form 26 has been made by a properly a person”

During audit of the following formations for the year 2016-7, it was observed that medicine store issued syringes branulas IV canulas, amounting to Rs 6.336 million, to medical wards. Scrutiny of record of wards revealed that in consumption / expense register of wards bed head ticket number of patients were not mentioned only a statement was written that item was used in ward, this resulted in unauthorized and doubtful consumption.

Sr.	Name of Formations	PDP #	Amount (Rs)
1	DHQ Hospital	11	6,137,549
2	Cardiac Center Chunian	05	128,050
3	Aziz Bibi Hospital Kasur	04	71,000
	<b>Total</b>		<b>6,336,599</b>

Audit held that consumption of syringes and branulas without maintaining proper record was due to weak internal controls.

This resulted in misuse of syringes and branulas amounting to Rs 6.209 million.

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

Audit recommends inquiry and regularization of the matter esides fixing responsibility against the officers / officials at fault.

#### **8.4.3.16 Less / non-deposit of Government receipts – Rs 1.828 million**

According to Rule 76 of PDG & TMA (Budget) Rules 2003, the primary obligation of the Collecting Officers shall be to ensure that all revenue due is claimed, realized and credited immediately into the local government fund under the proper receipt head.

Management of the following formations either did not collect collected less government receipts whereas some of the formations deposited fewer amounts of government receipts into government treasury resulting in loss of Rs 1.828 million to the public exchequer.

Sr. No.	Name of formations	Description of receipt	PDP #	Amount due (Rs)	Amount collected (Rs)	Less collection / Non-deposit (Rs)
1	DOH Kasur	Purchee fee	06	1785116	1173286	305,915
1	THQ Hospital chunian	Lab fee	20	528,563	367,000	161,563



2	DHQ Hospital	Echo charges, x-ray fee, medical fitness certificates fee, MLC charges etc	05	-	-	565,818
		Ambulance fee	06	-	-	204,044
3	Cardiac center chunian	Echo charges, x-ray fee, OPD, indoor etc.	03	-	-	427,180
		Ambulance charges	07	-	-	93,380
		Ambulance charges	08	-	-	70,892
		<b>Total</b>				<b>1,828,792</b>

Audit was of the view that less collection / deposit of receipts was due to poor financial discipline and weak internal controls.

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

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

#### **8.4.3.17 Non-deposit of Government receipt - Rs 289,183**

According to the Rule 76 (1) of the Punjab District Authorities (Budget) Rules 2017, the primary obligation of the collecting officers shall be to ensure that all revenue due is claimed, realized and credited immediately into the authorities fund under the proper receipt head.

Management of the following formations collected an amount of Rs 289,183 from the employers but instead of depositing the same into Account-VI of District Health Authority, it was deposited into Account-I of provincial government resulting in loss of Rs 289,183 to the District health authority fund.

Sr.	Name of formations	Description	PDP #	Amount (Rs)
1	DHQ Hospital	Recoveries of overpayment	11	232,849
2	Govt. Aziz Bibi Hospital		05	56,334
	Total			<b>289,183</b>

Audit held that non-deposit of government receipt into account vi of district health authority was due to poor financial discipline and weak internal controls.

This resulted in misclassification of receipt for Rs 289,183.

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

Audit recommends recoupment of the receipts deposited into Account-I of provincial government and regularization of the matter in a manner prescribed besides fixing responsibility against the officers / officials at fault.

#### **8.4.3.18 Irregular payments out of SDA without Post Audit - Rs 261.940 million**

According to revised procedure for operation of SDAs circulated by the office of the Controller General of Account letter No.AC-II/1-39/08-Vol-V/632 Dated: September 24, 2008 applicable w.e.f.01-10-2008 “The drawing authorities will submit monthly account of expenditure with copies of paid vouchers to the concerned AG/DAO for post audit purpose by 15th of each month who will carry out 100% post audit. Further Government of the Punjab Finance Department vide its letter No. SO(TT)6-1/2007 dated 16-09-2007 has since decided to adopt the policy for the operation of SDAs circulated by CGA vide letter No.AC-II/6-23/99/Vol-XIV/160 dated 14-07-2007 “to overcome the existing accounting problems relating to SDAs the provisions contained in chapter 10 and 17 of the APPM will be implemented”.

During audit of MS DHQ Hospital Kasur it was observed that payment amounting to Rs 261.940 million was drawn out of SDA during Financial Years 2016-17, payments were held irregular because vouched account of the payments was not submitted for post audit prior to disbursement of new releases. Payments were not shown in the financial statement of the District government Kasur / DHA Kasur. Due to non accountal of the payments the actual additions in the assets and liabilities of the respective government could not be ascertained in realistic terms. In the absence of the detailed post audit of payments vouched accounts of payments made out of SDA audit procedures i.e test of controls, the assertions of existence, occurrence, completeness and valuation of assets liabilities and transactions could not be verified.

Audit held that payment from SDA without post audit was due to poor financial discipline and weak internal controls. This resulted in unjustified expenditure of Rs 261.940 million from SDA account.

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

Audit recommends regularization of the matter in a manner prescribed besides fixing responsibility against the officers / officials at fault. [PDP # 19]

**8.4.3.19 Irregular payments out of SDA without Post Audit - Rs 13.506 million**

According to revised procedure for operation of SDAs circulated by the office of the Controller General of Account letter No.AC-II/1-39/08-Vol-V/632 Dated: September 24, 2008 applicable w.e.f.01-10-2008 “The drawing authorities will submit monthly account of expenditure with copies of paid vouchers to the concerned AG/DAO for post audit purpose by 15th of each month who will carry out 100% post audit. Further Government of the Punjab Finance Department vide its letter No. SO(TT)6-1/2007 dated 16-09-2007 has since decided to adopt the policy for the operation of SDAs circulated by CGA vide letter No.AC-II/6-23/99/Vol-XIV/160 dated 14-07-2007 “to overcome the existing accounting problems relating to SDAs the provisions contained in chapter 10 and 17 of the APPM will be implemented”. Guideline for utilization of SDA of issued and circulated by Government of the Punjab, Primary & Secondary Health Care Department vide letter No. PSO/SECY-P&SH/05/2016 dated 2<sup>nd</sup> September, 2016 sets forth that expenditure shall be against pre-audited bills from District Accounts Office.

During audit of MS Govt. Aziz Bibi Hospital Kasur under the control of CEO Health it was observed that payment amounting to Rs 13.506 million was drawn out of SDA during Financial Years 2016-17, payments were held irregular because vouched account of the payments was not submitted for post audit prior to disbursement of new releases. Payments were not shown in the financial statement of the District government Kasur / DHA Kasur. Due to non accountal of the payments the actual additions in the assets and liabilities of the respective government could not be ascertained in realistic terms. In the absence of the detailed post audit of payments vouched accounts of payments made out of SDA audit procedures i.e test of controls, the assertions of existence, occurrence, completeness and valuation of assets liabilities and transactions could not be verified.

Audit was of the view that payment from SDA without post audit was due to poor financial discipline and weak internal controls. This resulted in unjustified expenditure of Rs 13.506 million from SDA account.

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

Audit recommends regularization of the matter in a manner prescribed besides fixing responsibility against the officers / officials at fault. [PDP # 08]

#### **8.4.3.20 Less deduction of income tax - Rs 150,406**

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

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

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

During audit of the following formations for the year 2016-17, it was observed that income tax amounting to Rs 429,128 was deducted against the required amount of Rs 579,517 from the claims of the suppliers resulting in loss of Rs 150,406 to the public exchequer due to less deduction of income tax.

<b>Sr. No.</b>	<b>Name of formations</b>	<b>PDP #</b>	<b>Income Tax due (Rs)</b>	<b>Income Tax deducted (Rs)</b>	<b>Less deduction (Rs)</b>
1	THQ Hospital chunian	02	236,393	177,296	59,099
2	THQ Kot Radha Kishan	02	343,124	251,832	91,307
	Total		<b>579,517</b>	<b>429,128</b>	<b>150,406</b>

Audi was of the view that less deduction of income tax from the bills of the suppliers was due to poor financial discipline and weak internal controls.

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

Audit recommends recovery of income tax from the concerned suppliers besides fixing responsibility against the officers / officials at fault.

#### **8.4.3.21 Non-recovery of Income Tax – Rs 4.538 million**

According to Section 153 of Income Tax Ordinance, 2001 amended every prescribed person making a payment in full or part including a payment by way of advance to a resident person or permanent establishment in Pakistan of a non-resident person shall, at the time of making the payment, deduct tax from the gross amount @ 4.5% on accounts of supplies and services rendered. According to Rule 2.31(a) of PFR Volume I, a drawer of bill for pay, allowances, contingent and other expenses will be held responsible for any over charges, frauds and misappropriations.

During compliance audit of the following formations for the year 2016-17, it was observed that exemption from income tax amounting to Rs 4.538 million was granted to the suppliers but exemption certificate and certified bill of entry was not provided for verification / scrutiny.

Sr.	Name of formations	PDP #	Amount of Tax (Rs)
1	DHQ Hospital	15	4,538,232
2	Govt. Aziz Bibi Hospital	03	79,629
	Total		<b>4,617,861</b>

Audit was of the view that granting exemption without exemption certificate was due to poor financial discipline and weak internal controls. This resulted in loss of Rs 4.618 million to the public exchequer.

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

Audit recommends recovery of income tax from the concerned suppliers besides fixing responsibility against the officers / officials at fault. (PDP No. 15,3)

#### **8.4.3.22 Uneconomical Local Purchase Medicines from 75% Budget meant for Bulk Purchase of Medicines–Rs 1.458 million**

According to Finance Department's policy letter No. FD(FR)11-2/89 dated 1<sup>st</sup> September, 2001, budget allotted for purchase of drugs & medicines is required to be utilized in ratio of 75%: 25% on Bulk Purchase of drugs and medicines and Local Purchase respectively.

During audit of THQ Kot Radha Kishan, scrutiny of payment record of Bulk Purchases and Local Purchases of medicines revealed that funds of Rs 10.943 million were allocated to the hospital during 2016-17. Funds of Rs 4.125 million were utilized for local purchase of medicines against the local purchase budget of Rs 2.736 million which were above

the authorized limit. Bulk purchase medicines were made on the basis of rate contract which is less expensive than the price charged in local purchase of medicines. This resulted in uneconomical purchase of LP medicines to the tune of Rs 1.389 million as detailed below:

(Rs in million)			
Component of budgetary allocation of medicines	Distribution of budget 2016-17	Expenditure incurred 2016-17	Unauthorized expenditure 2016-17
25% for day to day	2.736	4.125	1.389
75% for bulk purchase of medicine	8.207	0	-
<b>Total</b>	<b>10.943</b>	<b>4.125</b>	<b>1.389</b>

Audit held that expensive/ LP medicines were procured over & above admissible limit due to poor financial discipline and weak internal controls.

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

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

[PDP # 05]

#### **8.4.3.23 Purchases of Medicines on LP beyond Delegated Powers - Rs 2.502 million**

According to Sr. No. 1 of Special Powers of Health Department, the Punjab Delegation of Financial Powers Rules 2016, Category II is competent to sanction expenditure on accounts of purchase of local purchase of medicines Rs 300,000 at a time. As per 15.2(b)(iii) of PFR-Vol-I, purchase order should not be split up so and avoid the necessity for obtaining the sanction of higher authority required with reference to the total amount of the orders.

MS THQ Hospital Kot Radha Kishan drew Rs 2.502 million on accounts of purchase of LP medicines out of SDA during the Financial Years 2016-17. Expenditure incurred on accounts of purchase of LP medicines could not be termed as legitimate as transaction was split up in order to avoid sanction of higher authority. This resulted in purchase of LP medicines beyond delegated financial powers Rs 2.502 million.

Audit held that LP medicines were procured over & above delegated financial powers due to poor financial discipline and weak internal controls.

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

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

[PDP # 06]

#### **8.4.4 Performance**

##### **8.4.4.1 Irregular centralization of the budgeted expenditure and unreconciled receipt for authority's fund - Rs 563.689 million and loss for want of investment of surplus cash closing balance**

According to para 2.3.2.2 of APPM “information in the accounts and in the supporting subsidiary records shall be accurate, representing actual substance of past events, without undue errors or omissions. This shall include correct and consistent classification and recognition of revenues and expenditures.” Moreover, the functions of District Health Authorities, as prescribed under the Punjab Local Government Act, 2013 is to establish, manage and supervise primary and secondary health care facilities and institutions also to approve the budget of the Authority and allocate funds to health institutions including BHUs. As provided within the meaning of the Rule 11(2) (f) of the Punjab District Authorities Accounts Rules 2017, in discharge of his responsibilities, the Chief Executive Officer shall ensure that the amount credited to the Local Fund as reported by Accounts Officer are reconciled or verified with records on monthly and annual basis. As provided under Section 109(2) of the PLGA 2013, a local government may invest surplus funds, if any, in such securities and financial institutions, as may be approved by the Government.

During audit of the accounts the DHA Kasur for the period from January to June 2017, it was observed that as per financial statement of DHA Kasur against the budgetary outlay of Rs 721.833 million, total receipts of the DHA was reported worth Rs 563.689 million without reconciliation on record. The allocation of budget to declared independent Primary Healthcare institutions was not ensured and spending remained centralized whereas it had to be delegated to the level of institutions. Without rationalization of need assessment against consuming units and field formations, medicines worth 25.655 millions were stockpiled respectively through centralized procurements avoiding sub allocations of funds in terms of requisite budgeting. Cash closing balance accumulated due to inflated releases against the PFC share of the DHA with final balance shown as Rs 159.690 million. No investment of the carried forward unspent balance was opted for compromising the revenue potential of the District Health Authority Kasur with loss incurred for blockage of the amount without yielding dividends worth Rs 1.065 million per month against competitive offer of Daily Progressive Accounts of reputed Banks.



Audit held that it was binding to curb irregular centralization of the budgeted expenditure leaving no room to keep un-reconciled receipt worth Rs 563.689 million no heed was paid to loss caused for want of investment of surplus cash closing balance.

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

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

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

## **CHAPTER 9**

### **District Health Authority, Khushab**

#### **9.1 Introduction of the Authority**

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

Prior to promulgation of the Act, District Health Department was headed by the Executive District Officer (Health) who is Departmental Accounting Officer of group of offices of District Health Department and District Coordination Officer was the Principal Accounting Officer under PLGO, 2001.

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

- establish, manage and supervise primary and secondary health care facilities and institutions;
- approve the budget of the Authority and allocate funds to health institutions;
- coordinate health related emergency response during any natural calamity or emergency;
- develop referral and technical support linkages between primary and secondary levels of health care on the one hand and tertiary level health facilities and medical education institutions on the other;
- ensure human resource management and capacity development of health service delivery personnel under the policy framework given by the Government;
- ensure timely reporting of progress on health indicators relating to disease surveillance, epidemic control, disaster management to the Government; and
- ensure implementation of minimum standards of service delivery, infrastructure, patient safety, hygiene and public health as prescribed by the Punjab Health Care Commission.

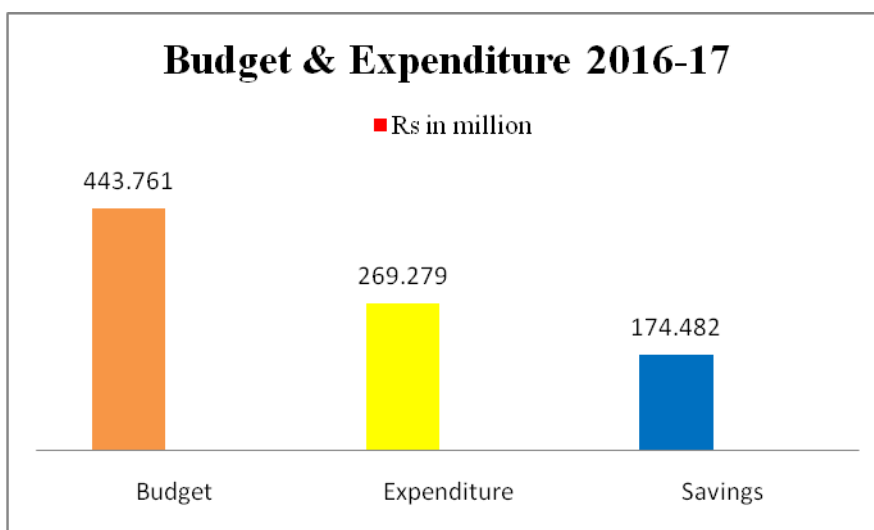
DHA Khushab manages following primary and secondary health care facilities and institutues:

Description	No. of health facility/ institute
Basic Health Units	43
Government Rural Dispensary	24
Rural Health Centre	05
Tehsil Head Quarter Hospitals	04
District Head Quarter Hospitals	01
District Health Development Centre	01
District Health Officers	03
Any other institute/ health facility	09

## 9.2 Comments on Budget and Accounts

Total budget of District Health Authority for the Financial Year 2016-17 was Rs 443.761 million, against which only Rs 269.279 million was spent. Overall savings of Rs 174.482 million during the Financial Years 2016-17 which was 39% of budgetary allocation, showing non-utilization of funds meant for provisions of amenities in District Health Authority thus depriving the community from getting better facilities.

(Rs in million)				
Financial Year	Budget	Expenditure	Savings	% Savings
2016-17	443.761	269.279	174.482	39



## 9.3 Brief Comments on the Status of Compliance with PAC Directives

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

## **9.4 AUDIT PARAS**

#### **9.4.1 Misappropriation/ Fraud**

##### **9.4.1.1 Embezzlement of Government Money due to Double Drawl of POL - Rs 0.119 million**

According to rule 2.33 of the PFR Vol-I, Every Government servant should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part, and that he will also be held personally responsible for any loss, arising from fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he contributed to the loss by his own action or negligence.

MS THQ Hospital, Khushab drew an amount of Rs 0.119 million on accounts of POL charges for the month of February, 2017 twice by fabricating the POL bill.

Audit held that misappropriation was occurred due to weak internal controls.

This resulted into loss to the Health Authority / Government of Rs 0.119 million.

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

Audit recommends recovery of loss besides fixing of responsibility against the persons at fault.

## **9.4.2 Non-production of Record**

### **9.4.2.1 Non-production of vouchers – Rs 1.00 million**

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

MS DHQ Hospital, Khushab drew advance amounting to Rs 1 million (Rs 1,000,000) from Health Council funds on 29<sup>th</sup> September, 2016. The formation did not produce vouched account to audit. In the absence of record, authenticity, validity, accuracy and genuineness of expenditure could not be verified.

Audit held that due to financial indiscipline and weak internal controls, relevant record was not produced to audit in violation of criteria *ibid*.

This resulted in doubtful expenditure of Rs 1million.

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

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

### 9.4.3 Irregularities & Non-compliance

#### 9.4.3.1 Irregular expenditure in violation of Punjab Procurement Rules – Rs 21.261 million

Rule 12 of PPRA 2014, a procuring agency shall advertise procurement of more than one hundred thousand rupees and up to the limit of two million rupees on the website of the Authority in the manner and format specified by regulations but if deemed in public interest, the procuring agency may also advertise the procurement in at least one national daily newspaper.

Drawing and Disbursing Officers of the some formations of health authority procured various items of Rs 21.261 million during Financial Year 2016-17. The formations neither advertised the procurement on website nor in any National Daily Newspaper. Hence, the formations made procurement in violation of criteria *ibid*.

Sr.	Formation	PDP No.	Description	(Rs in million)
1	RHC, Khabbaki	02	Health Council	0.949
2	THQ, Noorpur Thal	05	Medicines	0.420
	THQ, Noorpur Thal	06	Health Council	4.118
3	THQ, Khushab	11	Health Council	1.415
4	THQ, Khushab	21	Medicine	0.420
5	THQ, Khushab	22	Medicine	0.605
6	THQ, Quaidabad	29	Printing	0.344
7	RHC, Phadrar	44	Health Council	0.489
8	THQ, Noshera	56	Others	0.253
9	RHC, Roda	62	White Wash	0.313
10	RHC, Roda	65	Medicine	0.476
11	DHQ, Hospital Khushab	74	Machinery	3.157
12	MS THQ Hospital Khushab	12	Medicines	4.975
13	DO (Health)	35	Medicines	0.916
14	DO (Health)	43	Medicines	2.682
15	DO (Health)	55	LP Medicines	0.334
<b>Total</b>				<b>21.261</b>

Audit held that due to financial indiscipline and weak internal controls procurement was made in violation of Punjab Procurement Rules.

This resulted in an irregular expenditure of Rs 21.261 million.

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

Audit recommends action against the responsible and condemnation of irregularity from the PPRA authority.

#### **9.4.3.2 Irregular expenditure due to misclassification - Rs 8.157 million**

As per Article 30 of Audit Code, all financial transactions are required to be recorded and allocated to proper heads of account. According to Rule 55(2) of Punjab District Authorities (Budget) 2017, head of offices and DDO shall be responsible to ensure that authorized budget allocations are spent in conformity with the Schedule of Authorized Expenditure.

MS DHQ Hospital Khushab incurred an expenditure of Rs 8.157 million on procurement of various items and charged the expenditure under irrelevant head of account as detailed below:

Sr.#	Detail of expenditure	Head of Account charged	Head of account required to be charged	Amount (Rs)
01	Demand notice, Lab Kits etc	Grants, Subsidies & Write off loans, (others)	Electricity and cost of others	0.900
02	Patient's bed	Cost of Others stores	Machinery & equipment	6.800
03	Wheel chairs	Furniture	Others stores	0.179
04	Computer and office equipment	Others	Hardware and equipment	0.278
Total				8.157

Audit held that due to financial indiscipline and weak internal controls the expenditure was charged to the irrelevant head of account.

This resulted in an irregular expenditure of Rs 8.157 million.

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

Audit recommends regularization of the expenditure.

#### **9.4.3.3 Unauthorized expenditure on Daily wages staff – Rs 3.534 million**

As per preface of Schedule of Wage Rates, 2017 issued by the Government of the Punjab Finance Department, the appointment of contingent staff may be made by competent authority subject to the following conditions;

- a) The posts shall be advertised properly in leading newspapers.
- b) The recruitment to all posts in the Schedule shall be made on the basis of merit specified for regular establishment vide para 11 the Recruitment policy issued by S&GAD vide No. SOR-IV (S&GAD) 10-1/2003 dated 17.09.2004



Management of following formations made payment of Rs 3.534 million to contingent paid staff during Financial Year 2016-17. Payment was held unauthorized because staff was appointed without fulfilling codal formalities as mentioned in the recruitment policy. (Rs in million)

Sr. No.	Formation	PDP No.	Description	Amount
1	THQ, Noorpur Thal	9	Payment to Daily Wages Staff	1.559
2	THQ, Quaidabad	28		0.197
3	DHQ, Hospital Khushab	81		1.778
	<b>Total</b>			<b>3.534</b>

Moreover, in case of “Asaf Fasihuddin Khan Vardag v. Government of Pakistan and others” [2014 SCMR 676] the august Supreme Court has held that a public authority possessed powers only to use them for the public good and this imposed a duty to act fairly.

Audit was of the view that payment made to contingent paid staff without fulfillment of codal formalities was due to weak administrative and financial discipline.

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

Audit recommends, seeking regularization of expenditure from the competent authority besides fixing responsibility against the persons at fault. (PDP No. 9, 28, 81)

#### **9.4.3.4 Payment on accounts of purchase of medicines without DTL Reports – Rs 3.336 million**

According to Health Department’s policy letter No. SO (P-I) H/RC 2001-2002/01, dated 29<sup>th</sup> September, 2001, no drug / medicine shall be accepted & used without the report of Drug Testing Lab (DTL). Moreover, payment on accounts of Drugs / Medicines shall be released to the suppliers only on receipt of standard / positive DTL report.

Drawing and Disbursing Officer of the following formations purchased medicines of Rs 3.336 million from different suppliers during the Financial Year 2016-17 the formation made payment without obtaining DTL reports. (Rs in million)

Sr. No.	Formation	PDP No.	Description	Amount
1	THQ Hospital, Quaidabad	30	DTL	2.320
2	DOH, Khushab	40	DTL	1.016
<b>Total</b>				<b>3.336</b>

Audit held that due to weak internal controls the expenditure was incurred without fulfilling laid down instructions.

This resulted in an irregular expenditure of Rs 3.336 million.

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

Audit recommends condemnation of irregularity from competent forum.

#### **9.4.3.5 Irregular purchase of medicines without obtaining performance Guarantee - Rs 1.166 million**

According to 56 of Punjab Procurement Rules 2014, where needed and clearly expressed in the bidding documents, the procuring agency shall require the successful bidder to furnish a performance guarantee which shall not exceed ten percent of the contract amount.

Drawing and Disbursing Officers of the following formations purchased medicines without obtaining the performance guarantee @ 10% from the suppliers / bidders.

(Rs in million)

Sr. No.	Formation	PDP No.	Description	Amount
1	THQ Hospital, Khushab	16	Performance	0.933
2	THQ Hospital, Quaidabad	27	Guarantee	0.233
<b>Total</b>				<b>1.166</b>

Audit held that due to weak internal controls the performance guarantee was not obtained from the successful bidders.

This resulted in non obtaining of performance guarantee of Rs 1.166 million.

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

Audit recommends regularization of irregularity besides fixing of responsibility,.

#### **9.4.4 Internal Control Weaknesses**

##### **9.4.4.1 Acceptance of medicines without delivery challan and inspection report –Rs 21.003 million**

According to Rules 15.4(a) of PFR Vol-I all material received must be examined, measured, weighted and counted as the case may be when delivery is taken. The passing and receiving government servants should see that the quantities received are correct and their quality good and record a certificate to this effect.

Drawing and Disbursing Officer of the following formations incurred an expenditure of Rs 21.003 million on accounts of purchase of medicines. Audit observed that medicines were accepted without any delivery challan and physical inspection regarding quality and quantity.

(Rs in million)

Sr. No.	Formation	PDP No.	Description	Amount
1	THQ Hospital, Khushab	15	Acceptance of medicine without any delivery challan and inspection report	18.669
2	THQ Hospital, Quaidabad	26		2.334
Total				21.003

Audit held that due to weak internal controls the medicines were received without inspection by the inspecting committee.

This resulted in acceptance of doubtful medicine of Rs 21.003 million.

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

Audit recommends probe into the matter, fixing responsibility regularization of irregularity.

##### **9.4.4.2 Loss due to non forfeiture of performance Guarantee from default contractors - Rs. 1.540 million**

According to terms and conditions of bidding document for central zone made by Secretary Health Punjab, Lahore condition # 10 (iii), if the Supplier fails to supply the whole consignment and not able to deliver to consignee's end, the entire amount of Performance Guaranty/Security shall be forfeited to the Government account and the firm shall be blacklisted minimum for two years for future

Drawing and Disbursing Officer of the following formations issued supply order to various contractors for supply of medicines but suppliers failed to make supply within stipulated time period. But audit noticed that neither the security was forfeited nor the firms were blacklisted by the departments.

(Rs in million)

Sr. No.	Formation	PDP No.	Description	Amount
1	THQ Hospital, Khushab	14	Non Imposition of Penalty	0.549
2	THQ Hospital, Quaidabad	25		0.164
3	THQ Hospital, Noshera	48		0.219
4	DHQ, Hospital Khushab	68		0.608
Total				1.540

Audit held that due to weak internal controls neither the efforts were made to forfeit the security nor efforts were made to blacklist the firms.

This resulted in loss to government due to non forfeiture of performance guarantee of Rs 1.540 million.

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

Audit recommends recovery of stated amount.

#### **9.4.4.3 Loss due to non deducting of discount on LP of medicines – Rs 0.864 million**

According to Finance Department's policy letter No. FD(FR)11-2/89 dated 1<sup>st</sup> September, 2001, budget allocation for purchase of drugs & medicines is required to be utilized in ratio of 75% 15% and 10% on bulk purchase of drugs and medicines, local purchase and emergency respectively. Further, as per LP outcome of open tender in the press and discount rate for drugs of multinational firms may be from 5 to 8 % and for national firms from 8 to 20 %.

Drawing & Disbursing Officers of following formations did not deduct the discount on L.P medicine of Rs.863,690. Moreover, open tender procedure was not adopted while awarding the contract of L.P medicine.

Sr. No.	Name of formation	PDP No.	Amount (Rs)	Discount (Rs)
1	RHC Mitha Tiwana	01	496,655	74,498
2	THQ Hospital Noor Pur Thal	08	617,193	49,315
3	THQ Hospital Khushab	20	4,880,039	366,003

4	MS THQ Hospital, Quaidabad	34	1,085,600	21,712
5	MS THQ Hospital Noshara	49	0	352,162
<b>Total</b>				<b>863,690</b>

Audit held that due to weak internal controls, the medicines were purchased without deducting prescribed discount.

This resulted in a loss of Rs 0.864 million to the authority.

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

Audit recommends recovery of stated amount.

#### **9.4.4.4 Overpayment due to payment of inadmissible allowance - Rs 0.819 million**

According to letter No. PO (P&E-I) 19-113/2004 (V) dated 1<sup>st</sup> September, 2006, only staff already posted at RHCs and BHUs under the Health Sector Reforms Programme are entitled to receive 30% of the Basic Pay as Health Sector Reform Allowance.

Drawing and Disbursing Officer of the following formations made payment on accounts of Health Sector Reform Allowance to some employees, who were not entitled.

<b>Sr. No.</b>	<b>Formation</b>	<b>PDP No.</b>	<b>Description</b>	<b>Amount</b>
1	THQ Hospital, Khushab	18	HSRP Allowance	0.540
2	THQ Hospital, Quaidabad	24	HSRP Allowance	0.156
3	RHC, Padhrar	45	HSRP Allowance	0.123
<b>Total</b>				<b>0.819</b>

Audit held that due to weak internal controls the overpayment was made to the employees.

This resulted in an overpayment of Rs 0.819 million.

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

Audit recommends recovery of overpayment.

#### **9.4.4.5 Uneconomical expenditure on accounts of civil works– Rs 0.792 million**

According to Para 2.19(i)(ii)(iii) of B&R code, If the work be likely to cost more than Rs. 2,500 the following procedure must be adopted.

- i. The work must be applied for or reported necessary by the local head of the department concerned, who will apply for administrative approval to the authority, which is competent to accord such approval. The application should be accompanied by such sketch plans, description and explanation of the necessity for the work as may be necessary.
- ii. After administrative approval has been accorded by competent authority, detailed design and estimate with a proper report and a specification must be prepared under the order of the Divisional Officer and countersigned by him in token of approval.
- iii. The detail plans and estimates will then be sent to the local head of the department who applied for the execution of the work, for countersignature. The

Divisional Officer will then accord technical sanction if the amount of the estimate falls within the limits of his powers or otherwise forward it to the Superintending Engineer who will, should it exceed his powers of technical sanction forward it to the Regional Officer who will, should it exceed his powers of technical sanction, forward it to the Chief Engineer, and who will, should it exceed his powers of technical sanction, forward it to Government.

MS DHQ Hospital Khushab incurred an expenditure of Rs 0.792 million on accounts of civil works but expenditure was made without preparing Rough Cost estimate, T.S estimate, record entry in M.B and open competitive bidding process. Moreover, security deposit and income tax was not deducted from the bill.

Audit held that due to weak internal controls the expenditure was incurred without fulfilling codal formalities.

This resulted in an irregular expenditure of Rs 0.792 million.

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

Audit recommends regularization of the expenditure.

#### **9.4.4.6 Loss due to Non Deduction of Income Tax and Sales Tax at source - Rs 0.588 million**

According to Section 153 of Income Tax Ordinance 2001, every prescribed person making a payment in full or part including a payment by way of advance to a resident person or permanent establishment in Pakistan of a non-resident person shall, at the time of making the payment, deduct tax from the gross amount @ 4.5% and 7.5% respectively on accounts of supplies and services rendered. Further, according to Central Board of Revenue Standing Instructions read with notification SRO 660 (1)/2007 dated. 30-06-2007 all withholding agents shall make purchases of Taxable goods from a person duly register under Sales Tax Act, 1990, The GST @ 1/5<sup>th</sup> of total value of the bill may be deducted at source and deposited it into Government Treasury. In case of non availability of a registered firm, the purchases may be made from unregistered firm. The GST @19% should be deducted at source from the payments of un-registered firm and credited into the receipt head of Sales Tax Department.

Drawing and Disbursing Officers of the following formations received taxable supplies from various vendors but GST and Income Tax was not deducted at prescribed rates, due to which government has to sustain a loss of Rs. 0.588 million in shape of non recovery of tax.

(Rs in million)

<b>Sr. No.</b>	<b>Formation</b>	<b>PDP No.</b>	<b>Description</b>	<b>Amount</b>
1	RHC, Khabbaki	03	Non Deduction of Tax	0.194
2	THQ, Noorpur Thal	07	Non Deduction of Tax	0.125
3	DOH, Khushab	41	Non Deduction of Tax	0.191
4	DOH, Khushab	42	Non Deduction of Tax	0.078
<b>Total</b>				<b>0.588</b>

Audit held that due to weak internal controls the expenditure was incurred without fulfilling codal formalities.

This resulted in loss to the Government for Rs 0.588 million.

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

Audit recommends recovery of income tax and sales tax besides fining of responsibility.

## CHAPTER 10

### District Health Authority, Lahore

#### 10.1 Introduction of the Authority

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

Prior to promulgation of the Act, District Health Department was headed by the Executive District Officer (Health) who is Departmental Accounting Officer of group of offices of District Health Department and District Coordination Officer was the Principal Accounting Officer under PLGO, 2001.

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

- establish, manage and supervise primary and secondary health care facilities and institutions;
- approve the budget of the Authority and allocate funds to health institutions;
- coordinate health related emergency response during any natural calamity or emergency;
- develop referral and technical support linkages between primary and secondary levels of health care on the one hand and tertiary level health facilities and medical education institutions on the other;
- ensure human resource management and capacity development of health service delivery personnel under the policy framework given by the Government;
- ensure timely reporting of progress on health indicators relating to disease surveillance, epidemic control, disaster management to the Government; and
- ensure implementation of minimum standards of service delivery, infrastructure, patient safety, hygiene and public health as prescribed by the Punjab Health Care Commission.

DHA Lahore manages following primary and secondary health care facilities and institutes:

Description	No. of health facility/ institute
Basic Health Units	37
Government Rural Dispensary	74



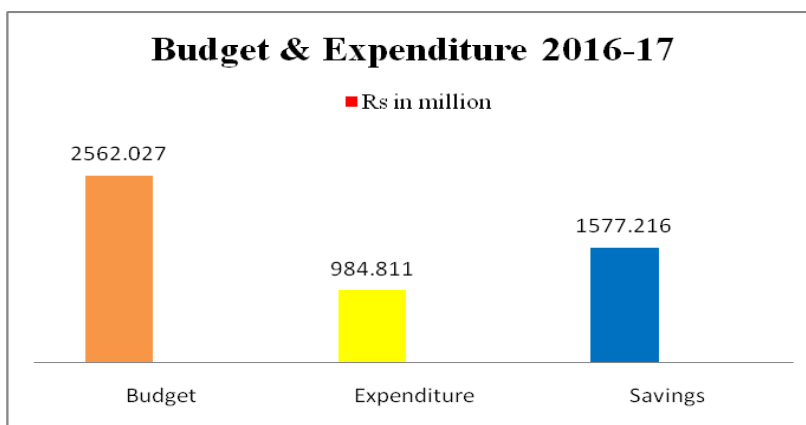
Rural Health Centre	6
Tehsil Head Quarter Hospitals	1
District Head Quarter Hospitals	2
District Health Development Centre	1
Deputy District Health Officers	10
District Health Officers	3
Any other institute/ health facility	07

## 10.2 Comments on Budget and Accounts

Total budget of District Health Authority for the Financial Year 2016-17 was Rs 2562.027 million, against which only Rs 984.811 million was spent. Overall savings of Rs 1577.216 million during the Financial Years 2016-17 which was 62% of budgetary allocation, showing non-utilization of funds meant for provisions of amenities in District Health Authority thus depriving the community from getting better facilities.

(Rs in million)

Financial Year	Budget	Expenditure	Savings	% Savings
2016-17	2562.027	984.811	1577.216	62



## 10.3 Brief Comments on the Status of Compliance with PAC Directives

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

## **10.4      AUDIT PARAS**

#### **10.4.1 Non-production of Record**

##### **10.4.1.1 Non-production of record- Rs 219.937 million**

According to Section 14(1)(b) of Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance 2001, the Auditor-General shall have authority to require that any accounts, books, papers and other documents which deal with, or form, the basis of or otherwise relevant to the transactions to which his duties in respect of audit extend, shall be sent to such place as he may direct for his inspection. Under Rule 11 of the Punjab Procurement Rules 2014, all procuring agencies shall provide clear authorization and delegation of powers for different categories of procurement and shall initiate procurements after prior approval of the competent authority. As provided under Rule 4 of the Rules *ibid*, a procuring agency, while making any procurement, shall ensure that the procurement is made in a fair and transparent manner, the object of procurement brings value for money to the procuring agency and the procurement process is efficient and economical.

During audit of accounts of DHA, Lahore, it was noticed that various equipments and medicines were purchased on the basis of rate finalized by the Secretary P&SH. Record relating to rates finalization applicable to the procurements as per Punjab Procurement Rules 2014 was not produced to audit. The role of the procuring agency devolved upon the DHA was compromised as approval mechanism was neither evolved nor delegations of power under the framework of the Rules *ibid* were duly prescribed. The procurements given effect overrode the due process as a result thereof evidently the prerequisite of competitive bidding process was compromised inclusive of application of evaluation criteria not made privy for Audit scrutiny. The Procurement record which remained withheld from audit scrutiny related to following transactions:

<b>Sr.</b>	<b>Head of Account</b>	<b>Amount (Rs)</b>
1	Purchase of Medicines	24,693,458
2	Purchase of Machinery	195,243,667
		<b>219,937,125</b>

Moreover, various equipment were purchased through LC and payment made in advance but permission of FD was not produced.

Audit was of the view that the relevant record of the expenditure was not produced to Audit for verification due to weak internal controls.

In the absence of record, authenticity, validity and accuracy of expenditure could not be verified.

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

Audit recommends fixing of responsibility against the officers / officials at fault besides production of record to Audit.

[PDP # 29]

## **10.4.2 Irregularity & Non-compliance**

### **10.4.2.1 Irregular centralization of the budgeted expenditure and un-reconciled receipt for authority's fund - Rs 2,192.976 million and loss for want of investment of surplus cash closing balance**

According to para 2.3.2.2 of APPM “information in the accounts and in the supporting subsidiary records shall be accurate, representing actual substance of past events, without undue errors or omissions. This shall include correct and consistent classification and recognition of revenues and expenditures.” Moreover, The functions of District Health Authority, as prescribed under the Punjab Local Government Act, 2013 is to establish, manage and supervise primary and secondary health care facilities and institutions also to approve the budget of the Authority and allocate funds to health institutions including BHUs. As provided within the meaning of the Rule 11(2) (f) of the Punjab District Authorities Accounts Rules 2017, in discharge of his responsibilities, the Chief Executive Officer shall ensure that the amount credited to the Local Fund as reported by Accounts Officer are reconciled or verified with records on monthly and annual basis. As provided under Section 109(2) of the PLGA 2013, a local government may invest surplus funds, if any, in such securities and financial institutions, as may be approved by the Government.

During audit of the accounts the DHA Lahore for the period from January to June 2017, it was observed that as per financial statement of DHA Lahore against the budgetary outlay of Rs 2,562 million, total receipts of the DHA was reported worth Rs 2,192.976 million without reconciliation on record. The allocation of budget to declared independent Primary Healthcare institutions was not ensured and spending remained centralized whereas it had to be delegated to the level of institutions. Salary of the staff worth Rs 205.923 million was disbursed directly from the CEO office in four months with their deployments under the supervision of other heads of offices. Expenditure was charged against claims booked for Head ‘other allowances’ to the tune of Rs 26.806 million against the same cost centre. Similarly, without rationalization of need assessment against consuming units and field formations, machinery and equipment and medicines worth Rs 195.243 millions and 24.693 millions were stockpiled respectively through centralized procurements avoiding sub allocations of funds in terms of requisite budgeting. Cash closing balance accumulated due to inflated releases against the PFC share of the DHA with final balance shown as Rs 1,375.319 million. No investment of the carried forward unspent balance was opted for

compromising the revenue potential of the District Health Authority Lahore with loss incurred for blockage of the amount without yielding dividends worth Rs 9.16 million per month against competitive offer of Daily Progressive Accounts of reputed Banks.

Audit held that it was binding to curb irregular centralization of the budgeted expenditure leaving no room to keep un-reconciled receipt worth Rs 2,192.976 million no heed was paid to loss caused for want of investment of surplus cash closing balance.

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

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

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

[PDP # 33 & 9]

#### **10.4.2.2 Unauthorized creation of post worth -Rs 335.854 million**

According to Rule 38 (3) of Punjab District Authorities (Accounts) Rules 2017, the drawing and disbursing officer shall maintain establishment check register on form 4T and at the beginning of each year the entries in the establishment register showing sanctioned strength of establishment and remuneration of each post will be scrutinized and verified by the DDO. According to Sr. No. 5 clause (I) Schedule-II of Punjab District Government Rules of Business 2001, service and administrative matters, having financial implications, of employees of the district governments in accordance with the rules and policies of the government and creation of posts with the approval of the Finance Department falls within the allocated business of Finance & Planning Wing of the District Government.

During audit of the accounts the DHA Lahore for the period from January to June 2017, it was observed that DHA Lahore perpetuated disbursement of pay against the posts with the nomenclature of Sanitary Patrol charged against non development budget without approval of the Finance Department, Government of the Punjab and made payment to claimants worth Rs 335.854 million with record of merit based

recruitment not presented for audit scrutiny. Moreover, Sanitary Patrols were recruited were to abide by the terms of contract the posts were not to be treated transferable and sticking to originally offered terms was warranted as per offer of appointments accepted for deployment being town/ zone specific detailed at Annexure-K.

Audit holds that due to weak internal control and weak financial management irregular payment was made.

This resulted in financial indiscipline with no remedial action to take stock of the situation

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

Audit recommends, holding of a detailed inquiry before seeking regularization of expenditure from the competent authority besides fixing responsibility against the persons at fault. [PDP # 35]

#### **10.4.2.3 Unauthorized drawl of funds without Bank Guarantee- Rs 34.051 million**

According to Rule 2.10 (b) (v) and 17.19 of PFR Vol-I, it is not permissible to draw advances from the treasury for the execution of works the completion of which is likely to take a considerable time. As per approval communicated by Government of the Punjab, P&HS Department vide letter No. PO(D-II)1-14/2016 dated 06-06-2017, advance drawal is allowed subject to provision of Bank Guarantee of the equal amount by the supplier firm i.e. Toyota Ravi Motors Ltd.

CEO (Health) purchased 07 vans from M/s Toyota Ravi Motors Ltd. for Rs 34.051 million. Payment was drawn in advance without approval of Finance Department. Department produced a letter of Government of the Punjab, P&HS Department regarding relaxation of Rule 2.10 of PFR Vol-I duly endorsed by the Section Officer of Finance Department with a condition that advance drawl was allowed subject to provision of Bank Guarantee of the equal amount by the supplier firm i.e. Toyota Ravi Motors Ltd. but department failed to obtain Bank Guarantee of the amount worth Rs 34.051 million from the Toyota Ravi Motors Ltd. Scrutiny of supply order revealed that delivery time was 31<sup>st</sup> August 2017 but delivery of vans were still awaited till 18<sup>th</sup> September 2017.

Audit was of the view that vans were purchased without fulfillment of codal formalities due to defective financial discipline and weak internal controls.

This resulted in advance payments on accounts of purchase of vans without fulfillment of codal formalities and non-receipt of van-Rs 34.051 million.

The matter was reported to the PAO in September, 2017. Neither any reply was submitted by the department nor convened DAC meeting till finalization of this report.

Audit recommends investigation for fixing responsibility against the persons at fault. [PDP # 17]

#### **10.4.2.4 Doubtful expenditure on civil works -Rs 31.906 million**

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

During audit of accounts of DDO Health Iqbal town for the period of 01.01.2017 to 30.06.2017, it was observed that the following civil works were entrusted to the Building Department since long but completion report along with handing taking over by the competent authority was not available in terms of authenticated PC IV:

<b>Sr.</b>	<b>Name of Work</b>	<b>Rs in million</b>
1.	Improvement/ Renovation of Govt. Dispensary at Dholanwal Lahore	1.054
2.	Improvement/ Renovation of Govt. Dispensary at sabzazar Lahore	0.751
3.	Improvement/ Renovation of filter clinic A-2 Township Lahoe	0.760
4.	Improvement/ Renovation of RHC Mandi Raiwand Lahore	10.641
5.	Improvement/ Renovation of Govt. dispensary at Awan Town Lahore	1.026
6.	Improvement/ Renovation of of civil dispensary Mat all Lahore	1.559
7.	Reconstruction dangerous rooms in Rural Dispensary at Bhalai gill Lahore	3.940
8.	Reconstruction of dangerous of RHC Mohlanwal Lahore	4.856
9.	Improvement/Renovation of RHC Chung Lahore	7.319
	<b>Total</b>	<b>31.906</b>



Audit was of the view that unauthorized payment was made due to weak internal control and defective financial management.

This resulted in compromising of the value for money principle.

The matter was reported to the PAO in September, 2017. Neither any reply was submitted by the department nor convened DAC meeting till finalization of this report.

Audit recommends, holding of a detailed inquiry before seeking regularization of expenditure from the competent authority besides fixing responsibility against the persons at fault.

[PDP # 01]

#### **10.4.2.5 Unauthorized purchase of medicine – Rs 25.155 million**

According to Finance Department's policy letter No. FD (FR)11-2/89 dated 10<sup>th</sup> September, 2001, bulk purchase of medicines would not be made through MSD. The EDO (Health)/ CEO (Health) of the District Government is authorized only to distribute the budget allocation for medicines and the purchase will be made at the level of the DDOs. According to clarification made by Finance Department duly issued by Health Department Government of the Punjab letter No.SO(P-I)4-21/2006 dated 6<sup>th</sup> February 2006, EDO (Health)/ CEO (Health) has not been declared as DDO for purchase of medicines under Grant-16 (non-development).

All contracts on behalf of a local government shall be made by the Mayor or Chairman concerned or any other officer authorized by him in this behalf. A formal deed of agreement shall be executed between the Local Government through the Mayor or Chairman concerned and the contractor for every contract. The contract shall be made after inviting tenders and all agreements shall be attested by two witnesses and shall bear the seal of the Local Government. Moreover, all agreements shall be written on a stamp paper of appropriate value and shall where necessary be registered under the law for the time being in force. The authority approving or executing the contract shall be responsible for ensuring that the contract is made after observing all legal and procedural formalities under these rules and Punjab Procurement Regulatory Authority Rules according to Rule 4 & 5 of the PLG (Contract) Rules, 2003 read with Rule 4, 5 & 6 of the PLG (Contract) Rules 2017.

CEO (Health) purchased medicines for Rs 25.155 million during the FY 2016-17 for onward supply to DOH and RHCs on the basis of rate and framework contract executed and approved by the Secretary Primary

& Secondary Health with the suppliers of medicines / pharmaceuticals but following irregularities were noticed:

- i. CEO (Health) purchased medicines on adoption of rate contract executed and approved by the Secretary P&SH without authorization by the Administrator/ Chairman.
- ii. District Health Authority Lahore did not conclude a formal agreement with the suppliers and did not obtain performance bond and security at the rate of 5% to safeguard the public interest in the light of Rule 27 of Punjab Procurement Rules 2014.
- iii. CEO (Health) purchased medicines like MSD in violation of Finance Department instructions *ibid*.

Audit was of the view that purchase of medicines like MSD and adoption of rate contract without authorization of the competent authority was made due to defective financial discipline and weak internal controls.

This resulted in unauthorized purchase of medicines worth Rs 22.477 million.

The matter was reported to the PAO in September, 2017. Neither any reply was submitted by the department nor convened DAC meeting till finalization of this report.

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

[PDP # 09]

#### **10.4.2.6 Irregular purchase for medical equipment - Rs 12.650 million**

As per 2.4 of B&R code, no work shall be started without administrative approval, technical sanction and allotment of funds. As per 16(3) of PPRA 2014, for the purpose of prequalification of bidder, a procuring agency shall take into consideration the factors of qualifications i.e. relevant experience & past experience, capabilities with respect to personnel, equipment & plant and financial position. According to 38(2)(a)(vi) of PPRA Rules 2014, after the evaluation and approval of the technical proposals, the procuring agency shall open the financial proposals of the technically accepted bids, publically at a time, date and venue announced and communicated to the bidders in advance, within the bid validity period. Para 18.1 and 18.2 read with Para 37.1 of Bid Document sets forth that bid shall remain valid for 70 days after opening

of Technical Bid and the procuring agency shall be under obligation to process and evaluate the bid within the stipulated bid validity period. However, under exceptional circumstances and for reason to be recorded in writing, if an extension is considered to be necessary. Such extension shall not be more than for the period equal to the period of original bid validity period. Prior to expiry of bid validity period, procuring agency shall notify the successful bidder in writing by registered letter that its bid has been accepted. According to Rule 14 of PPRA Rules 2014, in no circumstance response time shall be less than 30 days for international competitive bidding. As per specification, medical equipment made in USA, Japan & Europe were required.

During audit of EDO (Health) / CEO (Health), it was noticed that:

- i. Tender for purchase of medical equipment of Police Line QillaGujar Singh Hospital was published at PPRA website and in press on 05-06-2016 in violation of rules as Administrative Approval was accorded on 17-03-2017; subsequently funds were allotted on 06-04-2017.
- ii. Procurement was made through Single Stage two Envelops Method and technical evaluation was made on the basis of knock out clauses relating to the factors relevant experience & past experience, capabilities with respect to personnel, equipment & plant and specification of the product but factor of financial position was completely ignored in violation of Rule 16(3) of PPRA 2014.
- iii. Technical bids were opened on 25-06-2016 but financial bids were opened on 26-04-2017 after lapse of 10 months and after bid validity period but nothing was mentioned about extension of validity period in violation of PPRA Rules.
- iv. Response time was 20 days and less than 30 days as obviously, manufacturer of imported products located in other countries and required response time not less than 30 days.
- v. Scrutiny of approval for publication of tender revealed that Administrator approved the publication of tender for the period 2016-17 but it was published on 05-06-2016 with the condition that supply of medical equipment would be made during the Financial Year 2015-16. Due to this, prospective bidder did not take interest in submission of tender as it was impracticable for the

successful bidder to supply the imported medical equipment within 03 to 04 days as tender opening date submission was 25-06-16.

Audit holds that irregular purchases of medical equipment was due to weak internal controls.

These resulted in irregular purchase of medical equipment worth Rs 12.651 million.

The matter was reported to the PAO in September, 2017. Neither any reply was submitted by the department nor convened DAC meeting till finalization of this report.

Audit recommends seeking regularization of expenditure from the competent authority besides fixing responsibility against the persons at fault. [PDP # 12]

#### **10.4.2.7      Loss to government due to purchase of medicines at higher rates-Rs 11.237 million**

According to Rule 2.33 of P.F.R Vol-I, every Government servant should realize fully and clearly that he will be held personally responsible for any loss sustained by government through fraud or negligence on his part. As per Rule 34 of PPRA 2014, no procuring agency shall introduce any condition which discriminates between bidders or which is difficult to meet.

An audit scrutiny of accounts record of CEO (Health) Lahore revealed that medicine to the tune of Rs 17.585 million was purchased during the Financial Year 2016-17. The medicine was purchased on the rate contract approved by the Secretary, Primary and Secondary Health Government of the Punjab. The examination of rate contractor revealed that the rates of medicines were higher than the rates charged for the purchase of medicine during previous Financial Year 2015-16. Moreover, CEO (Health), Lahore failed to produce bidding documents/ price competition process for purchase of goods as laid down in PPRA because the whole procedure was executed with the office of Secretary Primary & Secondary Health.

Audit holds that purchase of medicines at higher rates was due to defective rate contract of Secretary P&SH. This resulted in excess payment of Rs 11.237 million (Annexure-L).

The matter was reported to the PAO in September, 2017. Neither any reply was submitted by the department nor convened DAC meeting till finalization of this report.

Audit recommends seeking regularization of expenditure from the competent authority and making the loss good besides fixing responsibility against the persons at fault.

#### **10.4.2.8 Splitting of job orders to avoid advertisement on PPRA website–Rs 9.046 million**

According to Rule 12(1) read with Rule 9 of Punjab Procurement Rules 2014, procurements over one hundred thousand rupees and up to the limit of two million rupees shall be advertised on the PPRA's website in the manner and format specified by PPRA regulation from time to time. A procuring agency shall announce in an appropriate manner all proposed procurements for each Financial Year and shall proceed accordingly without any splitting of the procurements so planned. The annual requirements thus determined would be advertised in advance on the PPRA's website.

Management of certain formations withdrew Rs 9.046 million on accounts of procurement of different items during the Financial Year 2016-17. Indents were split up in order to avoid advertisement at PPRA website.

Sr.	Name of formation	Description of purchase	Rs in million
1	SMO RHC KahnaNau	Purchase of x-ray films	0.195
2	THQ Hospital Raiwind	Purchase of medicine	8.851
	Total:-		9.046

Audit was of the view that splitting of indents to avoid advertisement on PPRA website was due to defective financial discipline and weak internal controls. This resulted in non-transparent expenditure of Rs 9.046 million out of Government exchequer.

The matter was reported to the PAO in September, 2017. Neither any reply was submitted by the department nor convened DAC meeting till finalization of this report.

Audit recommends, seeking regularization of expenditure from the competent authority besides fixing responsibility against the persons at fault. (PDP No.1,2)

#### **10.4.2.9 Irregular expenditure on accounts of contingent paid staff - Rs 8.447 million**

As per preface of Schedule of Wage Rates, 2017 issued by the Government of the Punjab Finance Department, the appointment of contingent staff may be made by competent authority subject to the following conditions;

- c) The posts shall be advertised properly in leading newspapers.
- d) The recruitment to all posts in the Schedule shall be made on the basis of merit specified for regular establishment vide para 11 the Recruitment policy issued by S&GAD vide No. SOR-IV (S&GAD) 10-1/2003 dated 17.09.2004

Management of following formations made payment of Rs 8.447 million to contingent paid staff during Financial Year 2016-17. Payment was held unauthorized because staff was appointed without fulfilling codal formalities as mentioned in the recruitment policy.

Sr.	Formation Name	Rs in million
1	DDOH DGBT	1.576
2	DDOH Nishter Town	1.577
3	DDOH Aziz Bhatti Town	0.749
4	DDOH AIT	2.657
5	DDOH Gulberg town	0.632
6	DDOH Samnabad town	1.153
7	MS Swami Nagar	0.103
		8.447

Moreover, in case of “Asaf Fasihuddin Khan Vardag v. Government of Pakistan and others” [2014 SCMR 676] the august Supreme Court has held that a public authority possessed powers only to use them for the public good and this imposed a duty to act fairly.

Audit was of the view that payment made to contingent paid staff without fulfillment of codal formalities was due to weak administrative and financial discipline.

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

Audit recommends, seeking regularization of expenditure from the competent authority besides fixing responsibility against the persons at fault.

#### **10.4.2.10 Extravagant expenditure on accounts of pay & allowances- Rs 4.931 million**

According to Rule 2.10 (a)(i) of PFR Vol-I, in incurring or authorizing expenditure from government revenue, every sanctioning authority shall exercise the same vigilance in respect of expenditure from

the government revenue as a person of ordinary prudence would exercise in respect of his own money.

City District Government Lahore signed an agreement on 19<sup>th</sup> August 2016 with Ibadat Educational Trust/ University of Lahore for provision of Janitorial, Security and Management Services @ Rs 1,266,000 per month. On other hand, District Government Health Department appointed 11 sweepers and 04 Chowkidar on 13-08-16. Moreover, one Medical Superintendent and one Deputy Medical Superintendent was also posted during the Financial 2016-17. Identical timing of the recruitment process and process of execution of agreement was showing imprudent behavior on the part of district management. As Prudence principle sets forth that in the existence of agreement for provision of services by third party, recruitment of 11 sweepers and 04 Chowkidar was superfluous for the Financial Year 2016-17. This resulted in wasteful expenditure on accounts of pay & allowances of Sweepers, Chowkidar, Medical Superintendent and Deputy Medical Superintendent worth Rs 4.931 million as detail below:

Designation	No. of employees	Salary Rate Per month	Salary per months (Rs)	Salary for 10 months (Rs)
MS	01	123,225	123,225	1,232,250
DMS	01	94,222	94,222	942,220
Sweepers	11	18,303	201,333	2,013,330
Chowkidar	04	18,603	74,412	744,120
<b>Total</b>	<b>17</b>		<b>493,192</b>	<b>4,931,920</b>

Audit was of the view that un-authorized payment was made due to weak internal control and defective financial management. This resulted in Un-authorized payment.

The matter was reported to the PAO in September, 2017. Neither any reply was submitted by the department nor convened DAC meeting till finalization of this report.

Audit recommends, seeking regularization of expenditure from the competent authority besides fixing responsibility against the persons at fault.

#### **10.4.2.11 Irregular payment on accounts of pay & allowances to Drug Inspector – Rs 3.465 million**

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

overcharges, frauds and misappropriations. Before countersigning bills for expenditure submitted by subordinate, he should see whether the expenditure was really necessary, the rates charged are not extravagant.

Management of CEO Health drew Rs 3.465 million on accounts of pay & allowances of Drug Inspectors and Secretary District Quality Control Board but cases for challans submitted by the Drug Inspectors to the District Quality Control Board for review or onward submission for prosecution to the Drug Court was neither available on record nor shown to audit. In absence of said record, recovery of government fines/ dues and working of Drug Inspectors could not be verified. This resulted in irregular payment on accounts of pay & allowances worth Rs 3.465 million during 01-01-17 to 30-06-17 as detailed below:

<b>Drug Inspector Name</b>	<b>Per month Salary</b>	<b>Amount (Rs)</b>
GulraizTahir	58,434	350,604
Syed Imama Hussain	64,803	388,818
Rana Abdul Mateen	79,002	474,012
M. ShahidZafar	76,681	460,086
AamirShahzadSadozai	78,965	473,790
Rahim Ahmed Khan	71,681	430,086
Afza Nazir	61,682	370,092
Imran Sarfraz	86,325	517,950
<b>Total</b>	<b>577,573</b>	<b>3,465,438</b>

Audit was of the view that due to weak internal control and weak financial management payment was made. This resulted in irregular payment.

The matter was reported to the PAO in September, 2017. Neither any reply was submitted by the department nor convened DAC meeting till finalization of this report.

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

[PDP # 01]

#### **10.4.2.12 Irregular purchase of echocardiogram for Manawan Hospital- Rs 3.682 million**

As per knock out clause No. 10 & 08 & 04 of technical evaluation document, bidder must submit valid legally enforceable authorization letter of manufacturer and provide evidence regarding satisfactory past



performance for quoted product and quoted brand must have sale reference in private and government sector. Knock out clause No. 5 sets forth that the manufacturer should have documentary evidence to the effect that they are the original manufacturer of the quoted product with indication of manufacturing site and its location. Knock out clause No. 6 requires a certificate from the manufacturer that the after sales services/ back up services shall be provided jointly by the agent and in case of change of local agent, they will provide the after sales services themselves or through newly appointed agent for the period mentioned from the date of commissioning. According to knock out clause No. 11, bidder must submit the evidence that the foreign countries product must bear FDA510k, MDD or MHLW standard.

CEO (Health) purchased Echocardiogram from M/s Bio Tech for Rs 3.682 million. M/s Bio Tech had not Authorization Letter of manufacturer. M/s Bio Tech failed to produce a certificate from the manufacturer about Original Manufacturer of the Equipment and after sale service and Quality Standard Certificate as required by clause No.5 & 6 & 11 of technical evaluation documents. Due to non-fulfillment of knock out clauses, the firm was required to be technically rejected.

Audit was of the view that equipment was purchased without fulfillment of codal formalities due to defective financial discipline and weak internal controls.

This resulted in irregular purchase of echocardiogram Manawan hospital worth Rs 3.682 million.

The matter was reported to the PAO in September, 2017. Neither any reply was submitted by the department nor convened DAC meeting till finalization of this report.

Audit recommends, seeking regularization of expenditure from the competent authority besides fixing responsibility against the persons at fault.

[PDP # 28]

#### **10.4.2.13 Unjustified payment of Pay & Allowances- Rs 1.690 million**

As per Offer letter for the post of Sanitary Patrol, offer is valid up to fifteen days and will automatically lapse if acceptance is received within due date if the person offered the contract appointment failed to report within the prescribed period.

During audit of Dy. DO Health Iqbal Town Lahore for the period of 01.01.2017 to 30.06.2017, it was observed Four officials were appointed as sanitary patrol BS-01 on contract basis for Dengue, Polio and

other communicable diseases with the condition that offer would be valid upto fifteen days from the date of its receipts and will automatically lapse if no reply is received within due date for duty within the prescribed period but in the following cases the officials failed to join within prescribed period due to which the pay & allowances given in this regard till June 2017 were held irregular as no extension in joining time was in the field and entitled candidates next in line to the offer of appointment.

(Amount in Rs)

Sr	Name of employee	Appoint ment date	Date to be joined	Actual Joining Date	Salary per monht	Total Amount (7.15 to 6.17)
1.	Ameena kanwal	15.06.15	29.06.15	14.07.15	17607	422,568
2.	Sadaf Imran	15.06.15	29.06.15	17.07.15	17607	422,568
3.	Sadaf Mazhar	15.06.15	29.06.15	17.07.15	17607	422,568
4.	SaimaRazzaq	15.06.15	29.06.15	15.07.15	17607	422,568
						<b>1,690,272</b>

Audit was of the view that un-authorized payment was made due to weak internal control and defective financial management.

The matter was reported to the PAO in September, 2017. Neither any reply was submitted by the department nor convened DAC meeting till finalization of this report.

Audit recommends, seeking regularization of expenditure from the competent authority besides fixing responsibility against the persons at fault.

[PDP # 02]

#### **10.4.2.14 Irregular expenditure due to misclassification–Rs 1.897 million**

As per Article 30 of Audit Code, all financial transactions are required to be recorded and allocated to proper heads of account. According to Rule 55(2) of Punjab District Authorities (Budget) 2017, head of offices and DDO shall be responsible to ensure that authorized budget allocations are spent in conformity with the Schedule of Authorized Expenditure.

Management of THQ Raiwind Hospital incurred expenditure of Rs 1.897 million during the Financial Years 2016-17 on the purchase of medical equipment and machinery. The expenditure was booked under the head of account “A03970-Others” instead of booking under the correct object code i.e “A09601-purchase of machinery and equipment.”

Audit was of the view that un-authorized payment was made due to weak internal control and defective financial management. This resulted in Unauthorized payment.

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

Audit recommends, seeking regularization of expenditure from the competent authority besides fixing responsibility against the persons at fault.

[PDP # 03]

**10.4.2.15 Uneconomical Local Purchase (LP) Medicines from 75% budget meant for bulk purchase of medicines – Rs 1.458 million**

According to Finance Department's policy letter No. FD(FR)11-2/89 dated 1<sup>st</sup> September, 2001, budget allotted for purchase of drugs & medicines is required to be utilized in ratio of 75%: 25% on Bulk Purchase of drugs and medicines and Local Purchase respectively.

During audit of THQ Raiwind, scrutiny of payment record of Bulk Purchases and Local Purchases of medicines revealed that funds of Rs 22.791 million was allocated to THQ Raiwind during 2016-17. Funds of Rs 7.155 million were utilized for local purchase of medicines against the local purchase budget of Rs 5.700 million which were above the authorized limit. Bulk purchase medicines were made on the basis of rate contract which is less expensive than the price charged in local purchase of medicines. This resulted in uneconomical purchase of LP medicines to the tune of Rs 1.458 million as detailed below:

(Rs in million)

Budget allocation of medicines FY 2016-17	Distribution of budget	Expenditure incurred	Unauthorized expenditure
25% for day to day	5.700	7.155	1.458
75% for bulk purchase of medicines	17.093	8.019	-
	<b>22.791</b>	<b>15.174</b>	<b>1.458</b>

Audit was of the view that unauthorized payment was made due to weak internal control and defective financial management. This resulted in Un-authorized payment.

The matter was reported to the PAO in September, 2017. Neither any reply was submitted by the department nor convened DAC meeting till finalization of this report.

Audit recommends, seeking regularization of expenditure from the competent authority besides fixing responsibility against the persons at fault.

[PDP # 14]

#### **10.4.2.16 Irregular purchase of Iron Beds - Rs 1.718 million resulted in loss to the government-Rs 162,000**

As per Rule 38(2)(a) of PPRA 2014, under Single Stage Two Envelop method the procuring agency shall evaluate the technical proposal in the manner prescribed in advance, without reference to the price and shall reject any proposal which does not conform to the specified requirements; during the technical evaluation no amendments in the technical proposal shall be permitted; after the evaluation and approval of the technical proposals, the procuring agency shall open the financial proposals of the technically accepted bids, within the bid validity period; the financial bids found technically non-responsive shall be returned unopened to the respective bidders; and the lowest evaluated bidder shall be awarded the contract.

CEO (Health) purchased 40 Iron Bed for Police Line Qilla Gujar Singh Hospital from M/s Pieces Engineering @ Rs 42,950 each. Scrutiny of Technical Evaluation Report revealed that seven firms were approved. Subsequently, after opening of Financial Bids, management rejected four firms on technical grounds. Three firms i.e. M/s Noorani Surgical, The Pearl Lahore and Apex Enterprises were rejected due to non-provision of sample and M/s Orient Medical was rejected with a vague remarks that sample was not as per specification. M/s Noorani Surgical offered the product @ Rs 38,900 each whereas Financial Bid of Orient Medical was not produced to audit. After opening of Financial Bids, Technical rejection of lowest firms despite it had offered same specification as approved resulted in irregular purchase of iron beds and loss to the government Rs 162,000.

Audit was of the view that Iron Beds were purchased without fulfillment of codal formalities due to defective financial discipline and weak internal controls.

The matter was reported to the PAO in September, 2017. Neither any reply was submitted by the department nor convened DAC meeting till finalization of this report.

Audit recommends, seeking regularization of expenditure from the competent authority besides fixing responsibility against the persons at fault.

[PDP # 16]

#### **10.4.2.17 Irregular purchase of Orthopaedic Table Hydraulic - Rs 3.587 million resulting in loss- Rs 1.206 million**

According to Rule 2.10 (a)(i) of PFR Vol-I, in incurring or authorizing expenditure from government revenue, every sanctioning authority shall exercise the same vigilance in respect of expenditure from the government revenue as a person of ordinary prudence would exercise in respect of his own money.

CEO (H) purchased 02 Orthopaedic Table Hydraulic @ Rs 1.793 million from M/s Sigma International for THQ Kahna and THQ Manawan. Scrutiny of Technical Evaluation Report revealed that management disqualified Alam Medix on technical ground that it provided Orthopaedic Table Hydraulic made in Turkey instead of Europe, USA or Japan as required. It is worth mentioning here that the OEM specification of the manufacturer showed that it was manufactured in that part of Turkey which falls in the territory of Europe. Alam Medix also enclosed with tender documents a letter issued by Ministry of Economy- Republic of Turkey vindicating that medical devices manufactured in Turkey were to be treated equally to the European Union originating products as Turkey complied with all the laws, rules, regulation and standards in such manner as in European Union. Alam Medix offered the product @ Rs 1,190,000. Technical rejection of lowest firm despite it had offered same specification resulted in irregular purchase of Orthopaedic Table Hydraulic worth Rs 3.587 million and loss to the government Rs 1.206 million.

Audit was of the view that equipment was purchased without fulfillment of codal formalities due to defective financial discipline and weak internal controls. This resulted in undue favour to the contractor awarded the supply order.

The matter was reported to the PAO in September, 2017. Neither any reply was submitted by the department nor convened DAC meeting till finalization of this report.

Audit recommends fixing responsibility against the persons at fault besides making good the loss. [PDP # 18]

#### **10.4.2.18 Non-recovery of Government Receipts–Rs 0.927million**

According to Rule 76 of PDG & TMA (Budget) Rules 2003, the primary obligation of the Collecting Officers shall be to ensure that all revenue due is recovered and credited immediately to the local government fund under the proper receipt head. As per Rule 2.33 of PFR Volume-I, every Government servant should realize fully and clearly that

he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he constituted to the loss by his own action or negligence.

Management of following formations did not recover government receipt which resulted in loss to government as detailed below;

Sr.	Formation Name	Description of Receipt	PDP #	(Rs in million)
1	DDHO Aziz Bhatti Town	Purchee fee, x-ray fee etc	12	0.169
2	Eye Hospital Swami Nagar	Purchee fee, x-ray fee etc	04	0.565
3	RHC Barki	Purchee fee, x-ray fee etc	02	0.193
		<b>Total</b>		<b>0.927</b>

Audit was of the view that Government receipt was not recovered due to weak administrative and financial discipline.

Non-recovery of government receipts resulted in loss of Rs0.927 million to the public exchequer.

The matter was reported to the PAO in September, 2017. Neither any reply was submitted by the department nor convened DAC meeting till finalization of this report.

Audit recommends early recovery of government dues Rs 0.927 million besides fixing of responsibility against the delinquent officers / officials under intimation to Audit.

#### **10.4.2.19 Cash payment instead of cross cheque – Rs 2.528 million**

Finance Department vide No. FD(FR)V-6/75(P) dated 04.03.2010 stated that “ payment of Rs 100,000 & above shall not be made in cash by Drawing & Disbursing Officer (DDOs).

A test check of the accounts record of RHC Raiwind revealed that an amount of Rs 2.528 million was drawn from government treasury on accounts of different claims by preparing cheques in the name of DDO instead of name of vender during 2015-17 in violation of Finance Department’s letter referred above.

Sr.	Department	PDP #	Rs in million
1.	RHC Raiwind	03	1.088
2.	DDOH Samanabad	07	1.440
	<b>Total</b>		<b>2.528</b>

Audit was of the view that un-authorized payment was made due to weak internal control and defective financial management. This resulted in Un-authorized payment.

The matter was reported to the PAO in September, 2017. Neither any reply was submitted by the department nor convened DAC meeting till finalization of this report.

Audit recommends, seeking regularization of expenditure from the competent authority besides fixing responsibility against the persons at fault.

#### **10.4.2.20 Irregular expenditure of salary due to shifting of head quarter –Rs 44.078 million**

As per Government of the Punjab Finance Department No.FD.SR.4-8-1/76 (Porv) dated 16-03-1988 shifting of headquarters of a Government servant for the period exceeding three months is financial irregularity.

During audit of following formations it was noticed that officials were performing duties in other offices exceeding three months in violation of FD directions. Due to this reason the expenditure of Rs 44.078 million was held irregular.

(Rs in million)			
Sr. No.	Department	PDP #	Amount
1.	DDOH DGBT	02	1.962
2.	DDOH Aziz Bhatti Town	03	9.998
3	DDOH Nishter Town	11	2.875
4.	DDOH Gulberg Town	06	8.713
5.	DDOH Iqbal Town	07	0.572
6.	Eye Hospital Swami Nagar	03	0.472
7.	IDH Bilal Gunj	08	1.041
8.	RHC AwanDaiwal	03	0.397
9.	RHC Chung	02	2.147
10.	RHC Raiwind	02	5.186
11.	Govt. Hospital Samanabad	06	0.215
12.	DDOH Samanabad	05	10.50
Total:-			44.078

Audit was of the view that due to weak financial and internal control, payment of pay & allowances were made on shifting of headquarter beyond three months. This resulted in irregular payment of Rs 44.073 million.

The matter was reported to the PAO in September, 2017. Neither any reply was submitted by the department nor convened DAC meeting till finalization of this report.

Audit recommends, seeking regularization of expenditure from the competent authority besides fixing responsibility against the persons at fault.

**10.4.2.21 Irregular purchase of computer with lazer printer and fax machines- Rs 1.284 million**

As per specification contained in the bidding document, computer with lazer printer and fax machine were required to be made in USA, Europe and Japan.

CEO (Health) purchased 12 computers with lazer printers and 03 fax machines of made in China from M/s Expert Networking and M/s OAG respectively worth Rs 1.284 million for Mian Meer Hospital, THQ Kahna Nau, THQ Sabzazar and THQ Manawan in violation of the specification. This resulted in irregular purchase of computers with lazer printers and fax machines worth Rs 1.284 million.

Audit holds that equipment was purchased without fulfillment of codal formalities due to defective financial discipline and weak internal controls.

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

Audit recommends fixing responsibility against the delinquent officers / officials under intimation to Audit.

[PDP # 23]



### **10.4.3 Performance**

#### **10.4.3.1 Non-registration of P&SHC Institutions under Act, 2010 and non obtaining of License**

Section 14 of the Punjab Health Care Commission Act, 2010 states that a healthcare establishment shall not be used except in accordance with the terms and conditions of a license issued by the Commission. If a healthcare establishment is not licensed under this Act, the Commission may impose a fine which may extend to five hundred thousand rupees upon the healthcare service provider. Moreover, according to para 1.4. of Minimum Service Delivery Standards “Epidemiological Transition and the Unenviable Challenge of Double BOD” Health Care Establishment is bound to “Develop an Action Plan for the implementation of MSDS” and complementary documents of Standardized Medical Procedures (SMPs).

During Audit of DHA Lahore, it was observed that Healthcare institutions managed by DHA had been affording health care services without getting registered with Health care Commission. The licensing arrangements were only provisional in nature. Further, the institution did not get the regular license issued from the commission in violation of the above quoted instruction. The management did not prepare action plan for implementation of MSDS in violation of Health Department instructions resulting into poor service delivery to general public.

Audit holds that non preparation of action plan was due to poor planning and non adherence to Health Department instructions also aggravated by non registration of hospital with health care commission due to non compliance of instruction contained in Healthcare Commission Act, 2010.

This resulted in non registration of healthcare institutions with Healthcare Commission and non preparation of action plan for implementation of MSDS.

The matter was reported to the management but no reply was provided by the department. Neither any reply was submitted by the department nor was DAC meeting convened till finalization of this report.

Audit recommends that responsibility may be fixed against person responsible for Non Preparation of Action Plan for implementation of MSDS besides ensuring prompt remedial action to do away with breach of binding legal conditions.

#### **10.4.3.2 Non-preparation of implementation Plan**

According to para 2.2 of Minimum Service Delivery Standards “Based on the gaps identified in the Situation Analysis, the MSDS-Proposal was prepared and presented to experts to identify gaps in the existing standards that needs to be filled; and to get feedback from the participants on proposed standards. According to Minimum Service Delivery Standards **“Study on mapping of health facilities catchment area”** was imperative.

During Audit of the DHA Lahore, it was observed that benefit of feedback and identification of gaps was not relied upon by the management as it did not chalk out implementation plan as required in the above quoted instruction / standard. Management did not carry out study on mapping of health facilities catchment area either.

Audit held that breach of the framework to mapping of the catchment area was due to poor planning and non adherence to government standard..

This resulted in non preparation of Implementation Plan and absence of reliance implementation plan matrix.

The matter was reported to the management but no reply was provided by the department. Neither any reply was submitted by the department nor was DAC meeting convened till finalization of this report.

Audit recommends that responsibility may be fixed against person responsible for non preparation of implementation Plan besides remedial action to improve upon the out puts and performance of health care facilities.

#### **10.4.3.3 Absence of Community Involvement in health activities**

As provided under Rule3(d) of the Punjab District Health Authorities (Budget Rules 2016) the chairperson of of the DHA is obligated to ensure minimum health standards within the policy framework of the Punjab Health care concession

According to para 7.2 contained in Minimum Service Delivery Standards “Community involvement in matters of their own health may be in the form of Sehat/Health Committees or Users Committees at different levels to maintain a close liaison between health care providers and communities. These Committees may play commendable role for incorporating communities’ opinions/perceptions in health care planning, Supervision, accountability/evaluation increasing services utilization and

sustainability of the public sector health services. However, terms and conditions for the Sehat Committees at all levels need to be defined clearly and worked out thoroughly”

During Audit of DHA Lahore managed Health care facilities for the period from, it was observed that the management did not involve community in health activities in the form of sehat / health committees, user committees etc. as required in the above quoted standard.

Audit holds that non involvement of community in health activities due to poor planning and non adherence of health department standards.

This resulted in non formulation of sehat / health committees, user committees.

The matter was reported to the management but no reply was provided by the department. Neither any reply was submitted by the department nor was DAC meeting convened till finalization of this report.

Audit recommends that responsibility may be fixed against person responsible for absence of Community Involvement in health activities besides ensuring remedial action to improve upon the out puts and performance of health care facilities.

#### **10.4.3.4        Inefficient and ineffective HMIS**

According to para 4.5 of Minimum Service Delivery Standards “Presently HMIS is dealing with FLCFs( First Level Care Facility) and restricted to communicable diseases only. According to para 7.1 contained in Minimum Service Delivery Standards “Burden of Disease (BOD) Study MSDS have been designed based on existing data that was available from various reliable sources. However, it is worth mentioning here that the design of MSDS has been kept flexible in order to incorporate the results of a provincial burden of disease study.

During Audit of DHA Lahore Managed Health facilities, for the Financial Year 2016-17, it was observed that the management did not pursue carrying out study on burden of disease. Resultantly, results of the study could not be incorporated in MSDS against the cushion / flexibility kept in MSDS in violation of above standard. Moreover, the management did not get HMIS developed which extended over communicable and non communicable diseases in violation of the above quoted standards. HMIS only reports data from OPD and no information whatsoever is available from indoor departments. Acceptable level of error rate has not been specified in HMIS. It does not provide information on mental, geriatric problems and non-communicable diseases

Audit holds that inefficient and ineffective HMIS existed due to poor planning and weak internal control.

This resulted in unjustified reliance upon inefficient and ineffective HMIS and dereliction to conduct burden of disease study.

The matter was reported to the management but no reply was provided by the department. Neither any reply was submitted by the department nor was DAC meeting convened till finalization of this report.

Audit recommends that responsibility may be fixed against person responsible for Inefficient and ineffective HMIS.

#### **10.4.3.5 Inadequacy of Feedback as a consequence to clients' complaints.**

According to para 6.8 contained in Minimum Service Delivery Standards "Clients Satisfaction/Feedback:

To assess the level of clients/patients satisfaction with services and to invite suggestions for improvement, complaint or suggestion box should be installed at prominent places in all the health care facilities.

In addition, there should be telephonic contact or address of the managers/supervisory officers allowing the patients to lodge their complaints.

To assess the quality of care client/patient exit interviews and mystery client surveys could be introduced at a later stage".

During Audit of DHA Lahore managed Health Care facilities for 2016-17, it was observed that complaint box for clients were put in place but the complaints were not disposed of properly. Firstly, box opening committee was not notified and complaint redressal mechanism was not chalked out. No proper record was maintained in this regard and feedback for satisfaction of complainants was absent.

Audit holds that absence of feedback to client complaints was due to poor planning and non adherence to health department standards.

This resulted in absence of feedback as a consequence to client complaints.

The matter was reported to the management but no reply was provided by the department.

Audit recommends that responsibility may be fixed against person responsible for absence of Feedback to Client Complaints.

#### **10.4.3.6 Imprudent management of Assets and Liabilities**

According to Rule 5(i) of District Govt. Rules of business, 2001, prudent management of assets and liabilities of District Government is the responsibility of the Executives According to Rule 3 of local government property Rules 2003 the manager concerned ensure that the rented Property fetches the maximum rent, keep all title deeds and other documents, relating to the Property with duplicate copies of such title deeds and other documents, in safe custody, have the boundaries of lands of the Local Government demarcated, ensure the maintenance of prescribed registers; be vigilant about and to check encroachments or wrongful occupations on Property

During audit of health formations under the control of DHA Lahore for the Financial Year 2016-17, it was observed that no record regarding the assets and liabilities under the management of Health Authority was maintained in violation of rule *ibid*. There was no demarcation of property of government dispensaries/ centers. Due to the negligence of the concerned, the assets of millions have not yet been accounted for despite lapse of significant time. No internal control system was developed to safeguard assets, being the legal custodian of the property there was no register of the moveable and immoveable property retained with the CEO office.

<b>Sr.</b>	<b>Formation</b>	<b>PDP #</b>
1.	DDOH Aziz Bhatti Town	14
2.	RHC Awan Dhairwala	10

Audit holds that due to weak internal control laxity with regard to asset management by DHA Lahore was in a disarray.

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

Audit requires the complete preparation of assets register and demarcation of sites taken over since devolution of 2001 as well as after the implementation of PLGA 2013 w.e.f 01-01-2017.

#### **10.4.3.7 Non-functioning of internal Audit authority**

As set forth in terms of Chapter 5 Local Government Finance 5.1 Introduction –establishment of new local Government systems in Punjab of the official White Paper of the Punjab Government, while approving the PFC award, the Provincial Cabinet also advised to devise a mechanism for strengthening internal controls and internal audit in the local governments. In line with these recommendations, Finance Department is working on

institutional and legal framework for establishing an Internal Audit Authority. The authority will implement an internal audit framework for purposes of securing efficiency, financial discipline, transparency and good governance through instilling an accountability mechanism across the local governments.

During audit of DHA Lahore it was noticed that strengthening of a duly evolved mechanism for beefed up internal controls was ignored. No internal audit authority was established in violation of rule ibid.

Audit holds that the payments were made through weak internal control.

This resulted in ignoring policy initiative for instilling an accountability mechanism across the local governments.

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

Audit recommends, seeking regularization of expenditure incurred without subjecting the same to institutionalized internal audit from the competent authority besides fixing responsibility against the persons at fault.

#### **10.4.3.8          Absence of Standard Checklist for supervision**

According to para 4.6 of Minimum Service Delivery Standards “Deputy District Officer Health (DDOH) and EDO-H do have a standard checklist for supervision that is used during supervisory visits. The DDOH submits report of his supervisory visits to EDO-H. Though standard checklist is available, again supervisory system is weak in terms of regularity and feed back to facilities”.

During Audit of DHA Lahore managed Health Care facilities for 2016-17, it was observed that the management did not prepare standard checklist for supervision of different department of the hospital in violation of above standard.

Audit holds that non preparation of standard checklist for supervision was due to poor planning and non compliance of government supervision standards.

This resulted in non preparation of standard checklist for supervision.

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

Audit recommends that responsibility may be fixed against person responsible for Absence of Standard Checklist for supervision.

#### **10.4.3.9 Non-preparation of Equipment Lists**

According to para 6.2 contained in Minimum Service Delivery Standards “Equipment Lists: It is proposed that firstly, present equipment lists for all levels should be standardized and secondly, a mechanism for periodic revision (every four yearly) should be devised”.

During Audit of EDO (Health ) DHA Lahore managed Health Care Facilities for 2016-17, it was observed that the management neither prepared equipment lists nor did its periodic revision even after even after lapse of four years in violation of the above quoted standard.

Audit holds that non preparation of equipment lists and its periodic revision was due to poor planning and non compliance of health department standards.

This resulted in non preparation of equipment lists as provided under MSDS framework.

The matter was reported to the management but no reply was provided by the department. Management was not able to arrange holding of DAC meeting for purpose built deliberations on the issue despite repeated reminders till finalization of this Report.

Audit recommends that responsibility may be fixed against person responsible for non-preparation of Equipment Lists.

#### **10.4.10 Absence of Performance Assessment**

According to para 4.7 of Minimum Service Delivery Standards “Performance Assessment Performance indicators are one of the management tools which when applied appropriately can measure the performance of health facilities.

During Audit of DHA Lahore managed Health Care facilities for 2016-17, it was observed that the management did not make performance assessment of each and every department of the healthcare institutions as required by the above quoted standard. Currently no standard system of health facility performance assessment is available or practiced in the

province. Preventive programme performance is presently judged through indicators e.g. immunization coverage, default rate of TB patients. There existed a system of reporting to the national level programme authorities. Performance of staff is assessed through Annual Confidential Reports (ACRs). The assessment was subjective with no holistic assessment of the performance of Department.

Audit holds that absence of performance assessment was due to poor planning and non adherence to health department standards.

This resulted in non assessment of performance indicators.

The matter was reported to the management but no reply was provided by the department.

Audit recommends that responsibility may be fixed against person responsible for absence of Performance Assessment.



## CHAPTER 11

### District Health Authority, M.B.Din

#### 11.1 Introduction of the Authority

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

Prior to promulgation of the Act, District Health Department was headed by the Executive District Officer (Health) who is Departmental Accounting Officer of group of offices of District Health Department and District Coordination Officer was the Principal Accounting Officer under PLGO, 2001.

The functions of District Health Authority, M.B.Din as described in the Punjab Local Government Act, 2013 are as under:

- establish, manage and supervise primary and secondary health care facilities and institutions;
- approve the budget of the Authority and allocate funds to health institutions;
- coordinate health related emergency response during any natural calamity or emergency;
- develop referral and technical support linkages between primary and secondary levels of health care on the one hand and tertiary level health facilities and medical education institutions on the other;
- ensure human resource management and capacity development of health service delivery personnel under the policy framework given by the Government;
- ensure timely reporting of progress on health indicators relating to disease surveillance, epidemic control, disaster management to the Government; and
- ensure implementation of minimum standards of service delivery, infrastructure, patient safety, hygiene and public health as prescribed by the Punjab Health Care Commission.

DHA M.B.Din manages following primary and secondary health care facilities and institutues:

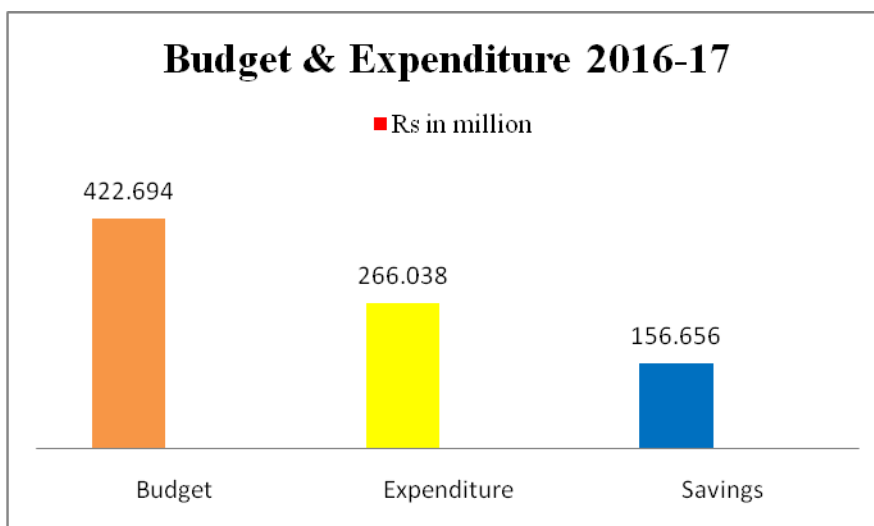
Description	No. of health facility/ institute
Basic Helath Units	43
Government Rural Dispensary	24

Rural Health Centre	05
Tehsil Head Quarter Hospitals	04
District Head Quarter Hospitals	01
District Health Development Centre	01
District Health Officers	03
Any other institute/ health facility	09

## 11.2 Comments on Budget and Accounts

Total budget of District Health Authority for the Financial Year 2016-17 was Rs 422.694 million, against which only Rs 266.038 million was spent. Overall savings of Rs 156.656 million during the Financial Years 2016-17 which was 37% of budgetary allocation, showing non-utilization of funds meant for provisions of amenities in District Health Authority thus depriving the community from getting better facilities.

(Rs in million)				
Financial Year	Budget	Expenditure	Savings	% Savings
2016-17	422.694	266.038	156.656	37



## 11.3 Brief Comments on the Status of Compliance with PAC Directives

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

## **11.4      AUDIT PARAS**

## **11.4.1 Irregularity & Non-compliance**

### **11.4.1.1 Irregular purchase of medicine in violation of Punjab Procurement Rules-Rs 71.547 million**

According to Rule 8 of Punjab Procurement Rules 2014, a procuring agency shall, within one month from the commencement of a Financial Year, devise annual planning for all proposed procurements with the object of realistically determining the requirements of the procuring agency, within its available resources, delivery time or completion date and benefits that are likely to accrue to the procuring agency in future. Further according to Rule 9 read with Rule 12(1) of Punjab Procurement Rules 2014, procurements over one hundred thousand rupees and up to the limit of two million rupees shall be advertised on the PPRA'S website in the manner and format specified by regulation by the PPRA'S from time to time. Further, a procuring agency shall announce in an appropriate manner all proposed procurements for each Financial Year and shall proceed accordingly without any splitting or regrouping of the procurement so planned.

MS DHQ Hospital M.B.Din, purchased (Bulk Purchase) amounting to Rs 71.547 million from the firms whom rate contract were awarded by the Secretary Health Department Govt. of Punjab. Audit noted the following irregularities which made the expenditure irregular.

- i. Neither advertisement for procurements by Procuring agency (MS DHQ Hospital M.B.Din) was made nor was record regarding Tender proceedings produced.
- ii. Procurement as per rate contract of Health Department Govt., of the Punjab was unauthorized, unlawful and in violation of PPRA Rules 2014 where in rate contract did fall under any provision of Law
- iii. 5% performance security of Rs 3,577,350 was required to be deducted and to be deposited into Government Exchequer, but no proof of such deduction was provided.
- iv. The department have not attained warranty certificate in accordance with clause vii of the purchase order. It has been told that each invoice bears a warranty certificate behind it but that warranty demanded in above clause has no relevance with the above said warranty. The warranty asked in the purchase order is to secure the un consumed medicine if not consumed within shelf life

- v. According to clause “C” of the purchase order In addition to procuring agency’s inspection committee the department’s inspection committee may collect 1-2 samples at random from any batch/supply. The samples will be got tested by any international WHO qualified Lab, engaged/hired/authorized by provincial Govt. the cost of such lab test shall also be born by the supplier/contractor. The supplier will directly pay the charges to that particular Laboratory.

Audit was of the view that due to non-compliance of rules and dereliction on the part of the financial management, resulted in irregular purchase of medicine of Rs 71.547 million.

No reply was submitted by the department.

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

Audit recommends that matter needs to be probed besides fixing of responsibility against the person(s) at fault.

[PDP No.04]

#### **11.4.1.2 Wasteful consumption of medicine-Rs 25.150 million**

According to Rule 2.33 of the PFR Vol-I every government servant should realize fully and clearly that he will be held personally responsible for any loss sustained through fraud, negligence on the part of the government servant up to the extent to which he has contributed towards the fraud.

Audit of DHQ Hospital MB Din accounts records in respect of consumption of medicine revealed that the medicines were issued to the outdoor patients for 5 to 10 days to each patient without any recommendations on the prescription by the doctor. Audit was of the view that this practice is adopted only to consume the excessive purchased medicine without considering the aspect of demand and patient ratio in the hospital. further during Financial Year 2016-17 the rate contract was made with the well reputed and multinational companies and costly medicines were purchased.

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

This resulted in wasteful consumption of medicine to the patients worth Rs 25.150 million.

No reply was submitted by the department.

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

Audit recommends that matter needs to be probed besides fixing of responsibility against the person(s) at fault.

[PDP No.01]

#### **11.4.1.3 Expenditure by splitting indents-Rs 12.478 million**

According to Rule 12(1) read with Rule 9 of Punjab Procurement Rules 2014, all procurement opportunities over Rs100,000 to two million rupees should be advertised on the PPRA's website. A procuring agency shall announce in an appropriate manner all proposed procurements for each Financial Year and shall proceed accordingly without any splitting of the procurements so planned. The annual requirements thus determined would be advertised in advance on the PPRA's website.

Following offices of District Mandi Bahauddin incurred the expenditure on purchase of plant and machinery, stationery, furniture & Fixture, IT Equipment and software etc by splitting the indents to avoid advertising on the website of PPRA website.

S.#	Name of Office	PDP No.	Amount
01.	DO Health MB Din	04	0.200
02.	DO Health MB Din	05	0.434
03.	DO Health MB Din	09	11.844
<b>Total</b>			<b>12.478</b>

Audit was of the view that due to non-compliance of rules and dereliction on the part of the financial management, expenditure was incurred by splitting the indents.

No reply was submitted by the department.

The matter was reported to the CEO Health / PAO in December, 2016 but no DAC was convened till the finalization of this report.

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

[PDP No. 05,09,04]

#### **11.4.1.4 Recovery of pay & allowances-Rs 1.24 million**

According to Govt. of the Punjab, Finance Department letter No.FD.PC.40-04/12 dated 17-4-2012, those employees who are drawing Health Sector Reform Allowance and Health Professional Allowance are not entitled to Adhoc Allowance,07/2010 @50%. This adhoc allowance has not been granted to the employees who have been allowed an allowance equal to at least one month's initial of pay scale. Further according to Govt. of the Punjab notification No.FD.PC.2-1/2015 dated 22.07.2015, the Ad-hoc relief allowances 2011 and 2012 granted w.e.f. July 2011 and July 2012 shall cease to exist w.e.f. 01.07.2015. According to revised pay scales 2016 vide No.FD- PC 2-1/16 dated 18-7-2016 Govt. of the Punjab, Finance Department, Lahore, the Ad-hoc relief allowances 2013, 2014 and 2015 shall cease to exist w.e.f. 01.07.2016

Audit of MS THQ Hospital Phalia District Mandi Bahauddin, revealed that doctors were drawing, Health Professional Allowance as well as Adhoc Relief allowance, 2010 @50% in violation of above rule. Due to non deduction of Adhoc Relief Allowance 2010@ 50%, overpayment was made to the doctors which resulted in loss to Government Exchequer of Rs 894,133. DO (Health) Mandi Baha-ud-Din, staff drew inadmissible adhoc-relief allowances of Rs 345,719 during 2016-17 in violation of above instructions.

S.#	Name of Office	PDP No.	Amount
01.	MS THQ Hospitla Phalia	05	0.894
02.	DO Health MB Din	01	0.346
<b>Total</b>			<b>1.24</b>

Audit was of the view that due to non-compliance of rules and dereliction on the part of the financial management, pay and allowances were paid to the officers without entitlement.

No reply was submitted by the department.

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

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

[PDP No.05]

## **11.4.2 Internal Control Weaknesses**

### **11.4.2.1 Unauthorized drawl of Adhoc Allowance-2010 (50%) – Rs 9.963 million**

According to Govt. of the Punjab, Finance Department letter No.FD.PC.40-04/12 dated 17-4-2012, those Doctors who are drawing Health Sector Reform Allowance and Health Professional Allowance are not entitled to Adhoc Allowance,07/2010 @50%. Similarly the charge nurses are drawing Mess @8000 and Dress Allowance @3100. This adhoc allowance has not been granted to the employees who have been allowed an allowance equal to at least one month's initial of pay scale of 2008.

During scrutiny of record of DHQ Hospital M.B.Din it has been observed that the various Doctors/Nurses were drawing Adhoc Relief Allowance, 2010 @50% in violation of above rule resulted in loss to Government Exchequer.

Audit was of the view that due to internal control weakness, inadmissible Adhoc Relief Allowance-2010 was paid to the doctors which resulted in unauthorized drawl of allowance amounting Rs 1.096 million.

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

Audit recommends recovery of the amount.

[PDP No.03]

### **11.4.2.2 Unauthorized collection of test charges -Rs 7.008 million**

Every government servant should realize fully and clearly that he will be held personally responsible for any loss sustained through fraud, negligence on the part of the government servant up to the extent to which he has contributed towards the fraud according to Rule 2.33 of the PFR Vol-I.As per notification of the Govt. of the Punjab (Health) Department vide Letter no SO(H&D)-12-13/73 dated 11-04-1985 professors and assistant professors, specialist and paramedics were entitled to draw 35% Doctor share and 20% staff share.

During the audit of DHQ Hospital M.B.Din, it was observed that an amount of Rs.7,008,000 was received from the patients for the tests of HIV, HBV, HCV, whereas there was no notification of government for the charges of these tests. Moreover 35% Doctor share and 20% staff share, amounting to Rs 3,854,400 were also received by the concerned persons as detail below;



Sr.	Item	Rate	No. of Tests per month	No. of tests 2016-17	Amount (Rs)
1	HIV	100	1995	23940	2,394,000
2	HBV	100	1995	23940	2,394,000
3	HCV	100	1850	22200	2,220,000
<b>Total</b>					<b>7,008,000</b>

This resulted in unauthorized collection of test charges.

Audit held that due to weak internal controls, unauthorized collection of fee on accounts of test charges.

No reply was submitted by the department.

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

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

[PDP No.05]

#### **11.4.2.3      Doubtful expenditure on repair of building through transfer of funds to Building department-Rs 5.00 million**

According to Finance Department's letter No. IT(FD)3-7-2000 dated 01.01.2001, on completion of the project, the DO Buildings will render a completion certificate and statement of accounts (i.e. complete vouched account) together with refund of residual balance of the amounts placed at his disposal, to the concerned DDO for his record

MS DHQ Hospital MB Din Paid Rs 5,000,000 from Health Council Funds for renovation of Operation Theater and Dialysis MO Room. The payment was held unauthorized and doubtful because there was no detail of tender issued by building department, TS estimates, vouchers, measurement books, completion certification / PC-IV of works. It was doubted that repair of the amount has been misappropriated in C&W department and amount was not properly expended and value for money was not obtained. No residual balance has been refunded to the Health Council Account.

Audit held that due to weak internal controls, doubtful expenditure Rs5.00 million on repair of building was made.

No reply was submitted by the department.

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

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

[PDP No.11]

#### **11.4.2.4 Non-deduction of General Sales Tax - Rs 2.338 million**

As per Notification vide letter No. D.O. No.5 (21) L & D /97-4910/FS dated 03.10.1997 every DDO is responsible to collect the proof of deposit of sales tax paid to suppliers has been deposited into Government treasury.

Audit of Health Councils of BHUs under District Officer (Health) MB Din and THQ Hospital Malakwal revealed that expenditure amounting to Rs 2.338 million was incurred for the purchase of following items from different un-registered suppliers. The payment was made to the suppliers including sales tax amounting Rs 2.338 million. Due to non-deduction of sales tax at source from un-registered vendors, overpayment was made to the contractors/suppliers.

S.#	Name of office	PDP No.	Amount
1	DO Health MB Din	11	2.013
2	THQ Hospital Malakwal	07	0.325
Total			2.338

Audit held that due to weak internal controls, sales tax amount was not deducted and not deposited into govt. treasury.

No reply was submitted by the department.

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

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

[PDP No.11]

#### **11.4.2.5 Unjustified drawl of funds amounting-Rs1.560 million**

According to Notification No.PA/DS (G)4-8/2016 dated August 3, 2016 “the specialist should visit the hospital in the evening and stay for one hour for round in the wards after check in on the biometric system otherwise 40% of the incentive allowance should be deducted”.

Audit of MS THQ Hospital Phalia District Mandi Bahauddin revealed that specialists were drawing full amount of Incentive Allowance during the Financial Year 2016-17. However proof of evening visits along with biometric attendance of the specialists was not available in record. In the

absence of evening stay register and biometric attendance, drawl of incentive allowance was unjustified which resulted in overpayment.

(Amount in Rs)

Name of Employee	Cost Center	Job Title	Wage Type Description	Monthly Incentive Allo	Total payment	40% recovery
Fateh Muhammad Kathia	MX9011	Surgeon	Incentive Allowance	65,000	780,000	312,000
Khaliq Dad Tarar	MX9011	Children Specialist	Incentive Allowance	65,000	780,000	312,000
Jamal ud Din Akbar	MX9011	Anesthetist	Incentive Allowance	65,000	780,000	312,000
Aarash Rafiq	MX9011	Medical Officer	Incentive Allowance	65,000	780,000	312,000
Ali Tarar	MX9011	Consultant	Incentive Allowance	65,000	780,000	312,000
<b>Total</b>						<b>1,560,000</b>

Audit held that due to weak internal controls, unjustified drawl of incentive allowance was drawn.

No reply was submitted by the department.

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

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

[PDP No. 07]

#### **11.4.2.6 Unauthorized purchase of LP medicines-Rs1.20 million**

According to Government of the Punjab Health Department letter No.SO(P-I)H/3-64/2008 dated 12.09.2013, policy and operational guidelines for Local Purchase of Medicines (Day to Day) chalked out by the health department for guidance & strict compliance (copy attached)

A responsible hospital pharmacist usually send indent to the suppliers.

Patient who receives medicines should be registered at the central point and should be allotted registration number etc.

Audit of MS THQ Hospital Phalia District Mandi Bahauddin revealed that Rs1.20 million was paid to the M/s Usama Medical Store Phalia for the purchase of LP medicine during the Financial Year 2016-17. The medicines were purchased without observing of guidelines of purchase of LP medicine.

Audit was of the view that due to weak internal controls, LP medicines were purchased without observing LP guidelines.

No reply was submitted by the department.

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

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

[PDP No. 01]

#### **11.4.2.7 Less-deduction of Income Tax-Rs 1.149 million**

According to Section-153(1)(c) of Income Tax ordinance 2001, withholding income tax @ 10% incase of non-active taxpayer and @ 7.5% in case of active taxpayer on gross amount of payment at the time of payment should be deducted as withholding income tax.

Following offices of District Mandi Bahaiddin deducted income tax @7% or 7.5% as withholding tax from non filer contractors instead of @ 10%. This resulted in less deduction of income tax amounting to Rs 1.149 million.

<b>Sr.</b>	<b>Name of office</b>	<b>PDP No.</b>	<b>Amount</b>
1.	DO Health MB Din	10	0.769
2.	THQ Hospital Phalia	02	0.234
3.	THQ Hospital Malakwal	05	0.146
<b>Total</b>			<b>1.149</b>

Audit was of the view that due to non-compliance of rules and dereliction on the part of the financial management, less amount of income tax was deducted from non-filers.

No reply was submitted by the department.

The matter was reported to the CEO Health / PAO in December, 2016 but no DAC was convened till the finalization of this report.

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

[PDP No. 10,02,05]

#### **11.4.2.8 Unauthorized drawl of Adhoc Allowance-2010 (50%) -Rs 1.096 million**

According to Govt. of the Punjab, Finance Department letter No.FD.PC.40-04/12 dated 17-4-2012, those employees who are drawing Health Sector Reform Allowance and Health Professional Allowance are

not entitled to Adhoc Allowance,07/2010 @50%. This adhoc allowance has not been granted to the employees who have been allowed an allowance equal to at least one month's initial of pay scale of 2008.

Audit of MS THQ Hospital Phalia and MS THQ Hospital Malakwal District Mandi Bahauddin, revealed that doctors were drawing HSRA, Health Professional Allowance as well as Adhoc Relief allowance, 2010 @50% in violation of above rule. Due to non deduction of Adhoc Relief Allowance 2010@ 50%, overpayment was made to the doctors which resulted in loss to Government Exchequer of Rs 1.096 million.

S#	Name of Office	PDP No.	Amount
01	MS THQ Hospital Phalia	05	894,000
02	MS THQ Hospital Malakwal	06	202,560
<b>Total</b>			<b>1,096,560</b>

Audit was of the view that due to internal control weakness,inadmissible Adhoc Relief Allowance-2010 was paid to the doctors, which resulted in unauthorized drawl of allowance amounting Rs 1.096 million.

No reply was submitted by the department.

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

Audit recommends recovery of the amount.

[PDP No.05,06]

#### **11.4.2.9 Non-recovery of HSR Allowance – Rs 0.804 million**

According to the Government of the Punjab, Health Department's letter No.PMU/PHSRP/G-I-06/61/760, dated the 16th March 2007, the Health Sector Reform Allowance is payable only when the doctors / paramedics and other staff perform their duties under the Punjab Health Sector Reform Programme at RHCs / BHUs. Any doctor / Paramedic and other staff whether regular or on contract, posted and drawing pay against the posts of RHCs / BHUs is directed to perform somewhere else will not be entitled to HSRA Allowance, any such allowance paid should be recovered. Further, no HSRA is admissible during leave period.

MS THQ Hospital Phalia and Malakwal District Mandi Baha Ud Din paid an amount of Rs 804,158 million on accounts of Health Sector Reform Allowance to the officers/officials of THQ Hospital. However, Punjab Health Sector Reform Allowance was only admissible at RHCs/BHUs.

(Amount in Rs)

S.#	Name of Office	Description	PDP No.	Amount
1.	THQ Hospital Malakwal	HSRA	01	316,487
2.	THQ Hospital Phalia	HSRA	06	487,671
			<b>Total</b>	<b>804,158</b>

Audit was of the view that due to internal control weakness, Health Sector Reform Allowance was paid to staff on general / temporary duty.

No reply was submitted by the department.

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

Audit recommends recovery of the amount.

[PDP No.01, 06]

## **CHAPTER 12**

### **District Health Authority, Mianwali**

#### **12.1 Introduction of the Authority**

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

Prior to promulgation of the Act, District Health Department was headed by the Executive District Officer (Health) who is Departmental Accounting Officer of group of offices of District Health Department and District Coordination Officer was the Principal Accounting Officer under PLGO, 2001.

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

- establish, manage and supervise primary and secondary health care facilities and institutions;
- approve the budget of the Authority and allocate funds to health institutions;
- coordinate health related emergency response during any natural calamity or emergency;
- develop referral and technical support linkages between primary and secondary levels of health care on the one hand and tertiary level health facilities and medical education institutions on the other;
- ensure human resource management and capacity development of health service delivery personnel under the policy framework given by the Government;
- ensure timely reporting of progress on health indicators relating to disease surveillance, epidemic control, disaster management to the Government; and
- ensure implementation of minimum standards of service delivery, infrastructure, patient safety, hygiene and public health as prescribed by the Punjab Health Care Commission.

DHA Mianwali manages following primary and secondary health care facilities and institutues:

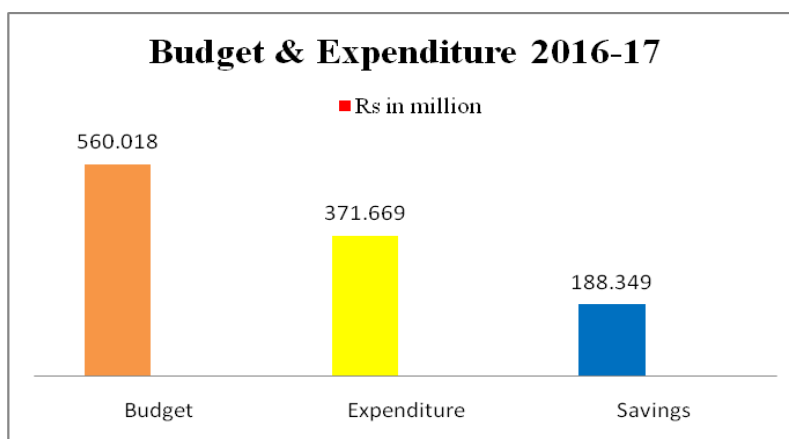
Description	No. of health facility/ institute
Basic Health Units	41
Government Rural Dispensary	12
Rural Health Centre	10
Tehsil Head Quarter Hospitals	03
District Head Quarter Hospitals	01
District Health Development Centre	01
District Health Officers	03
Any other institute/ health facility	14

## 12.2 Comments on Budget and Accounts

Total budget of District Health Authority for the Financial Year 2016-17 was Rs 560.018 million, against which only Rs 371.669 million was spent. Overall savings of Rs 188.349 million during the Financial Years 2016-17 which was 34% of budgetary allocation, showing non-utilization of funds meant for provisions of amenities in District Health Authority thus depriving the community from getting better facilities.

(Rs in million)

Financial Year	Budget	Expenditure	Savings	% Savings
2016-17	560.018	371.669	188.349	34



## 12.3 Brief Comments on the Status of Compliance with PAC Directives

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



## **12.4      AUDIT PARAS**

## **12.4.1 Non-production of Record**

### **12.4.1.1 Non-production of Record – Rs 9.044 million**

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

Drawing and Disbursing Officers of some formations of District Health Authority Mianwali did not produce record of Rs 9.044 million for audit. In the absence of record, authenticity, validity, accuracy and genuineness of expenditure could not be verified. Detail is as under:

<b>(Rs in millions)</b>				
<b>Sr. No.</b>	<b>Name of Formation</b>	<b>Record Pertaining to</b>	<b>PDP No.</b>	<b>Amount</b>
1	RHC Mouch	SMO, RHC Mouch	35	6.714
2	THQ Isakhel	Leave and residence Record, Log Books and stock Registers, record of parking stand and consumption record.	63	0
3	RHC Kammar Mashani	Health Council Record	48	1.125
4	RHC Targ	Health Council Record	52	1.205
<b>Total</b>				<b>9.044</b>

Audit held that due to financial indiscipline and weak internal controls, relevant record was not produced to audit in violation of criteria *ibid*.

The matter was reported CEO in November, 2017 the formations neither submitted the reply nor was DAC meeting convened till finalization of this report.

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

## **12.4.2 Irregularities & Non-compliance**

### **12.4.2.1 Irregular Expenditure – Rs 56.567 million**

According to Rule 64(1)(ii) & (2)(i)(ii) of PDG & TMA (Budget) Rules 2003, each Local Government shall ensure that authorized budget allocations are expended in conformity with the Schedule of Authorized Expenditure and that there must be an appropriation of funds for the purpose

The Drawings and Disbursing Officer of the following formations made payment of 56.567 million from the SDA account under the Object code A05270. The funds are required to be re appropriated against the each object code. Neither the fund was re-appropriated nor the monthly reconciliation of the expenditure was made with the DAO.

<b>Sr.#</b>	<b>Name of formations</b>	<b>PDP#</b>	<b>Rs in million</b>
1	THQ Isa Khel	55	28.000
2	THQ Kala Bagh	71	28.567
<b>Total</b>			<b>56.567</b>

Audit was of the view that due to weak internal control expenditure was incurred without re appropriation of the funds in their relevant object code and necessary reconciliation of the expenditure was also not carried out.

This resulted in irregular expenditure of Rs 56.567 million.

The matter was reported CEO in November, 2017 the formations neither submitted the reply nor was DAC meeting convened till finalization of this report.

Audit recommends action against the responsible and condemnation of irregularity from the competent authority.

### **12.4.2.2 Irregular Expenditure due to Violation of Punjab Procurement Rules - Rs 48.758 million**

According to Rules (12) of the Punjab Procurement Rules, 2014, a procuring agency shall advertise procurement of more than one hundred thousand rupees and up to the limit of two million rupees on the website of the Authority in the manner and format specified by regulations but if deemed in public interest, the procuring agency may also advertise the procurement in at least one national daily newspaper.

Drawing and Disbursing Officers of the some formations of District Health Authority Mianwali incurred expenditure of Rs 48.758 million for procurement of various items of hospital equipments, cost of

others stores and drugs from different suppliers during the Financial Year 2016-17. The formations neither advertise the procurement on web site nor in any daily newspaper without observing Punjab Procurement Rules. Hence, the formation deprived the authority from purchasing the items on competitive rates.

(Rs in millions)

Sr. No.	Name of Formation	PDP No.	Description	Amount
1	District Officer (H)	36	Cost of others, Others, printing, etc.	1.397
2	38 BHUs under the control District Officer (H)	37,38	Misc. items	15.406
3	CEO Health	87	Medical equipment, medicine, ACs & cost of others	23.466
4	RHC Wan Bachran	33		0.587
5	RHC Kundian	23		0.625
6	RHC Chakrala	42		0.674
7	THQ Isa Khel	54, 58-62 & 64	Civil works, purchase of M&E, Furniture & medicine	3.515
8	THQ Kala Bagh	76,77	purchase of M&E, Furniture & medicine	3.088
<b>Total</b>				<b>48.758</b>

Audit held that due to financial indiscipline, weak internal controls and violation of PPRA rules, the procurement could not be made on competitive rates.

This resulted in an irregular procurement of Rs 48.758 million.

The matter was reported CEO in November, 2017 the formations neither submitted the reply nor was DAC meeting convened till finalization of this report.

Audit recommends action against the responsible and condemnation of irregularity from the PPRA authority.

#### **12.4.2.3 Irregular and Wasteful Expenditure - Rs 15.687 million**

As per instruction issued by the government of the Punjab for health council funds, concern health council shall maintained all record (cash book, vouchers, bank statement and stock registers), agenda of the meeting will be issued to the members of the health council with the prior approval of the chairman, secretary health council prepared minutes of the meeting and issued to the other members of the health council, notified the members of the health council and expenditure will be incurred with the approval of health council.

The Drawing and disbursing Officers of the following formations made payment of Rs15.687 million from the Health Council funds.

Name of formations	PDP#	Amount
MS DHQ	03	14.487
SMO RHC Daud Khel	47	1.200
Total		15.687

The following irregularities were found as detailed below.

- i. No formal approval was obtained from the Chairman for convening and agenda of the Meeting.
- ii. Minutes of the meeting neither maintained nor were issued to the members of the health council.
- iii. The members of the health council were not notified.
- iv. Development expenditure was incurred without preparation of annual development plan.
- v. SMO RHC Daud Khel incurred expenditure on accounts of civil work without making the advertisement on PPRA web site.
- vi. Stock registers were not maintained.
- vii. No approval of the expenditure had been obtained from the Health Council.

Audit held that due to financial indiscipline and weak internal controls the expenditure was incurred in violation of rule ibid.

This resulted in an irregular expenditure of Rs 15.687 million.

The matter was reported CEO in November, 2017 the formations neither submitted the reply nor was DAC meeting convened till finalization of this report.

Audit recommends action against the responsible and condemnation of irregularity from the competent authority.

#### **12.4.2.4 Irregular Creation of Liabilities - Rs. 13.519 million**

According to Rule17.18 of PFR Vol-I, Under no circumstances may charges incurred be allowed to stand over to be paid from the grant of another year [vide Rule 2.10 (b)(3)]. If possible, expenditure should be postponed till the preparation of a new budget has given opportunity of making provision, and till the sanction of that budget has supplied means; but on no account may charges be actually incurred in one year and thrown on the grant of another year.

The Drawing and Disbursing officers of some formations of District Health Authority Mianwali placed excess supply orders for purchase of medicine to the pharmaceutical companies against the

available budget. Hence, the formation purchased medicine over and above the funds provided for the purchase and created liability in violation of criteria *ibid*.

<b>Name of formations</b>	<b>PDP #</b>	<b>Amount</b>
MS DHQ Hospital	06	13.109
MS THQ Hospital piplam	29	0.410
<b>Total</b>		<b>13.519</b>

Audit was of the view that due to weak internal control, excess supply orders were placed without considering the availability of the budget.

This resulted in irregular creation of liability of Rs13.519 million.

The matter was reported CEO in November, 2017 the formations neither submitted the reply nor was DAC meeting convened till finalization of this report.

Audit recommends condemnation of irregularity besides fixing of responsibility against the person(s) at fault under intimation

#### **12.4.2.5 Unauthorized Payment without DTL Reports – Rs.12.560 million**

According to Health Department's policy letter No. SO (P-I) H/RC 2001-2002/01, dated 29<sup>th</sup> September, 2001, no drug / medicine shall be accepted & used without the report of Drug Testing Lab (DTL). Moreover, payment on accounts of Drugs / Medicines shall be released to the suppliers only on receipt of standard / positive DTL report. Further, according to bidding documents issued by Secretary (Health) Punjab, Lahore for the Financial Year 2015-16, departments were directed to collect sample from their own centers and send for DTL.

MS DHQ Hospital Mianwali purchased drugs/medicine from the different pharmaceuticals companies during the Financial Year 2016-17. The formation made payment of Rs12.560 million without (DTL) drug test report.

Audit held that due to payment without DTL, the quality of the medicines cannot assure.

This resulted in an irregular expenditure of Rs 12.560 million.

The matter was reported CEO in November, 2017 the formation neither submitted the reply nor was DAC meeting convened till finalization of this report.

Audit recommends condemnation of irregularity from competent forum. [PDP No.05]

#### **12.4.2.6 Doubtful Expenditure on POL – Rs 10.849 million**

According to rules Rule 2.33 of PFR Vol-I every Government servant should realized fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part.

MS DHQ Hospital made payment of Rs10.849 million on accounts of POL. The following irregularities were found.

- i. There were three generators installed in the hospital. The running time do not match with the load shading schedule.

Date	Generator 1	Generator 2	Generator 3
29-05-2017	1 hour	3.5 hours	1 hour
12-04-2017	5 hour	7.5 hours	1 hour
06-06-2017	2 hours	Nil	2 hours
10-06-2017	2 hours	Nil	2 hours
20-06-2017	2 hours	Nil	1 hours

- ii. The office working time at diagnostic center was 2PM but generator kept on working till late hour. This clearly showed that machinery of diagnostic center was used for private purpose during off hours.
- iii. Four generators and ambulances were in working condition during 2015-16 with running cost of Rs9.806 million. The ambulances were transferred to Rescue 1122 during January 2017 and three generators were in working condition in 2016-17 whereas the expenditure was increased up to Rs10.849 million during 2016-17 instead of decrease up to 50% during the year audited.

Audit is view that due to financial indiscipline and weak internal controls above shortcomings was not fulfilled against the consumption of POL.

The matter was reported CEO in November, 2017 the formation neither submitted the reply nor was DAC meeting convened till finalization of this report.

Audit recommends fixing of responsibility against the person(s) at fault. [PDP No.08,11]

#### **12.4.2.7 Loss due to Expiry of Medicine – Rs 2.008 million**

According to rules Rule 2.33 of PFR Vol-I provides that every Government servant should realized fully and clearly the he will be held

personally responsible for any loss sustained by Government through fraud or negligence on his part.

Scrutiny of drug record of DHQ Hospital Mianwali revealed that different medicines of huge amount were available in the medicine store. The formation neither used the medicine nor shifted it to the other health centre in time. The medicine valuing of Rs 2.008 were expired as detail below.

<b>Name of Medicine</b>	<b>Batch #</b>	<b>Quantity</b>	<b>Rate</b>	<b>Amount (Rs)</b>
Tab. Amlodipine	9022	186,400	5.25	978,600
Anti Snake	031	410	1500	615,000
Tab. Riaverine	15E288	50,000	8.3	415,000
<b>Total</b>				<b>2,008,600</b>

Audit was of the view that due to weak internal controls, the medicine was neither used nor transferred to other health centers.

This resulted in loss due to expiry of medicine of Rs 2.008 million.

The matter was reported CEO in November, 2017 the formation neither submitted the reply nor was DAC meeting convened till finalization of this report.

Audit recommends probe into the matter, fixing of responsibility against the persons at fault. [PDP No.13,14]

#### **12.4.2.8 Irregular Expenditure Rs 2.243 million**

As per preface of Schedule of Wage Rates, 2017 issued by the Government of the Punjab Finance Department, the appointment of contingent staff may be made by competent authority subject to the following conditions;

- a) The posts shall be advertised properly in leading newspapers.
- b) The recruitment to all posts in the Schedule shall be made on the basis of merit specified for regular establishment vide para 11 the Recruitment policy issued by S&GAD vide No. SOR-IV (S&GAD) 10-1/2003 dated 17.09.2004

Management of following formations made payment of Rs 2.243 million to contingent paid staff during Financial Year 2016-17. Payment was held unauthorized because staff was appointed without fulfilling codal formalities as mentioned in the recruitment policy.

<b>Sr.</b>	<b>Name of formations</b>	<b>PDP#</b>	<b>Rs in million</b>
1	THQ Isakhel	56	1.351
2	THQ Kala Bagh	72	0.892
<b>Total</b>			<b>2.243</b>



Moreover, in case of “Asaf Fasihuddin Khan Vardag v. Government of Pakistan and others” [2014 SCMR 676] the august Supreme Court has held that a public authority possessed powers only to use them for the public good and this imposed a duty to act fairly.

Audit was of the view that payment made to contingent paid staff without fulfillment of codal formalities was due to weak administrative and financial discipline.

This resulted in irregular appointment and expenditure thereon of Rs 2.243 million.

The matter was reported CEO in November, 2017 the formations neither submitted the reply nor was DAC meeting convened till finalization of this report.

Audit recommends fixing of responsibility for irregular appointment of contingent paid staff.

#### **12.4.2.9 Loss due to Substandard Medicines – Rs 0.646 million**

According to Health Department’s policy letter No. SO (P-1) H/RC 2001-2002/01, dated 29th September, 2001, no drug/ medicine shall be accepted & used without the report of Drug Testing Lab (DTL). Further, according to bidding documents issued by Secretary (Health) Punjab, Lahore for the Financial Year 2015-16, departments were directed to collect sample from their own centers and send for DTL.

Scrutiny of drug record of DHQ Hospital Mianwali revealed that DTL failed medicines of huge amount were available in the medicine store. The formation neither replaced the medicine nor recovered the government money from the suppliers Rs0.646 million.

<b>Sr.</b>	<b>Medicine</b>	<b>Batch #</b>	<b>Quantity</b>	<b>Rate (Rs)</b>	<b>Amount (Rs)</b>
1	Inf. Metronidazole	S-46, S-47	10,000	60	600,000
2	Tab.Artemether	003	5,000	3.2	16,000
3	Crape Bandage	179	1,500	20	30,000
					<b>646,000</b>

Audit was of the view that due to weak internal controls, the substandard medicines were neither replaced, nor its prices were recovered from the suppliers.

This resulted in loss due to substandard medicine of Rs 0.646 million.

The matter was reported CEO in November, 2017 the formation neither submitted the reply nor was DAC meeting convened till finalization of this report.

Audit recommends probe into the matter, fixing of responsibility against the persons at fault.

[PDP No.13,14]

## 12.4.3 Internal Control Weaknesses

### 12.4.3.1 Less deduction of Income Tax – Rs3.012 million

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

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

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

According to Section 3(2), Serial No. 1(d) of the Schedule of Punjab Sales Tax Ordinance 2000, Government departments shall make purchases of supplies or services only from the firms registered with Sales Tax Department and ensure before making payment that the bill / invoice of the suppliers / service provider is duly supported by machine numbered Sales Tax invoice.

A) The Drawing Disbursing Officer of the some formations of the District Health Authority Mianwali either did not deduct or less deducted of sales tax and income tax from the vendors Rs2.501 million.

Sr	Name of formations	Non deduction of GST	Non Deduction of I.Tax	Non deduction of I. Tax on services	Less deduction of I. Tax	PST	Total
1	RHC Daud Khel	0.204	0.048	0.011	0	0	0.285
2	RHC Chakrala	0.128	0.043	0	0	0	0.171
	RHC Hafiz Wala	0.062	0.021				0.083
3	38 BHUs	0.848	1.001	0	0	0	1.849
4	DO (H)	0.113	0	0	0.034	0.098	0.113
		1.355	1.113	0.011	0.034	0.098	2.501

B) Further, the Drawing and Disbursing Officer of the following formations distributed the lab, x-ray fees share and incentive to the doctors without deducting the income tax of Rs511,904.

Sr.	Name of formations	Share distributed	Incentives	I tax @ 10%
1	DHQ	1,105,772	0	1,10577
2	THQ Piplan	294,613	0	29,461
3	RHC Kundian	197,503		19,750
4	CEO Health		3,521,164	352116
		1,597,888	3,521,164	511,904

Audit was of the view that due to weak internal control, income tax and sales tax was not deducted at source.

This resulted in non deduction of income and sales tax of Rs3.012million.

The matter was reported CEO in November, 2017 the formations neither submitted the reply nor was DAC meeting convened till finalization of this report.

Audit recommends recovery of overpayment of income tax and sales tax besides fixing of responsibility against the person(s) at fault.

[PDP45,46,40,37,38,36,34,22,30,12,84]

#### **12.4.3.2 Overpayment due to Irregular Drawl of Allowances – Rs 2.176 million**

As per Government of the Punjab Finance Department clarification issued vide No.FD.SR-1.9.4/86(P)(PR) dated 21.4.2014 the officers who are availing government vehicles including bikes (sanctioned/Pool) are not entitled the facility of Conveyance Allowance w.e.f. 01.3.2014. As per clarification issued by Government of the Punjab, Finance Department letter No. FD(M-1)1-15/82-P-I dated 15.1.2000 in case a designated residence is available to the Government servant for whom it is meant, cannot draw HRA even if he does not reside in it. Moreover, Conveyance Allowance is also not admissible during earned leave. As per clarification of Government of the Punjab Health Department vide letter No S.O. (A.III-MCW) 9-17/84 12-01-1987, Dress/ Uniform Allowance and Mess Allowance is not admissible during leave. As per the Notification No.PA/DS (G)4-8/2016 dated August 3, 2016 required that the specialist should visit the hospital in the evening

The Drawing and Disbursing Officers of some formations of District Health Authority Mianwali made payment of Rs2.176 million on accounts of House rent, Conveyance, HSRA and Incentive Allowance to the staff that were residing in Government residence, drawing conveyance allowance even during leave and drawing the HSRA & incentive allowance during general duty.

Name of Formation	Description	PDP	Amount
MS THQ Kala Bagh	CA, HSRP and Half pay during leave	69	0.049
MS THQ Kala Bagh	HSRP and special incentive allowance during general duty	70	1.30
MS DHQ Hospital	HSRP without entitlement	18	0.309
MS DHQ	HR and CA having government accommodation	15	0.518
Total			2.176

Audit was of the view that due to weak pre audit controls payment of allowances was made in violation of rules *ibid*.

This resulted in an overpayment of Rs2.176 million.

The matter was reported CEO in November, 2017 the formations neither submitted the reply nor was DAC meeting convened till finalization of this report.

Audit recommends recovery of overpayment.

#### **12.4.3.3 Overpayment due to non-deduction of General Sales Tax – Rs 2.125 million**

According to Section 3(2), Serial No. 1(d) of the Schedule of Punjab Sales Tax Ordinance 2000, Government departments shall make purchases of supplies or services only from the firms registered with Sales Tax Department and ensure before making payment that the bill / invoice of the suppliers / service provider is duly supported by machine numbered Sales Tax invoice.

CEO (Health) made payment of Rs 11.451 million on accounts of purchase of cost of others and lab equipment. The suppliers did not provide the invoices of sales tax. Neither District Health Authority nor was District Accounts officer deducted the general sales tax at the prescribed rate.

Audit was of the view that due to weak pre audit control payment was made to the suppliers without deducting of general sales tax.

This resulted in overpayment due to non deduction of general sales tax of Rs2.125 million.

The matter was reported CEO in November, 2017 the formation neither submitted the reply nor was DAC meeting convened till finalization of this report.

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

[PDP 88]

#### **12.4.3.4 Non-forfeiture of Performance Guarantee – Rs 0.806 million**

According to Condition # 10 (iii) Penalty/L.D charges If the Supplier fails to supply the whole consignment and not able to deliver to consignee's end, the entire amount of Performance Guaranty/Security

shall be forfeited to the Government account and the firm shall be blacklisted minimum for two years for future participation.

The Drawing and Disbursing Officers of some formations of District Health Authority Mianwali issued supply orders of Rs8.06 million to the pharmaceutical company for purchase of medicine but the suppliers did not supply the medicine. The formation neither forfeited the security not black listed the supplier's firm.

<b>Name of formations</b>	<b>Amount of Supply orders not received</b>	<b>PDP</b>	<b>Amount</b>
MS DHQ Hospital	6.98	7	0.698
MS THQ Hospital Kala Bagh	1.08	78	0.108
<b>Total</b>	<b>8.06</b>		<b>0.806</b>

Audit was of the view that due to weak internal controls, neither 10% performance guarantee forfeited nor the case was forwarded to PPRA authority for blacklisting the firms.

This resulted in non forfeited performance guarantee of Rs0.806 million.

The matter was reported CEO in November, 2017 the formation neither submitted the reply nor was DAC meeting convened till finalization of this report.

Audit recommends forfeit of performance guarantee besides fixing of responsibility of against the person(s) at fault.

## CHAPTER 13

### District Health Authority, Nankana Sahib

#### 13.1 Introduction of the Authority

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

Prior to promulgation of the Act, District Health Department was headed by the Executive District Officer (Health) who is Departmental Accounting Officer of group of offices of District Health Department and District Coordination Officer was the Principal Accounting Officer under PLGO, 2001.

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

- establish, manage and supervise primary and secondary health care facilities and institutions;
- approve the budget of the Authority and allocate funds to health institutions;
- coordinate health related emergency response during any natural calamity or emergency;
- develop referral and technical support linkages between primary and secondary levels of health care on the one hand and tertiary level health facilities and medical education institutions on the other;
- ensure human resource management and capacity development of health service delivery personnel under the policy framework given by the Government;
- ensure timely reporting of progress on health indicators relating to disease surveillance, epidemic control, disaster management to the Government; and
- ensure implementation of minimum standards of service delivery, infrastructure, patient safety, hygiene and public health as prescribed by the Punjab Health Care Commission.

DHA Nankana manages following primary and secondary health care facilities and institutes:

Description	No. of health facility/ institute
Basic Health Units	40
Government Rural Dispensary	0
Rural Health Centre	6
Tehsil Head Quarter Hospitals	2

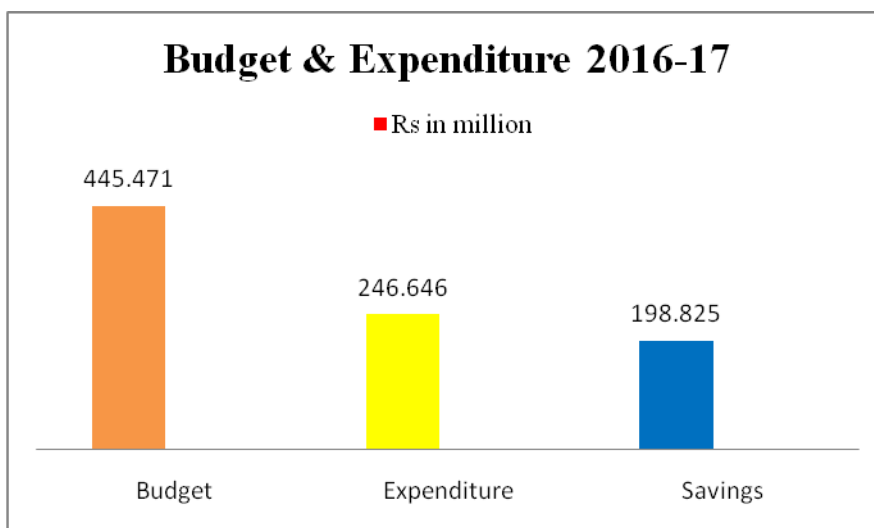
District Head Quarter Hospitals	1
District Health Development Centre	1
Deputy District Officer	3
District Health Officers	1
Deputy District Officers	1
Any other institute/ health facility	14

### 13.2 Comments on Budget and Accounts

Total budget of District Health Authority for the Financial Year 2016-17 was Rs 445.471 million, against which only Rs 246.646 million was spent. Overall savings of Rs 99.310 million during the Financial Years 2016-17 which was 29% of budgetary allocation, showing non-utilization of funds meant for provisions of amenities in District Health Authority thus depriving the community from getting better facilities.

(Rs in million)

Financial Year	Budget	Expenditure	Savings	% Savings
2016-17	445.471	246.646	198.825	44.63



### 13.3 Brief Comments on the Status of Compliance with PAC Directives

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



## **13.4      AUDIT PARAS**

### **13.4.1 Misappropriation / Fraud**

#### **13.4.1.1 Non-deposit of government receipts worth- Rs 1.643 million**

According to Rule 76 (1) of the PDG and TMA (Budget) Rules 2003, the primary obligation of the Collecting Officers shall be to ensure that all revenue due is claimed, realized and credited immediately into the local government fund under the proper receipt head.

According to Rule 2.33 of P.F.R Vol-I, every Government servant should realize fully and clearly that he will be held personally responsible for any loss sustained by government through fraud or negligence on his part.

Management of the following formations collected government receipts on accounts of X-ray, Lab test reports, ECG, ECHO, and OPD fees amounting to Rs 1.643 million but the same was not deposited into government treasury resulted in mis-appropriation of Rs 1.643 million.

<b>Sr.</b>	<b>Department</b>	<b>Description</b>	<b>Amount realized</b>	<b>Amount deposited</b>	<b>Amount not deposited</b>
1	DHQ Hospital	Government receipts	3,213,005	1,894,104	1,318,901
2	THQ Hospital Sangla Hill	Hospital receipts such as OPD, indoor, x-ray etc.	-	-	324,894
<b>Total:-</b>					<b>1,643,795</b>

Audit was of the view that due to financial indiscipline and weak internal controls government receipt was misappropriated. This resulted in loss of Rs 1.643 million to public exchequer.

The matter was reported to the PAO in January, 2018. Neither reply was submitted nor DAC meeting convened till the finalization of this report.

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

[PDP # 5, 8]

### **13.4.2 Irregularity & Non-compliance**

#### **13.4.2.1 Opening of SDA without the approval of CGA-Rs 130.777 million**

According to letter No.AC-II/6-23/99/Vol-XIV/160 dated 14-07-2007 of the office of the Controller General of Account, SDAs shall only be established with the approval of MOF/FD, in consultation with CGA/AG.

An audit scrutiny of accounts record of DHQ Hospital Nankana Sahib revealed that SDA was opened on accounts of non-salary budget of DHQ Hospital Nankana Sahib valuing Rs 130.777 million during 2016-17. The SDA account was opened and funds were placed without having the approval of the CGA / AG in violation of rule *ibid*. The expenditure out of SDA amounting to Rs 125.466 million was held irregular.

Audit was of the view that due to weak internal control approval of the CGA / AG was not obtained.

The matter was reported to the PAO in January, 2018. Neither reply was submitted nor DAC meeting convened till the finalization of this report.

Audit recommends regularization of the matter in a manner prescribed besides fixing responsibility against the officers / officials at fault. [PDP # 4]

#### **13.4.2.2 Irregular payment of salaries without sanctioned posts Rs 110.779 million**

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

During Audit of MD DHQ Hospital NNS for the year 2016-17, it was observed that MS made payment amounting to Rs 110.779 on accounts of pay and allowances. Payment was held irregular because the sanctioned posts by the FD and adjustment of regular employees and adjusted employees of defunct district council were not identified. Besides

this irregularity no pension accounts was maintained after working of liability of adjusted local government employees and their previous contributions were not taken up to date from District Government. So the payment of salary to the tune of Rs 110.779 million without proper working was not justified as detailed below;

Sr.	Description	Cost center	Period	(Rs in million)
1.	Pay & allowances	NY-9020	01.01.2017 to 30.06.2017	102.078
2.	Pay & allowances	NY-9001	01.01.2017 to 30.06.2017	2.079
3.	Pay & allowances	NY-9023	01.01.2017 to 30.06.2017	6.622
<b>Total:-</b>				<b>110.779</b>

Audit was of the view that due to weak internal and administrative control approval of the sanctioned strength was not obtained from the FD.

This resulted in irregular expenditure of Rs 110.779 million.

The matter was reported to the PAO in January, 2018. Neither reply was submitted nor DAC meeting convened till the finalization of this report.

Audit recommends taking cognizance of above instances of negligence and lapses against the person(s) at fault besides ensuring remedial action.

[PDP # 17]

#### **13.4.2.3 Purchase of medicines without execution of rate contract with the suppliers – Rs 45.175 million**

The authority approving or executing the contract shall be responsible for ensuring that the contract is made after observing all legal and procedural formalities under these rules and Punjab Procurement Regulatory Authority Rules according to Rule 4 & 5 of the PLG (Contract) Rules, 2003 read with Rule 4, 5 & 6 of the PLG (Contract) Rules 2017.

Under Rule 11. Of the PP Rules 2014, captioned as Approval mechanism, all procuring agencies shall provide clear authorization and delegation of powers for different categories of procurement and shall initiate procurements after prior approval of the competent authority.

Rule 10 of the Rule ibid regarding specifications stipulate that a procuring agency shall determine specifications in a manner to allow the widest possible competition which shall not favor any single contractor nor put others at a disadvantage. The specifications shall be generic and shall not include references to brand names, model numbers, catalogue numbers or similar other classifications but if the procuring agency is

satisfied that the use of, or a reference to, a brand name or a catalogue number is essential to complete an otherwise incomplete specification, such use or reference shall be qualified with the words “or equivalent”.

During audit of DHQ Hospital Nankana Sahib, it was noticed that MS DHQ Hospital Nankana Sahib purchased medicine to the tune of Rs 45.175 million for the hospital on the rate contractor approved by Secretary Primary & Secondary Health during 2016-17. The MS DHQ Hospital Nankana Sahib adopted the procedure for the purchase of MSD medicine on the rate contract approved by Secretary P&SHC and framework contract with the suppliers of medicines / pharmaceuticals without any regard to abide by stipulation of the approval mechanism contrary to the mandate of the Punjab procurement Rules. Moreover, District Health Authority did not conclude a formal agreement with the suppliers and did not obtain performance bond and security at the rate of 5% to safeguard the public interest in the light of Rule 27 of Punjab Procurement Rules 2014.

Audit was of the view that purchase of medicines without fulfilling of codal formalities was made due to financial indiscipline and weak internal controls. This resulted in irregular purchase of medicines worth Rs 45.175 million.

The matter was reported to the PAO in January, 2018. Neither reply was submitted nor DAC meeting convened till the finalization of this report.

Audit recommends regularization of the matter in a manner prescribed besides fixing responsibility against the person(s) at fault.

[PDP # 7]

#### **13.4.2.4 Unauthorized expenditure on accounts of purchase of medicine through MSD -Rs 37.380 million**

According to Finance Department’s policy letter No. FD (FR)11-2/89 dated 1<sup>st</sup> September, 2001 bulk purchase of medicines would not be made through MSD. The officers, in District Governments are now authorized to distribute the budget allocation for medicines.

During scrutiny of record of Executive District Officer (Health) Nankana Sahib for the period 01-07-2016 to 31-12-2016 (NK-6053), it was observed that EDO Health purchased MSD medicine on behalf of RHCs, DOH unauthorizedly as every head of offices was declared as self DDOs; they should have made the purchases of medicines themselves.

Audit was of the view that purchase of medicine at central level was due to weak internal control and poor financial discipline. This resulted in irregular expenditure of Rs 37.280 million.

The matter was reported to the PAO in January, 2018. Neither reply was submitted nor DAC meeting convened till the finalization of this report.

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

[PDP # 5]

#### **13.4.2.5 Irregular payments out of the funds of health council without duly prescribed post audit- Rs 26.775 million**

According to revised procedure for operation of SDAs circulated by the office of the Controller General of Account letter No.AC-II/1-39/08-Vol-V/632 Dated: September 24, 2008 applicable w.e.f.01-10-2008 “The drawing authorities will submit monthly account of expenditure with copies of paid vouchers to the concerned AG/DAO for post audit purpose by 15th of each month who will carry out 100% post audit. Further Government of the Punjab Finance Department vide its letter No. SO(TT)6-1/2007 dated 16-09-2007 has since decided to adopt the policy for the operation of SDAs circulated by CGA vide letter No.AC-II/6-23/99/Vol-XIV/160 dated 14-07-2007 “to overcome the existing accounting problems relating to SDAs the provisions contained in chapter 10 and 17 of the APPM will be implemented”. Guideline for utilization of SDA of issued and circulated by Government of the Punjab, Primary & Secondary Health Care Department vide letter No. PSO/SECY-P&SH/05/2016 dated 2<sup>nd</sup> September, 2016 sets forth that expenditure shall be against pre-audited bills from District Accounts Office.

During audit of MS DHQ Hospital it was observed that payment amounting to Rs 26.775 million was made out of the funds of Health Council during Financial Years 2016-17. Payments were held irregular because vouched account of the payments was not submitted for post audit to DAO concerned. Payments were not shown in the financial statement of the District government NNS / DHA NNS. Due to non accountal of the payments the actual additions in the assets and liabilities of the respective government could not be ascertained in realistic terms. In the absence of the detailed post audit of payments vouched accounts of payments made out of Health Council, audit procedures i.e test of controls, the assertions of existence, occurrence, completeness and valuation of assets liabilities and transactions could not be verified.

Department	Description	PDP #	Payment date
DHQ Hospital NNS	Expenditure out of Health Council	01	13.036
RHC More Khunda	Expenditure out of Health Council	07	6.024
THQ Sangla hill	Expenditure out of Health Council	05	6.178
RHC Rehanwala	Expenditure out of Health Council	02	0.852
RHC Warburton	Expenditure out of Health Council	02	0.685
<b>Total:-</b>			<b>26.775</b>

Audit was of the view that due to weak internal and administrative control bills were not submitted to DAO for post audit.

The matter was reported to the PAO in January, 2018. Neither reply was submitted nor DAC meeting convened till the finalization of this report.

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

(PDP No. 1,7,5,2)

#### **13.4.2.6 Loss to government due to purchase of medicine at higher rates –Rs 20.387 million**

According to Rule 2.33 of P.F.R Vol-I, every Government servant should realize fully and clearly that he will be held personally responsible for any loss sustained by government through fraud or negligence on his part. Further Finance Department has imposed complete ban on serving lunch in the meeting keeping in view the austerity measures.

As envisaged within the meaning of Rule 34 of PP Rules 2014; captioned as Discriminatory and difficult conditions, during the procurement process, the officials of the Procuring Agency shall not:

- Bar or restrict availability of bidding documents/other information to a bidder;
- Develop specifications to favor a particular vendor; iii. Split or group the procurements;
- Add any condition in the bidding documents which discriminates between bidders or is difficult to meet.

An audit scrutiny of accounts record of MS DHQ Hospital Nankana Sahib revealed that medicine to the tune of Rs 45.175 million was purchased during 2016-17. The medicine was purchased on the rate contract predicated on manipulated bidding documents developing specifications to favour a particular section of suppliers approved by the Secretary, Primary and Secondary Health Government of the Punjab. The examination of rate contractor revealed that the rates of medicines were

two to three time higher than the rates approved for the purchase of medicine during previous Financial Year 2015-16. Due to this reason government sustained loss of Rs 20.387 million due to purchase of medicine at higher rates. Annexure-M.

Audit was of the view that that purchase of medicines at higher rates was due to defective rate contract of Secretary P&SH. This resulted in excess payment of Rs 20.387 million.

The matter was reported to the PAO in January, 2018. Neither reply was submitted nor DAC meeting convened till the finalization of this report.

Audit recommends regularization of the matter in a manner prescribed besides fixing responsibility against the officers / officials at fault. [PDP # 8]

#### **13.4.2.7 Purchases without advertisement on PPRA Website - Rs 18.891 million**

According to Rule 12(1) of Punjab Procurement Rules 2014, procurements over one hundred thousand rupees and up to the limit of two million rupees shall be advertised on the PPRA's website. A procuring agency shall announce in an appropriate manner all proposed procurements for each Financial Year and shall proceed accordingly without any splitting or regrouping of the procurements so planned. The procuring agency shall advertise in advance annual requirements for procurement on the website of the Authority as well as on its website.

Management of the following formations incurred an expenditure of Rs 20.209 million on different items either by splitting the indent or calling quotations rather than publishing advertisement on the PPRA website.

<b>Sr. No.</b>	<b>Name of Formation</b>	<b>Description</b>	<b>PDP No.</b>	<b>Amount (Rs in million)</b>
1	CEO/DHA	Hospital beds	09	0.169
2	RHC More Khunda	M&R Works	02	6.024
3	RHC Bara gar	Purchase of different items	02	0.678
4	THQ Sangla Hill	Purche lienen items	03	2.301
5	THQ Sangla Hill	X-ray films	11	0.158
6	THQ Sangla Hill	Purchase of medicine	13	1.508
7	RHC Rehan wala	Purchase of different items	02	0.852
8	DHQ Hospital NNS	Purchase of different store items		7.201
<b>Total</b>				<b>18.891</b>



Audit was of the view that expenditure incurred without advertisement on PPRA website was due to poor weak internal controls and negligence on the part of management. This resulted in irregular expenditure amounting to Rs 20.209 million.

The matter was reported to the PAO in January, 2018. Neither reply was submitted nor DAC meeting convened till the finalization of this report.

Audit recommends seeking regularization of the matter from the competent authority besides fixing responsibility against the persons at fault and implementation of DAC directives.

(PDP No. 9,2,3,11,13)

#### **13.4.2.8 Purchase of medicines without DTL reports - Rs 8.109 million**

According to Health Department's policy letter No. SO(P-I)H/RC 2001-2002/01 dated 29.9.2001 'No drug / medicine shall be accepted & used without the report of Drug Testing Lab (DTL). Moreover, payment on accounts of drugs / medicines shall be released to the suppliers only on receipt of standard / positive DTL report.'

Management of the following formation purchased MSD medicine valuing Rs 8.109 million during 2016-17. Payment was released to the firms without having satisfactory report of DTL. Acceptance, payment and use of medicines without positive lab reports were against the above instructions. This resulted in un-authorized payment of Rs 8.109 million.

<b>Sr.#</b>	<b>Department</b>	<b>Description</b>	<b>PDP #</b>	<b>Expenditure</b>
1.	EDO-H	Purchase of medicine	01	4.440
2.	THQ Hospital Sangla Hill	Purchzse of medicine	06	3.669
<b>Total</b>				<b>8.109</b>

Audit was of the view that payment without DTL reports was made due to non-compliance of rules and casual approach towards purchase of medicines by the management that may result in purchase of expired / defective medicines.

The matter was reported to the PAO in January, 2018. Neither reply was submitted nor DAC meeting convened till the finalization of this report.

Audit recommends fixing responsibility against the person(s) responsible for authorizing payment without positive DTL reports.

(PDP No. 1,6)

#### **13.4.2.9          Less / Non-deduction of Income / Sales Tax – Rs 11.933 million**

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

Management of the different formations made payment of Rs 85.771 million on purchase of different items but Income Tax, General Sales Tax and PST amounting to Rs 11.933 million were either not deducted or less deducted as detailed at Annexure-N.

Audit was of the view that less / non deduction of income tax / sales tax was due to weak internal controls and negligence on the part of administration. This resulted in loss of Rs 11.933 million to the public exchequer.

The matter was reported to the PAO in January, 2018. Neither reply was submitted nor DAC meeting convened till the finalization of this report.

Audit recommends recovery of the government taxes besides fixing responsibility against the persons at fault.

#### **13.4.2.10          Execution of work without having technical sanctioned estimate - Rs 6.024 million**

For every work proposed to be carried out except petty works and repairs as described in paragraphs 2.18 and 2.20 a properly detailed estimate must be prepared for the sanction of competent authority this sanction is known as technical sanction.

An audit scrutiny of accounts record of RHC More Khunda revealed that an expenditure of Rs 6.024 million was incurred for the M&R of RHC building during 2016-17. The examination of record revealed that M&R of the building was carried out without having detailed technical sanctioned estimate from the competent authority, record entry in MB, approval of nonscheduled items and execution through Works

Department. The work was executed by calling quotations from general order suppliers.

Audit was of the view that due to weak internal and administrative control civil work was carried out without adopting procedure. This resulted in defective execution of civil works.

The matter was reported to the PAO in January, 2018. Neither reply was submitted nor DAC meeting convened till the finalization of this report.

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

[PDP # 10]

#### **13.4.2.11 Non-transparent purchase of ACs - Rs 5.601 million**

According to Rule 12(1) of Punjab Procurement Rules 2014, procurements over one hundred thousand rupees and up to the limit of two million rupees shall be advertised on the PPRA's website in the manner and format specified by PPRA regulation from time to time.

During audit of DHQ Hospital NNS, it was observed that 75 A.C's were purchased without advertisement on PPRA website and in Newspapers. The expenditure was incurred without observing PPRA Rules-2014 and quotations were collected from the firms of own choice. In addition to above following irregularities were noticed;

- i. The installation and acknowledgement of the end user was not on record.
- ii. The purchased rates were not compared with market rate.
- iii. Income tax was not deducted at source.

Sr.	Description	Qty	Rate	Amount
1.	Split AC 1.5 ton H&C- PEL	50	58740	2,937,000
2	Split AC 2.0 ton-PEL	10	86150	861,500
3.	AC 2.0 ton- Gree	15	96000	1,440,000
3	Split AC 1.5 ton H&C- Hair	05	72500	362,500
	<b>Total</b>			<b>5,601,000</b>

Audit was of the view that Air Conditioners were purchased by violating the procedure and at higher rates.

The observation was discussed with the management as a sequel where to neither reply was submitted nor was DAC meeting convened till the finalization of this report.

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

[PDP # 11]

#### **13.4.2.12 Irregular execution of M&R work – Rs 5.332 million**

According to the notification No. PSO/SECY. P&SH/05/2016 dated the Health Council may carry out rehabilitation / repair of civil works up to Rs 2.5 million.

An audit scrutiny of accounts record of RHC More Khunda revealed that M&R of RHC More Khunda was carried out during FY 2016-17 and an expenditure of Rs 5.332 million was incurred. The expenditure was incurred over and above the permissible limit of Rs 2.5 million.

Audit was of the view that due to weak internal and administrative control excess expenditure was released against the admissibility. This resulted in excess release of expenditure.

The matter was reported to the PAO in January, 2018. Neither reply was submitted nor DAC meeting convened till the finalization of this report.

Audit recommends taking cognizance of negligence and lapses on the part against the persons responsible under report to audit.

[PDP # 12]

#### **13.4.2.13 Doubtful payment to work charge employees Rs 4.48 million**

As per preface of Schedule of Wage Rates, 2017 issued by the Government of the Punjab Finance Department, the appointment of contingent staff may be made by competent authority subject to the following conditions;

- a) The posts shall be advertised properly in leading newspapers.
- b) The recruitment to all posts in the Schedule shall be made on the basis of merit specified for regular establishment vide para 11 the Recruitment policy issued by S&GAD vide No. SOR-IV (S&GAD) 10-1/2003 dated 17.09.2004

Management of following formations made payment of Rs 4.480 million to contingent paid staff during Financial Year 2016-17. Payment

was held unauthorized because staff was appointed without fulfilling codal formalities as mentioned in the recruitment policy. The requisite record to corroborate adherence to merit due to conspicuous absence of advertisement like application for appointment, appointment letter, procedure for appointment, joining reports, posting order, attendance etc was neither available in record nor provided to audit for verification and authentication.

Sr.#	Department	PDP #	Description	Rs in million
1.	DHQ	02	Daily wages employee	4.182
2.	THQ SanglaHill	05	Daily wages employee	0.298
<b>Total:</b>				<b>4.48</b>

Moreover, in case of “Asaf Fasihuddin Khan Vardag v. Government of Pakistan and others” [2014 SCMR 676] the august Supreme Court has held that a public authority possessed powers only to use them for the public good and this imposed a duty to act fairly.

Audit was of the view that payment made to work charged staff without fulfillment of codal formalities was due to weak administrative and financial discipline.

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

Audit recommends, seeking regularization of expenditure from the competent authority besides fixing responsibility against the persons at fault.

#### **13.4.2.14 Payment against part supply of medicine- Rs 4.425 million**

According to para V(b) of the rate contract for the supply of medicine approved by Secretary, P&SH “part supply is allowed but part payment is not allowed. The payment will only be made after the receipt of complete supply within due time.

An audit scrutiny of accounts record of DHQ Hospital Nankana Sahib revealed that medicine firms made part supply of medicine to the tune of Rs 4.425 million against the supply orders worth Rs 6.338 million during 2016-17. The MS DHQ Hospital made payment of medicine bills against which part supply of medicine was made by the firms in violation of rate contract approved by the Secretary P&SHD.

Audit was of the view that part payment of medicine against non supply of medicine as per supply order was due to weak internal control.

The matter was reported to the PAO in January, 2018. Neither reply was submitted nor DAC meeting convened till the finalization of this report.

Audit recommends regularization of the matter in a manner prescribed besides fixing responsibility against the officers / officials at fault. [PDP # 14]

#### **13.4.2.15 Purchase of generator before its immediate requirements-Rs 3.880 million**

According to Rule 2.33 of P.F.R Vol-I, every Government servant should realize fully and clearly that he will be held personally responsible for any loss sustained by government through fraud or negligence on his part. Further Finance Department has imposed complete ban on serving lunch in the meeting keeping in view the austerity measures.

MS DHQ Hospital NNS purchased generator of 200 KVA @ Rs 3.880 million for the under construction block of DHQ Hospital NNS. The purchase was made upon the rate contract of Secretary P&SH without its immediate requirements as the building work is in progress. In addition to above following irregularities were noticed;

1. Income Tax was not deducted at source.
2. The warrantee period of the generator was not subservient to an enforceable contract subsequent to yet to materialize commissioning.

Audit was of the view that due to weak internal and administrative control generator was purchased before its immediate requirement. This resulted in irregular and purchase before its immediate requirements.

The observation was discussed with the management as a sequel where to neither reply was submitted nor was DAC meeting convened till the finalization of this report.

Audit recommends that expenditure may be got regularized from the competent authority besides fixing of responsibility on persons at fault.

[PDP # 15]

#### **13.4.2.16      Illegal appointments of Class-IV and Payment-Rs 3.54 million**

According to Civil Servant Appointment Rules, in the case of initial appointment to a service or post, a civil servant shall not be deemed to have completed his period of probation satisfactorily until his character and antecedents have been verified as satisfactory in the opinion of the appointing authority.

During scrutiny of record of CEO Health Nankana for the period 01-01-2017 to 30-06-2017, it was observed that the department recruited 94 employees in the month of December, 2016 against the sanctioned post of 61. Hence, the recruitment of 33 employees of class-IV was illegal, unauthorized and unjustified. In this regard, a payment of Rs 3.54 million (Rs 17,921\*6 Months\*33) was made upto 30-06-2017.

Audit was of the view that appointment of class-IV over and above sanctioned strength was due to weak internal control and poor financial discipline. This resulted in incurrence of irregular expenditure.

The matter was reported to the PAO in January, 2018. Neither reply was submitted nor DAC meeting convened till the finalization of this report.

Audit recommends that expenditure may be got regularized from the competent authority besides fixing of responsibility on persons at fault.

[PDP # 16]

#### **13.4.2.17      Excess transfer of revenue grant - Rs 2.250 million**

Rule 4, of the Punjab Procurement Rules captioned as Principles of procurements envisage that – A procuring agency, while making any procurement, shall ensure that the procurement is made in a fair and transparent manner, the object of procurement brings value for money to the procuring agency and the procurement process is efficient and economical.

During audit of RHC More Khunda it was noticed that SDA funds of health council was to be expended through Health Council Committee as per notification of the Secretary P&SHC mentioned above. The examination of record revealed RHC deposited the revenue grant for the purchase of furniture and equipment into the account No. of Secretary P&SHC abdicating the role and responsibility of the procuring Agency. Further, RHC More Khunda deposited Rs 3.350 million against the

admissibility of Rs 1.00 million which was evidently in excess of the value of the goods procured.

Audit was of the view that excess transfer of revenue grant was due to weak internal control.

The observation was discussed with the management as a sequel where to neither reply was submitted nor was DAC meeting convened till the finalization of this report.

Audit recommends that expenditure may be got regularized from the competent authority besides fixing of responsibility on persons at fault.

[PDP # 17]

### **13.4.2.18 Unauthorized payment on accounts of pay & allowances – Rs 1.721 million**

According to Government of the Punjab, Finance Department's letter No. FD (M-1) 1-15/82P-I dated 15.01.2000, in case of designated residences, the officer / officials cannot draw HRA even if he does not avail the facility and residence remains vacant during the period. Penal rent @ 60% of basic pay is to be deducted from the pay of the unauthorized occupants of the government residences". Further according to Government of the Punjab, Health Department letter No. PO(D-III)9-8/2008 date 22th November, 2008 "Health Sector Reform Allowance is only drawn by the officers and officials who are actually working at their place of posting. The officers / officials on long leave will not be entitled to draw the Health Sector Reform Allowance during leave period.

Officers and officials of following formations were made payments on accounts of allowances amounting to Rs 1.721 million during Financial Year 2016-17 without their admissibility / entitlement.

<b>Sr. No.</b>	<b>Department</b>	<b>Description</b>	<b>PDP #</b>	<b>Amount</b>
1	RHC Syed wala	During leave	02	0.107
2	RHC Syed wala	HRA, CA and 5%	03	0.407
3	THQ Hospital Sanglahil	CA while residing in government residence within the vicinity of health facility	10	0.117
4	THQ Hospital Sanglahil	CA during leaves, Mess & dress allowance	14	0.166
5	RHC Rehanwala	HRA & CA	04	0.040
6	THQ Shahkot	HRA & CA	03	0.660
7	RHC Morekhunda	HRA & 5% maintenance charges	01	0.153
8	RHC Baragar	5% maintenance charges	07	0.071
Total:-				1.721



Audit was of the view that overpayment of pay & allowances were made due to weak internal controls and negligence on the part of management. This resulted in loss of Rs 24.515 million to public exchequer.

The matter was reported to the PAO in January, 2018. Neither reply was submitted nor DAC meeting convened till the finalization of this report.

Audit recommends ensuring prompt recovery of the overpaid emoluments besides fixing responsibility against the officers at fault.

[PDP # 01]

#### **13.4.2.19 Irregular payment of stipend - Rs 1.28 million**

According to Civil Servant Appointment Rules, in the case of initial appointment to a service or post, a civil servant shall not be deemed to have completed his period of probation satisfactorily until his character and antecedents have been verified as satisfactory in the opinion of the appointing authority.

During scrutiny of record of Chief Executive Officer (Health) Nankana Sahib for the Financial Year 2016-17 (IRMNCH), it was observed that the department drew Rs 1.28 million on accounts of stipend of CMWs without getting Certificates / Diplomas / Degrees verification from the concerned school / institution in violation of government instructions.

Audit was of the view that incurrence of expenditure without fulfilling codal formalities was due to weak internal control and poor financial discipline. This resulted in irregular payment of stipend Rs 1.280 million.

The matter was reported to the PAO in January, 2018. Neither reply was submitted nor DAC meeting convened till the finalization of this report.

Audit recommends that expenditure may be got regularized from the competent authority besides fixing of responsibility of person at fault.

[PDP # 19]

#### **13.4.2.20 Irregular expenditure on civil works - Rs 1.670 million**

According to Para 2.4 & 4.5 of B&R Code, no development work shall be executed without TS Estimate and administrative approval and all

civil works needs to be recorded in Measurement Book & According to Rule 12(1) of Punjab Procurement Rules 2009, procurements over one hundred thousand rupees and up to the limit of two million rupees shall be advertised on the PPRA's website in the manner and format specified by regulation by the PPRA from time to time.

During audit of following formations it was observed that the department carried out civil work without preparing estimates and ensuring entries in Measurement Books (MB). Further, estimates were not got technically sanctioned from the competent authority i.e Engineering Department. Moreover, expenditure was split to avoid competitive bidding as the same was incurred in one month resulting in payment at exorbitant rates.

(Rs in million)

Sr.#	Department	Description	Para #	Amount
1.	RHC Bucheki	M&R work of RHC bucheki	01	0.352
2.	DHQ Hospital	Ambulance shed	15	1.318
<b>Total:</b>				<b>1.67</b>

Audit was of the view that incurrence of expenditure without advertising on Punjab Procurement Rules and without TS etc was due to weak internal control and poor financial discipline. This resulted in incurring of irregular expenditure.

The matter was reported to the PAO in January, 2018. Neither reply was submitted nor DAC meeting convened till the finalization of this report.

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

#### **13.4.2.21 Irregular payment to GSS Security Company - Rs 1.248 million**

Rule 4, of the Punjab Procurement Rules captioned as Principles of procurements envisage that – A procuring agency, while making any procurement, shall ensure that the procurement is made in a fair and transparent manner, the object of procurement brings value for money to the procuring agency and the procurement process is efficient and economical.

An audit scrutiny of accounts record of DHQ Hospital Nankana Sahib revealed that an amount of Rs 1.248 million was paid to the GSS Security company on accounts of pay to the security guards out of the funds of Health Council. The payment was required to be made by PMU

as the agreement was signed by the Secretary P&SHD during 2016-17. Payment by DHQ Hospital was totally irregular as detailed below;

Audit was of the view that payment to GSS was due to weak internal and administrative control. This resulted in expenditure.

The matter was reported to the PAO in January, 2018. Neither reply was submitted nor DAC meeting convened till the finalization of this report.

Audit recommends recoupment of funds from PMU besides fixing responsibility against the officers at fault.

[PDP # 21]

### **13.4.3 Performance**

#### **13.4.3.1 Irregular centralization of the budgeted expenditure and unreconciled receipt for authority's fund - Rs 382.764 million and loss for want of investment of surplus cash closing balance**

According to para 2.3.2.2 of APPM “information in the accounts and in the supporting subsidiary records shall be accurate, representing actual substance of past events, without undue errors or omissions. This shall include correct and consistent classification and recognition of revenues and expenditures.” Moreover, the functions of District Health Authorities, as prescribed under the Punjab Local Government Act, 2013 is to establish, manage and supervise primary and secondary health care facilities and institutions also to approve the budget of the Authority and allocate funds to health institutions including BHUs. As provided within the meaning of the Rule 11(2) (f) of the Punjab District Authorities Accounts Rules 2017, in discharge of his responsibilities, the Chief Executive Officer shall ensure that the amount credited to the Local Fund as reported by Accounts Officer are reconciled or verified with records on monthly and annual basis. As provided under Section 109(2) of the PLGA 2013, a local government may invest surplus funds, if any, in such securities and financial institutions, as may be approved by the Government.

During audit of the accounts the DHA Nankana Sahib for the period from January to June 2017, it was observed that as per financial statement of DHA Nankana Sahib against the budgetary outlay of Rs 345.271 million, total receipts of the DHA was reported worth Rs 382.764 million without reconciliation on record. The allocation of budget to declared independent Primary Healthcare institutions was not ensured and spending remained centralized whereas it had to be delegated to the level of institutions. Without rationalization of need assessment against consuming units and field formations, medicines worth 25.728 millions were stockpiled respectively through centralized procurements avoiding sub allocations of funds in terms of requisite budgeting. Cash closing balance accumulated due to inflated releases against the PFC share of the DHA with final balance shown as Rs 138.440 million. No investment of the carried forward unspent balance was opted for compromising the revenue potential of the District Health Authority Nankana Sahib with loss incurred for blockage of the amount without yielding dividends worth Rs 0.923 million per month against competitive offer of Daily Progressive Accounts of reputed Banks.

Audit held that it was binding to curb irregular centralization of the budgeted expenditure leaving no room to keep un-reconciled receipt worth Rs 382.764 million no heed was paid to loss caused for want of investment of surplus cash closing balance.

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

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

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

## **CHAPTER 14**

### **District Health Authority, Narowal**

#### **14.1 Introduction of the Authority**

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

Prior to promulgation of the Act, District Health Department was headed by the Executive District Officer (Health) who is Departmental Accounting Officer of group of offices of District Health Department and District Coordination Officer was the Principal Accounting Officer under PLGO, 2001.

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

- establish, manage and supervise primary and secondary health care facilities and institutions;
- approve the budget of the Authority and allocate funds to health institutions;
- coordinate health related emergency response during any natural calamity or emergency;
- develop referral and technical support linkages between primary and secondary levels of health care on the one hand and tertiary level health facilities and medical education institutions on the other;
- ensure human resource management and capacity development of health service delivery personnel under the policy framework given by the Government;
- ensure timely reporting of progress on health indicators relating to disease surveillance, epidemic control, disaster management to the Government; and
- ensure implementation of minimum standards of service delivery, infrastructure, patient safety, hygiene and public health as prescribed by the Punjab Health Care Commission.

DHA Narowal manages following primary and secondary health care facilities and institutues:

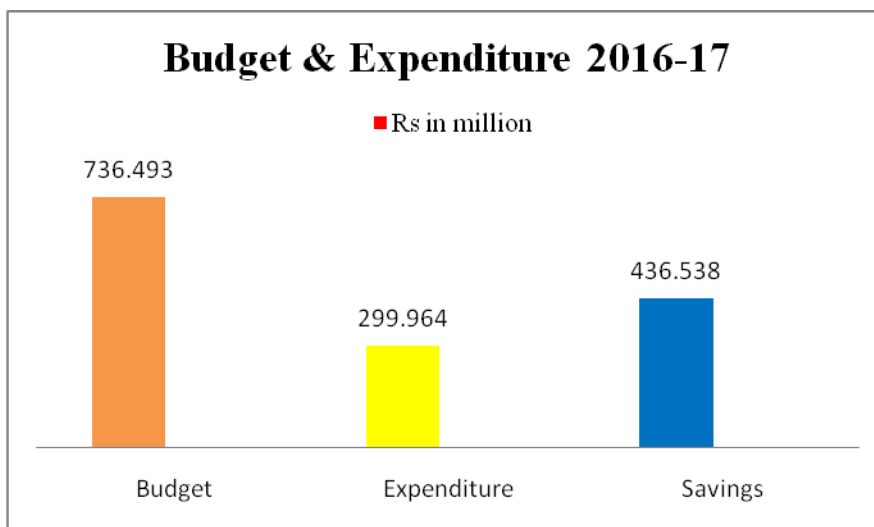
Description	No. of health facility/ institute
Basic Health Units / MNCH centres	61
Government Rural Dispensary	05
Rural Health Centre	07
Tehsil Head Quarter Hospitals	01
District Head Quarter Hospitals	01
District Health Development Centre	01
District Health Officers	01
Principal, General Nursing School	01
Blood Transfusion Officer	01

## 14.2 Comments on Budget and Accounts

Total budget of District Health Authority for the Financial Year 2016-17 was Rs 736.493 million, against which only Rs 299.964 million was spent. Overall savings of Rs 436.538 million during the Financial Years 2016-17 which was 59% of budgetary allocation, showing non-utilization of funds meant for provisions of amenities in District Health Authority thus depriving the community from getting better facilities.

(Rs in million)

Financial Year	Budget	Expenditure	Savings	% Savings
2016-17	736.493	299.964	436.538	59



## 14.3 Brief Comments on the Status of Compliance with PAC Directives

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

## **14.4      AUDIT PARAS**



#### **14.4.1 Irregularity & Non-compliance**

##### **14.4.1.1 Irregular purchase of machinery & equipment - Rs 28.895 million**

According to Rule 15(4) and Rule 15.5 of PFR Vol-I, all material received should be examined, counted, measured and weighted as the case may be, when delivery is taken and same should be kept in charge of a reasonable Government servant, when materials are issued, a written acknowledgement should be obtained from the person to whom they are ordered to be delivered.

Chief Executive Officer Health Narowal constituted a committee for physical verification /inspection of machinery & equipment while receiving delivery for the Financial Year 2016-17 (Jan17 to June 17). The expenditure was held irregular because practically, Inspection committee did not record findings about specifications of machinery & equipment. Simply a certificate was signed that material received is as per supply order even in cases where installation was required as detailed below:

<b>Sr.</b>	<b>Date</b>	<b>Cheque No.</b>	<b>Name of Supplier</b>	<b>Name of Item</b>	<b>Amount (Rs)</b>
1	20-6-2017	426056	Bio-Tech	ultrasound DHQ	870,000
3	21-06-2017	426062	PhonoEngeenring	Telephone Exchange	5,900,000
4	21-06-2017	426063	Multiline	Genrator DHQ	9,654,413
5	21-06-2017	426064	Allmed	Laproscope	9,220,560
6	21-06-2017	426070	B.Buran	Dialysis Chair	3,250,000
<b>Total</b>					<b>28,894,973</b>

Audit held that due to non-compliance of rules, CEO (Health) Narowal procured machinery & equipment Rs 28.895 million during Financial Year 216-17 without proper technical inspection report.

This resulted in irregular expenditure of Rs.28.895 million from public exchequer.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to the PAO in October, 2017. In DAC meeting held on 11-01-2018, Department did not submit its reply and record for verification. DAC directed the department to get the expenditure regularized. No compliance was submitted till finalization of this report.

Audit recommends investigation of matter and regularization of expenditure besides fixation of responsibility on person(s) at fault.

[PDP No.13]

#### **14.4.1.2 Irregular purchase of generators - Rs 9.654 million**

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

Chief Executive Officer (Health), Narowal incurred expenditure of Rs9654413 for procurement of two generators having capacity of 250 KVA during Financial Year 2016-17 (January 2017 to June 2017) from Multiline Engineering Co. Further probe revealed that as per PC-I only one Generator of 500 KVA was required to be purchased whereas two generators 250kva each were purchased.

Audit held that due to non-compliance of instructions of PC-I, CEO (Health) Narowal procured two generators amounting to Rs 9.654 million during Financial Year 2016-17.

This resulted in irregular expenditure of Rs 9.654 from the public exchequer.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to the PAO in October, 2017. In DAC meeting held on 11-01-2018, Department did not submit its reply and record for verification. DAC directed ADC (finance) to probe the matter in detail and submit enquiry report within three months. No compliance was submitted till finalization of this report.

Audit recommends investigation of matter and regularization of expenditure besides fixation of responsibility on person(s) at fault.

[PDP No.05]

#### **14.4.1.3 Irregular payment of pending bills - Rs 4.10 million**

According to Rule 17.17 (A) of PFR Vol, every disbursing officer shall maintain a register of liabilities in P.F.R Form No.27 in which he should enter all those items of expenditure for which payment is to be made by or through another officer; budget allotment or sanction of a higher authority is to be obtained; or payment would be required partly or wholly during the next Financial Year or years.

Chief Executive Officer Health Narowal incurred expenditure in excess of funds in past Financial Years and pending liabilities were paid without maintaining its record during the Financial Year 2016-17.

Sr.	Date	Chq #	Name of payee	Name of Item	Liability	(Rs)
1	20-6-2017	426056	Bio-Tech	Ultrasound DHQ	2014-15	870,000
2	21-06-2017	426068	Teveta	Furniture	2011-12	285,407
3	23-06-2017	3192017	Sind medical LHR	Hematology THQ	2014-15	1,349,000
4	23-06-2017	3192019	Vital Care	Cardic Monitor THQ	2014-15	726,000
5	23-06-2017	3192020	Bio-Tech	Ultra sound THQ	2014-15	870,000
<b>Total</b>						<b>4,100,407</b>

Audit held that due to non-compliance of rules, CEO (Health) Narowal paid pending liabilities of previous Financial Year 2014-15 Rs 4.10 million during Financial Year 2016-17 without attaining additional budget allotment from ADC Finance and sanction of higher authority.

It resulted in irregular expenditure of Rs 4,100,407 from the public exchequer.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to the PAO in October, 2017. In DAC meeting held on 11-01-2018, Department did not submit its reply and record for verification. DAC directed the department to get the expenditure regularized. No compliance was submitted till finalization of this report.

Audit recommends investigation of matter and regularization of expenditure besides fixation of responsibility on person(s) at fault.

[PDP No.12]

#### **14.4.1.4 Splitting of job orders to avoid advertisement at PPRA website –Rs 13.23 million**

According to Rule 12(1)& (2) read with Rule 9 of Punjab Procurement Rules 2014, Procurements over one hundred thousand rupees and up to the limit of two million rupees shall be advertised on the PPRA's website in the manner and format specified by regulation by the PPRA from time to time. In case of procurements over rupees two million, these procurement opportunities may also be advertised on the PPRA's website as well as in other print media or newspapers having wide circulation. The advertisement in the newspapers shall principally appear in at least two national dailies, one in English and the other in Urdu. A procuring agency shall announce in an appropriate manner all proposed procurements for each Financial Year and shall proceed accordingly without any splitting of the procurements so planned. The annual requirements thus determined would be advertised in advance on the PPRA's website.

MS DHQ (Hospital) Narowal incurred expenditure of Rs 13.23 million on accounts of uneconomical procurement of different items during the Financial Year 2016-17. Indents were split up in order to avoid advertisement at PPRA website as well as on print media and seeking sanction of competent authority.

Audit was of the view that due to non-compliance of rules, MS DHQ (Hospital) Narowal split up indents Rs 13.23 million to avoid advertisement on PPRA website during Financial Year 2016-17.

This resulted in non-transparent expenditure of Rs 13.23 million out of Government exchequer.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to the PAO in October, 2017. In DAC meeting held on 11-01-2018, Department replied that expenditure was incurred as per law. DAC directed the department to get the expenditure regularized. No compliance was submitted till finalization of this Report.

Audit recommends investigation of matter and regularization of expenditure besides fixation of responsibility on person(s) at fault.

#### **14.4.1.5 Irregular expenditure on maintenance & repair of building - Rs 2.40 million**

According to Rule 12 (1) of Punjab Procurement Rules 2014, procurements over one hundred thousand rupees and up to the limit of two million rupees shall be advertised on the PPRA's website in the manner and format specified by regulation by the PPRA from time to time. These procurement opportunities may also be advertised in print media, if deemed necessary by the procuring agency. The divisional officer shall get the estimate sanctioned, will then order the immediate execution of the work according to Para-2.20 of B&R Code.

M.S DHQ hospital Narowal incurred a sum of Rs 2,401,503 on maintenance and repair by splitting the indent to avoid tender. Further scrutiny revealed that technically sanctioned estimate and rate analysis were also not prepared and approved by the competent authority.

<b>Contractor</b>	<b>Item</b>	<b>Amount (Rs)</b>
Mr. Irshad	M&R of DHQ	98,739
Mr. Irshad	M&R of DHQ	98,739
Mr. Irshad	M&R of DHQ	98,739
Mirza Javed Govt Cotractor	M&R of DHQ (vouchers Splitted	1,828,817
Mirza Javed Govt Cotractor	M&R of DHQ (vouchers Splitted	177,730
Mr. Irshad	M&R of DHQ	98,739
<b>Total</b>		<b>2,401,503</b>

Audit was of the view that due to non compliance of rules and dereliction on the part of the financial management, MS DHQ (Hospital) Narowal made payments Rs 2.40 million without TS estimate and tender during Financial Year 2016-17.

This resulted in irregular expenditure amounting to Rs.2,401,503.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to the PAO in October, 2017. In DAC meeting held on 11-01-2018, Department did not submit its reply and record for verification. DAC directed CEO health to probe the matter in detail and submit enquiry report. No compliance was submitted till finalization of this Report.

Audit recommends investigation of matter and regularization of expenditure besides fixation of responsibility on person(s) at fault.

[PDP No. 04 & 05]

#### **14.4.1.6 Doubtful purchase of medicines - Rs 1.86 million**

According to Rule 15(4) and Rule 15.5 of PFR Vol-I, all material received should be examined, counted, measured and weighted as the case may be, when delivery is taken and same should be kept in charge of a reasonable Government servant, when materials are issued, a written acknowledgement should be obtained from the person to whom they are ordered to be delivered.

Chief Executive Officer Health Narowal paid Rs1.857 million to supplier for purchase of medicine but it was neither taken on stock nor its distribution was found on record for the Financial Year 2016-17 (Jan17 to June 17) as detailed below:

Sr.	Name of supplier	Name of medicine	Batch No.	Qty	Rate	Amount (Rs)
1	Glaxo smith Kline	Cap Fefols pansule	GFAAA	2554	86.7969	221,679
2	Barret Hodgson	Syp zinc day	B1358	28000	22.23	622,440
3	Navaris Pharama	Voltral 50 mg	J0368 & J0370	13500	75	1,012,500
<b>Total</b>						<b>1,856,619</b>

Audit held that due to non-compliance of rules and weak financial management, CEO (Health) Narowal did not take medicines costing Rs 1.86 million on stock during Financial Year 2016-17.

It resulted in irregular expenditure of Rs 1,856,619 from the public exchequer.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to the PAO in

October, 2017. In DAC meeting held on 11-01-2018, Department did not submit its reply and record for verification. DAC directed the department to get the expenditure regularized. No compliance was shown till finalization of this report..

Audit recommends investigation of matter and regularization of expenditure besides fixation of responsibility on person(s) at fault.

[PDP No.11]

#### **14.4.1.7 Doubtful purchase and consumption of local purchase medicine-Rs 1.87 million**

According to policy and operational guidelines for local purchase of medicine circulated vide letter No. SO(P-I)H/3-64/2008 dated 12-09-2013 of Health Department, Government of Punjab, “Local purchase in Government hospitals is allowed to ensure fulfillment of immediate need of medical treatment that is otherwise not possible from medicines and surgical disposable available within the hospital. Local purchase is permitted for emergencies and indoor patients department on the prescription of authorized medical practitioner”.

During audit of MS THQ Hospital Shakargarh for the Financial Year 2016-17, it was observed that LP medicine was procured for outdoor patients amounting to Rs1.87 million. Further, non-availability certificate from stock of medicine was not obtained. Patients directly received medicine from medical store. Quality and Quantity was not ensured by hospital management. Stock Register was maintained by hospital on receipt of medicine bill as detailed below:

<b>Sr. No</b>	<b>Name of Medical Store</b>	<b>Date of payment</b>	<b>No. of Bills</b>	<b>Amount (Rs)</b>
1	Al-shafi& Sons	09-03-17	7	503,031
2	Al-shafi& Sons	22-06-17	22	1,365,491
				<b>1,868,522</b>

Audit held that due to non-compliance of rules and weak internal control, MS THQ (Hospital) Shakargarh procured L.P medicines Rs 1.87 million for outdoor patients and without obtaining non-availability, quality and quantity certificate during Financial Year 2016-17.

It resulted into irregular expenditure of Rs1.87 million from the public exchequer.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to the PAO in October, 2017. In DAC meeting held on 11-01-2018, Department replied that stock registres were maintained and quantity and quality of medicines

were required to be ensured. DAC directed the department to get the expenditure regularized. No compliance was submitted till finalization of this Report.

Audit recommends investigation of matter and regularization of expenditure besides fixation of responsibility on person(s) at fault.

[PDP No.02]

**14.4.1.8 Irregular expenditure on local purchase medicines -  
Rs 1.33 million**

According to Rule 2.33 of Punjab Financial Rules Vol-I, every Government servant should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part, and that he will also be held personally responsible for any loss, arising from fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he contributed to the loss by his own action or negligence.

During scrutiny of the accounts record of SMO RHC Zafarwal for the year 2016-17, it was revealed that Rs.1,326,893 was incurred on purchase of L.P Medicines without any rate contract. Moreover medical store (Sardar Pharmacy, Sialkot) from which these medicines were purchased 45 kms away from RHC Zafarwal. Whereas as per rule, it was compulsory to make a rate contract of L.P medicines with a pharmacy situated in 2k.m orbit of health institution. It is also worth mentioning that no batch number, date of manufacturing & expiry and name of company was written on the invoices / bills. Moreover no record of tour to Sialkot for handling the L.P medicine was on record.

Audit held that due to poor financial discipline and weak internal controls, SMO RHC Zafarwal incurred expenditure on irregular purchase of LP medicines Rs1.33 million during Financial Year 2016-17.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to the PAO in October, 2017. In DAC meeting held on 11-01-2018, Department did not submit its reply and record for verification. DAC directed the expenditure to get the expenditure regularized. No compliance was submitted till finalization of this Report.

Audit recommends that matter may be inquired at appropriate level and regularization of the expenditure besides fixing of responsibility.

[PDP No.6]

#### **14.4.1.9 Irregular expenditure of emergency medicines- Rs 1.17 million**

According to Finance Department letter No. FD (FR) 11-2/89 dated 01.11.2001, 10% of the total budget of medicines should be kept as reserved for natural calamities/emergencies. The medicines should be purchased in bulk on rate contract made by District Government.

During Audit of MS THQ Hospital Shakargarh for the Financial Year 2016-17, it was observed that medicine was purchased from 10% budget reserved for natural calamities/ emergencies. Further consumption of medicine could not be verified as consumption record was not maintained or produced to Audit as detailed below:

<b>Sr.No.</b>	<b>Name of medical Store</b>	<b>Month of purchase</b>	<b>Amount (Rs)</b>
01	Al-shafi& Sons	Mar-17	99,400
02	Al-shafi& Sons	Feb-17	99,400
03	Al-shafi& Sons	Jun-17	968,774
<b>Total</b>			<b>1,167,574</b>

Audit held that due to non-compliance of rules, MS THQ (Hospital) Shakargarh procured medicines Rs 1.17 million from 10% reserved budget for emergencies during Financial Year 2016-17.

It resulted into irregular expenditure of Rs1,167,574 from the public exchequer.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to the PAO in October, 2017. In DAC meeting held on 11-01-2018, Department replied that medicines were procured for emergency cases but failed to provide evidence in support of its reply. DAC directed the department to get the expenditure regularized. No compliance was submitted till finalization of this Report.

Audit recommends that matter may be inquired at appropriate level and regularization of the expenditure besides fixing of responsibility.

[PDP No.04]

#### **14.4.1.10 Irregular payment of incentive Rs - 1.27 million**

As per Finance Department letter No. FD (W&M)22-1/2016-17 /DHA/2008 dated 02-05-2017, “provision of funds through technical supplementary Grant during Financial Year 2016-17 for incentive package for Specialist at DHQ and THQ Hospitals in Punjab”



Chief Executive Officer Health Narowal paid Incentive allowance of Rs 1,271,000 to the staff other than Specialist at DHQ and THQ Hospital for the Financial Year 2016-17 (Jan17 to June 17).

DDO Code	Cost Centre Description	G/L Account Description	Amount (Rs)
NV9001	CEO (HEALTH) NL	Stipend, Incentives, awards	1,271,000

Audit held that due to violation of Finance Department policy, CEO (Health) Narowal paid incentive Rs 1.27 million during Financial Year 2016-17.

It resulted into irregular expenditure of Rs.1271000 from public exchequer.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to the PAO in October, 2017. In DAC meeting held on 11-01-2018, Department replied that funds were released to CEO Health instead of THQs and DHQ. DAC directed the department to get the expenditure regularized. No compliance was submitted till finalization of this Report.

Audit recommends that matter may be inquired at appropriate level and regularization of the expenditure besides fixing of responsibility.

[PDP No.01]

#### **14.4.1.11 Purchase of intensive care beds beyond scope- Rs 1.48 million**

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

During the audit of Chief Executive Officer Health Narowal for the Financial Year 2016-17 (Jan17 to June 17), it was observed that 25 Intensive care beds were purchased from Qazzafi Surgical for Rs7.4 million instead of purchasing 20 beds as specified by PC-1 and tender document as detailed below:

Name of item	Rate per bed	As per PC-1	Actual purchased	Excess	Amount (Rs)
Intensive Care Beds	296000	20	25	05	1,480,000

Audit held that due to violation of PC-1, CEO (Health) Narowal purchased intensive care beds Rs 1.48 million during Financial Year 2016-17.

It resulted into irregular expenditure of Rs 1,480,000 from the public exchequer.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to the PAO in October, 2017. In DAC meeting held on 11-01-2018, Department replied that equipment was purchased as per PC-1. DAC directed ADC (Finance ) to probe the matter in detail and submit enquiry report with two months after issuance of minute of meeting. No compliance was submitted till finalization of this Report.

Audit recommends that matter may be inquired at appropriate level and regularization of the expenditure besides fixing of responsibility.

[PDP No. 07]

#### **14.4.1.12 Irregular purchase of patient attendant waiting chairs - Rs 1.06 million**

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

During the audit of Chief Executive Officer Health Narowal for the Financial Year 2016-17 (Jan17 to June 17), it was observed that 50 patient attendant waiting chairs (set of 5) was purchased from Apex Enterprises Lahore instead of 65 patient attendant waiting chairs as detailed below:

<b>Name of item</b>	<b>Name of Supplier</b>	<b>As per PC-1</b>	<b>Actual purchased</b>	<b>Less purchased</b>	<b>Amount (Rs)</b>
Patient attendant waiting chair Set of 5	Apex Enterprises	65	50	15	1,062,000

Audit held that due to violation of PC-1, CEO (Health) Narowal purchased patient attending waiting chairs Rs 1.06 million during Financial Year 2016-17.

It resulted into irregular expenditure of Rs 1,062,000 from the public exchequer.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to the PAO in October, 2017. In DAC meeting held on 11-01-2018, Department replied that equipment was purchased as per PC-1. DAC directed ADC (Finance) to probe the matter in detail and submit enquiry report with two months

after issuance of minute of meeting. No compliance was submitted till finalization of this Report.

Audit recommends that matter may be inquired at appropriate level and regularization of the expenditure besides fixing of responsibility.

[PDP No.09]

#### **14.4.1.13 Unauthorized collection of test charges -Rs 1.47 million**

Every government servant should realize fully and clearly that he will be held personally responsible for any loss sustained through fraud, negligence on the part of the government servant up to the extent to which he has contributed towards the fraud according to Rule 2.33 of the PFR Vol-I.As per notification of the Govt. of the Punjab (Health) Department vide Letter no SO(H&D)-12-13/73 dated 11-04-1985 professors and assistant professors and specialist were entitled to draw 35% Doctor share and 20% staff share.

During the audit of MS DHQ (Hospital) Narowal it was observed that the amount of Rs. 1,471,223 was received from the patients for the tests of HBV and HCV whereas there was no notification of government for the charges of these tests. Moreover 35% Doctor share and 20% staff share were also received by the concerned.

<b>HBS</b>			
<b>Month</b>	<b>No. of Patients</b>	<b>Fee Charged</b>	<b>55% Share Recoverable</b>
17-Jan	1337	100275	55151
17-Feb	1107	83025	45664
17-Mar	2212	165900	91245
17-Apr	1507	113025	62164
17-May	1559	116925	64309
17-Jun	1679	125925	69259
<b>Total</b>	<b>9401</b>	<b>705075</b>	<b>387791</b>
<b>HCV</b>			
<b>Month</b>	<b>No. of Patients</b>	<b>Fee Charged</b>	<b>55% Share Recoverable</b>
17-Jan	1337	200550	110303
17-Feb	1107	166050	91328
17-Mar	2212	331800	182490
17-Apr	1507	226050	124328
17-May	1559	233850	128618
17-Jun	1679	251850	138518
<b>Total</b>	<b>9401</b>	<b>1410150</b>	<b>775583</b>

Audit held that due to financial mismanagement, MS DHQ (Hospital) Narowal collected test charges Rs 1.47 million without any criteria during Financial Year 2016-17.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to the PAO in

October, 2017. DAC directed to seek clarification from Health Department Government of Punjab. No compliance was submitted till finalization of this Report.

Audit recommends that matter may be inquired at appropriate level and regularization of the expenditure besides fixing of responsibility.

[PDP No. 09]

## **14.4.2 Internal Control Weaknesses**

### **14.4.2.1 Purchases in violation of Punjab Procurement Rules and less deduction of income tax – Rs 1.73 million**

According to Income tax ordinance 2001, income tax @ 6.5% should be deducted as withholding tax from non filer suppliers. According to Rule 12 (1) of PPRA Rules 2009, procurements over one hundred thousand rupees and up to the limit of two million rupees shall be advertised on the PPRA's website in the manner and format specified by regulation by the PPRA from time to time. These procurement opportunities may also be advertised in print media, if deemed necessary by the procuring agency.

During audit of MS DHQ (Hospital)Narowal, scrutiny of different works revealed that income tax @4.5% was deducted as withholding tax from non filer contractors instead of 6.5% income tax. Moreover splitting the indents to avoid advertising at PPRA website and sanction of next higher authority PPRA rules were not followed. This resulted in less deduction of income tax amounting to Rs 1,732,535.

Audit was of the view that due to non compliance of rules and dereliction on the part of the financial management, MS DHQ (Hospital) Narowal did not recover income tax amounting to Rs1.732during Financial Year 2016-17.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to the PAO in October, 2017. In DAC meeting held on 11-01-2018, Department did not submit its reply and record for verification. DAC directed to recovery outstanding income tax amount. No compliance was submitted till finalization of this report.

Audit recommends investigation of matter and recovery of Rs 1.73 million from contractor(s) concerned besides fixing of responsibility.

[PDP No. 18]

### **14.4.2.2 Unauthorized Payment of health sector reform allowance, house rent allowance, 5% house maintenance charges and conveyance allowance – Rs 1.26 million**

According to clarification issued by Health Department vide its letter No.PMU/PHSRP/G-1.06/61/270-340, dated 16.03.2007, HSR

allowance will not be admissible to any doctor, para-medical and other staff during general duty and leave on full pay. Further, according to clarification issued by Government of the Punjab, Finance Department's letter No FD(M-1)1-15/82-P-I, dated 15.01.2000, in case a designated residence is available, the government servant for whom it is meant cannot draw HRA even if he does not reside in it. Further, according to Finance Division's O.M. No.(1)-imp.1/77, dated 28th April, 1977, Conveyance Allowance would not be admissible in cases where office and residential buildings are located within the same boundary wall even if the residential buildings are far away from the office building. Further, as per Rule 7.1 of Treasury Rules, the Conveyance Allowance is not admissible during leave period. Besides, according to Government of the Punjab letter No.FD/SR/9-4/86(P)(PR) dated.21.04.2014, the officers who are availing Government vehicles including bikes (Sanctioned/pool) are not entitled to the facility of conveyance allowance w.e.f. 01.03.2014. The Departments instructions whereby conveyance allowance was allowed on a certificate of not using vehicle from house to office and vice versa are withdrawn accordingly.

Heads of 02 (two) formations did not recover HSRA, Conveyance, House Rent and 5% house maintenance charges during the Financial Year 2016-17 from the employees who were on leave, allotted Govt. vehicles or resided in office premises. This resulted in unauthorized payment of Rs 1.26 million.

Audit was of the view that due to weak internal controls and dereliction on the part of the financial management, in-admissible allowances were paid to employees amounting to Rs 1.26 million during Financial Year 2016-17.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to the PAO in October, 2017. DAC meeting held on 11-01-2018, the department admitted recovery. DAC directed to recover the amount. No compliance was submitted till finalization of this report.

Audit recommends investigation of matter at appropriate level and recovery of Rs 1.26 million besides fixing responsibility against the officials/ officers at fault.

## **CHAPTER 15**

### **District Health Authority, Okara**

#### **15.1 Introduction of the Authority**

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

Prior to promulgation of the Act, District Health Department was headed by the Executive District Officer (Health) who is Departmental Accounting Officer of group of offices of District Health Department and District Coordination Officer was the Principal Accounting Officer under PLGO, 2001.

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

- establish, manage and supervise primary and secondary health care facilities and institutions;
- approve the budget of the Authority and allocate funds to health institutions;
- coordinate health related emergency response during any natural calamity or emergency;
- develop referral and technical support linkages between primary and secondary levels of health care on the one hand and tertiary level health facilities and medical education institutions on the other;
- ensure human resource management and capacity development of health service delivery personnel under the policy framework given by the Government;
- ensure timely reporting of progress on health indicators relating to disease surveillance, epidemic control, disaster management to the Government; and
- ensure implementation of minimum standards of service delivery, infrastructure, patient safety, hygiene and public health as prescribed by the Punjab Health Care Commission.

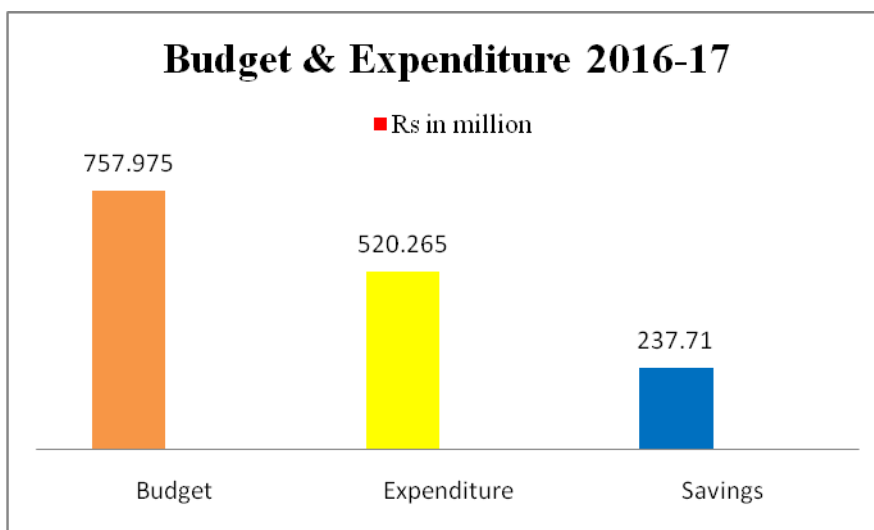
DHA Okara manages following primary and secondary health care facilities and institutues:

Description	No. of health facility/ institute
Basic Health Units	96
Government Rural Dispensary	40
Rural Health Centre	10
Tehsil Head Quarter Hospitals	03
District Head Quarter Hospitals	02
District Health Development Centre	01
Deputy District Officer	3
District Health Officer	01
Any other institute/ health facility	01

## 15.2 Comments on Budget and Accounts

Total budget of District Health Authority for the Financial Year 2016-17 was Rs 757.975 million, against which only Rs 520.265 million was spent. Overall savings of Rs 237.710 million during the Financial Years 2016-17 which was 31.36% of budgetary allocation, showing non-utilization of funds meant for provisions of amenities in District Health Authority thus depriving the community from getting better facilities.

(Rs in million)				
Financial Year	Budget	Expenditure	Savings	% Savings
2016-17	757.975	520.265	237.71	31.36



## 15.3 Brief Comments on the Status of Compliance with PAC Directives

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



## **15.4      AUDIT PARAS**

#### **15.4.1 Misappropriation**

##### **15.4.1.1 Fraudulent drawl from government treasury- Rs 4.831 million**

According to Rule 12(1) read with Rule 9 of Punjab Procurement Rules 2014, procurements over one hundred thousand rupees and up to the limit of two million rupees shall be advertised on the PPRA's website in the manner and format specified by PPRA regulation from time to time. A procuring agency shall announce in an appropriate manner all proposed procurements for each Financial Year and shall proceed accordingly without any splitting of the procurements so planned. The annual requirements thus determined would be advertised in advance on the PPRA's website.

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

MS DHQ Hospital South City Okara made payment amounting to Rs 4.831 million on accounts of repair of machinery & equipment, stores purchased, during period 01-01-2017 to 30th June 2017. Scrutiny of record revealed that the items were not repaired on record. No demand from the concerned department was raised, stock entries of the articles purchased were not made, no item was physically available in the hospital. In case of repair of generator no entry of stock items and dead stock items were made by the store keeper of hospital. Besides this irregularity it was observed that income tax was deducted from the bills but was not deposited into government treasury. Indents were also splitted to avoid tender (Annexure-O).

Audit was of the view that the amount was drawn from treasury and embezzled without any spending for the institute to the tune of Rs 4.831 million.

This resulted in fraudulent expenditure of Rs 4.831 million.

The matter was reported to the PAO during November 2017. Neither any reply was received nor DAC meeting convened till finalization of this report.

Audit requires recovery and deposit of income tax into government treasury besides fixing responsibility against the officers at fault.

[PDP No. 06,09, 24]

#### **15.4.1.2      Fraudulent drawl from government treasury- Rs 1.499 million**

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

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

MS DHQ Hospital South City Okara disbursed Rs 1.499 million through two cheques from SDA account of MS DHQ Hospital. One cheque of Rs 809,850 dated 27-04-2017 and other cheque of Rs 689,391 dated 27-04-2017. Scrutiny of record revealed that no item was purchased or got repaired. No description of expenditure was entered in the cash book. No contingent bill was available in support of the expenditure.

The matter was reported to the PAO during November, 2017. Neither any reply was furnished nor DAC meeting was convened till finalization of this report.

Audit recommends recovery of amount withdrawn from treasury besides fixing responsibility against the officers at fault.

[PDP No. 11]

#### **15.4.1.3      Fraudulent drawl from government treasury on accounts of printing - Rs 1.442 million**

According to Rule 12(1) read with Rule 9 of Punjab Procurement Rules 2014, procurements over one hundred thousand rupees and up to the limit of two million rupees shall be advertised on the PPRA's website in the manner and format specified by PPRA regulation from time to time. A procuring agency shall announce in an appropriate manner all proposed procurements for each Financial Year and shall proceed accordingly without any splitting of the procurements so planned. The annual requirements thus determined would be advertised in advance on the PPRA's website.

MS DHQ Hospital South City Okara made payment amounting to Rs 1.442 million on accounts of printing charges during Financial Year 2016-17 vide cheque No446983 dated 01-03-2017. Payment was held fraudulent because neither a single item was received in the office nor consumed / issued to staff. Supply order was placed to M/S Mehar Jee

Traders on 13-03-2017 after 13 days of payment of cheque. The invoice was received from Fakhar Majeed Government contractor and payment was also made to MS Fakhar Majeed. Besides this irregularity no tender was called to award the work of printing. Income tax Rs 64879 was deducted from the bill but was not deposited into government treasury.

This scenario clearly showed that the amount drawn from government treasury was likely embezzled.

The matter was reported to the PAO during November, 2017. Neither any reply was furnished nor DAC meeting was convened till finalization of this report.

Audit recommends inquiry into the matter and regularization in a manner prescribed besides fixing responsibility against the officers / officials at fault. [PDP No. 12]

#### **15.4.1.4 Likely embezzlement of government money - Rs 1.081 million**

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

According to Rule 2.33 of PFR Volume-I “every Government servant should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he constituted to the loss by his own action or negligence.

MS DHQ Hospital South City Okara fraudulently disbursed Rs 1.081 million on accounts of POL charges. Scrutiny of record revealed that trackers had been installed in the fuel tanks of generator by the district management which report the inward fuel filling in the tank of generator. Payment was drawn from government treasury for 20425 liters whereas tracker report showed that only 7446 liters were filled in the tank.

(Amount in Rs)

Sr.	Month	POL claimed liters	POL intake report by Tracker liters	Excess claim liters	Rate	Recovery
1	Feb 2017	5275	2267	3007	83.3	250,483
2	March 2017	4850	3091	1758	83.3	146,441
3	April 2017	10300	2088	8211	83.3	683,976
	<b>Total</b>	<b>20425</b>	<b>7446</b>	<b>12976</b>		<b>1,080,900</b>

Audit was of the view that payment was made due to weak internal control of management.

This resulted in fraudulent drawl of amount on accounts of POL charges Rs 1.081 million.

The matter was reported to the PAO during November, 2017. Neither any reply was furnished nor DAC meeting was convened till finalization of this report.

Audit recommends inquiry and regularization of the matter in a manner prescribed besides taking remedial action against the officers at persons at fault.

[PDP No. 14]

## **15.4.2 Irregularities & Non-compliance**

### **15.4.2.1 Payment out of SDA without post-audit worth - Rs 279.179 million**

According to letter No.AC-II/6-23/99/Vol-XIV/160 dated 14-07-2007 of the office of the Controller General of Account, SDAs shall only be established with the approval of MOF/FD, in consultation with CGA/AG for a specified period and fixed amount.

According to revised procedure for operation of SDAs circulated by the office of the Controller General of Account letter No.AC-II/1-39/08-Vol-V/632 Dated: September 24, 2008 applicable w.e.f.01-10-2008 “The drawing authorities will submit monthly account of expenditure with copies of paid vouchers to the concerned AG/DAO for post audit purpose by 15th of each month who will carry out 100% post audit. Further Government of the Punjab Finance Department vide its letter No. SO(TT)6-1/2007 dated 16-09-2007 has since decided to adopt the policy for the operation of SDAs circulated by CGA vide letter No.AC-II/6-23/99/Vol-XIV/160 dated 14-07-2007 “to overcome the existing accounting problems relating to SDAs the provisions contained in chapter 10 and 17 of the APPM will be implemented”.

Scrutiny of record revealed that in the following offices of District Health Authority Okara SDAs were opened in for provision of non-salary & development budget to the tune of Rs 279.179 million. The opening of SDA and placement of funds held unauthorized because in violation of the rule ibid the approval of CGA/ AG was not obtained. There was no limit of the amount for disbursement; no time limit was specified for the running of SDA. In violation of the guidelines for the operation of SDA head wise budget was not prepared and entered on SAP system. Budget was not prepared and approved by any authority.

(Rs in million)

<b>Sr.</b>	<b>Formation Name</b>	<b>Amount</b>	<b>Para No.</b>
1	CEO Health Okara	55.710	8
2	DHQ Hospital South City Okara	63.767	1
3	DHQ Hospital Okara	158.302	1
4	RHC Akhtarabad	0.700	6
5	RHC Shahbore	0.700	3
	Total	279.179	

Audit was of the view that due to weak internal control and negligence of the management irregular account was opened and no planning was made for the spending of budget in violation of the rules.

This resulted in irregular opening of account unauthorized spending without preparation of budget and planning.

The matter was reported to the PAO during November, 2017. Neither any reply was furnished nor DAC meeting was convened till finalization of this report.

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

#### **15.4.2.2          Unjustified expenditure without re-appropriation of funds – Rs 279.179 million**

According to Guideline for utilization of SDA of issued and circulated by Government of the Punjab, Primary & Secondary Health Care Department vide letter No. PSO/SECY-P&SH/05/2016 dated 2nd September, 2016 sets forth that distribution of released funds shall be done into finalized object codes list. Re-appropriation of funds shall be made from A05270-Others to relevant object code. Re-appropriation order shall be prepared by the concerned MS DHQ/THQ and copy of the same shall be submitted to Additional Secretary (Development), Primary and Secondary Healthcare Department. The concerned person in P&SHD shall get the funds online in SAP system from Finance Department as per re-appropriation order and intimate the same to the concerned MS of DHQ/THQ.

DHA, Okara made payment amounting to Rs 279.179 million during Financial Year 2016-17, out of SDA. The expenditure was held irregular because the lump-sum release/funds were not distributed / re-appropriated among the detailed object codes according to requirement of the hospital. Expenditure was incurred out of the object code “A05270- Others”.

Audit was of the view that due to financial indiscipline and weak internal controls unjustified expenditure was incurred.

This resulted in unjustified payment of Rs 279.179 million.

The matter was reported to the PAO during November, 2017. Neither any reply was furnished nor DAC meeting was convened till finalization of this report.

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

### **15.4.2.3 Irregular purchase of medicine Rs 123.966 million**

According to Rule 8 of Punjab Procurement Rules 2014 a procuring agency shall, within one month from the commencement of a Financial Year, devise annual planning for all proposed procurements with the object of realistically determining the requirements of the procuring agency, within its available resources, delivery time or completion date and benefits that are likely to accrue to the procuring agency in future. According to Rule 4 of Punjab Procurement Rules 2014, procuring agencies, while engaging in procurements, shall ensure that the procurements are conducted in a fair and transparent manner, the object of procurement brings value for money to the agency and the procurement process is efficient and economical.

According to Rule 25 of Punjab Procurement Rules 2014, a procuring agency shall formulate precise and unambiguous bidding documents that shall be made available to the bidders immediately after the publication of the invitation to bid. (2) For competitive bidding, whether open or limited, the bidding documents shall include the following: (a) invitation to bid; (b) instructions to bidders; (c) form of bid; (d) form of contract; (e) general or special conditions of contract; (g) list of goods or bill of quantities (where applicable); (h) delivery time or completion schedule; (j) bid evaluation criteria; (k) format of all securities required (where applicable); (l) details of standards (if any) that are to be used in assessing the quality of goods, works or services specified; and (m) any other detail not inconsistent with these rules that the procuring agency may deem necessary.

Management of following formations of District Health Authority Okara made payment amounting to Rs 123.966 million for purchase of medicine during Financial Year 2016-17. Purchase was held unauthorized because in violation of the PPRA no purchase plan was prepared and floated on the website of procuring agency and PPRA. Scrutiny of record revealed that purchase was made on the rate contract finalized / executed by health department government of the Punjab but no demand was collected from the procuring agency. In supply orders 75 days time was awarded to the contractors but the evidence of inclusion of delivery time in bid document was not on record. Award of significantly long time for supply of medicines not only resulted in favour contractors but also save the contractors from penalty of late delivery. In the absence of delivery period in bid document the health competition was avoided. Procuring agency did not compare rates of items purchased with rate of same salt in



previous Financial Year. No performance guarantee was received from the suppliers and its condition in bidding document was not on record.

Sr. No.	Formation Name	Description of items	Amount (Rs in million)
1	CEO Health Okara	Medicines	69.530
2	DHQ Hospital South City Okara	Medicines	51.786
3	DO (Health) Okara		2.650
	<b>Total</b>		<b>123.966</b>

Audit was of the view that the purchase process was not efficient and effective and due to mis-procurement value for money was not achieved.

This resulted in irregular expenditure to the tune of Rs 123.966 million.

The matter was reported to the PAO during November 2017. Neither any reply was furnished nor DAC meeting convened till finalization of this report.

Audit recommends regularization of the matter in a manner prescribed besides fixing responsibility against the officers / officials at fault. (PDP No. 1,2,3)

#### **15.4.2.4 Purchase of Medicines without Lab test Reports – Rs 32.806 million**

According to Health Department's policy letter No. SO (P-I) H/RC 2001-2002/01, dated 29th September, 2001, no drug / medicine shall be accepted & used without the report of Drug Testing Lab (DTL). Moreover, payment on accounts of Drugs / Medicines shall be released to the suppliers only on receipt of standard / positive DTL report.

Following formations of District Health Authority paid Rs 32.806 million to suppliers on accounts of purchase of medicines without obtaining DTL reports. Acceptance, payment, and use of medicines without positive lab reports were against the above instructions.

(Rs in million)

Sr. No.	Formation Name	Amount	PDP No.
1	DHQ Hospital Okara	28.768	05
2	DHQ Hospital South City Okara	1.560	10
3	RHC Gogera	2.064	02
4	RHC Hujra Shah Mugeem	0.414	04
	<b>Total</b>	<b>32.806</b>	

Audit was of the view that due to poor financial controls the amount was drawn before receipt of positive DTL Report.

This resulted in unauthorized drawl on accounts of purchase of medicines Rs 11.935 million to the public exchequer.

The matter was reported to the DCO / PAO in November, 2017. Neither any reply was furnished nor DAC meeting convened till finalization of this report.

Audit recommends regularization of the matter in a manner prescribed besides fixing responsibility against the officers / officials at fault. (PDP No. 5,10,2,4)

#### **15.4.2.5 Irregular payment on accounts of printing charges-Rs 5.033 million**

According to Rule 12(1) read with Rule 9 of Punjab Procurement Rules 2014, procurements over one hundred thousand rupees and up to the limit of two million rupees shall be advertised on the PPRA's website in the manner and format specified by PPRA regulation from time to time. A procuring agency shall announce in an appropriate manner all proposed procurements for each Financial Year and shall proceed accordingly without any splitting of the procurements so planned. The annual requirements thus determined would be advertised in advance on the PPRA's website.

According to Rule 7.1 to 7.6 of Printing & Stationery Manual, no office or department should get any amount of printing work etc from a private printing press except to the extent permitted by a general or special sanction by the Government. The Controller of Printing press may entrust such work for execution at a private press as cannot be executed at any of the Government Printing Press. The controller will call for tenders from as many private printing press as are on its approved list and will entrust the work to the lowest tender below or at par with the scheduled rates approved by the controller for work at private presses. The payment for work done at private presses should be charged to the head 56- Stationery & Printing Minor head printing at private press. The Government Printing Press, while getting the work of printing done from the Private Presses, shall follow that prescribed procedure for getting competitive rates from the bidders (Private Printing Presses) before entering into rate contract with the lowest successful bidders.

DO (Health) Okara and RHC Akhtarabad made payment of Rs 4.710 million and Rs 0.323 million respectively to Mehar Jee Traders

on accounts printing of OPD register during Financial Year 2016-17. Purchase was held unauthorized because no tender was called for the purchase without caring for economy efficiency and effectiveness.

Audit was of the view that payment was made due to weak internal control of management.

This resulted in irregular expenditure to the tune of Rs 4.710 million.

The matter was reported to the PAO during November, 2017. Neither any reply was furnished nor DAC meeting was convened till finalization of this report.

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

[PDP No. 01,02]

#### **15.4.2.6 Irregular Purchase without tender -Rs 2.950 million**

According to Rule 12(1) read with Rule 9 of Punjab Procurement Rules 2014, procurements over one hundred thousand rupees and up to the limit of two million rupees shall be advertised on the PPRA's website in the manner and format specified by PPRA regulation from time to time. A procuring agency shall announce in an appropriate manner all proposed procurements for each Financial Year and shall proceed accordingly without any splitting of the procurements so planned. The annual requirements thus determined would be advertised in advance on the PPRA's website.

Management of following formations of District Health Authority made payment amounting to Rs 2.950 million on accounts of purchase of medicine and purchase of machinery & equipment during Financial Year 2016-17. Purchase was held unauthorized because no tender was called for the purchase without caring for economy efficiency and effectiveness. In violation of the provisions of Punjab Procurement Rules, no annual planning was made for the purchase, purchase orders were split into small orders to avoid tender. Sanction of the competent authority was not obtained.

<b>Name of Office</b>	<b>Name of items</b>	<b>Amount (Rs in million)</b>
DHQ Hospital South City Okara	5 ACs, Curtain Cloth, Wash room items finis phenyl etc	2.259
DHQ Hospital Okara	Purchase of medicine	0.689
<b>Total</b>		<b>2.948</b>

Audit was of the view that irregularity was committed due to dereliction of management. This resulted in irregular expenditure to the tune of Rs 2.950 million.

The matter was reported to the PAO during November, 2017. Neither any reply was furnished nor DAC meeting was convened till finalization of this report.

Audit recommends regularization of the matter in a manner prescribed besides fixing responsibility against the person(s) at fault.

[PDP No. 07,03]

### **15.4.3 Internal Control Weaknesses**

#### **15.4.3.1 Unauthorized budget allocation for pay & allowances Rs 431.076 million**

According to para 2.3.2.2 of APPM “information in the accounts and in the supporting subsidiary records shall be accurate, representing actual substance of past events, without undue errors or omissions. This shall include correct and consistent classification and recognition of revenues and expenditures.” According to Rule 38 (3) of Punjab District Authorities (Accounts) Rules 2017, the drawing and disbursing officer shall maintain establishment check register on form 4T and at the beginning of each year the entries in the establishment register showing sanctioned strength of establishment and remuneration of each post will be scrutinized and verified by the DDO. Further according to rule 3 (2) of Punjab District Authorities (Accounts) Rules 2017, the pension fund of local government employees adjusted in the district authorities shall be maintained in BOP of NBP of any other bank after the approval of government shall be operated by the CEO and B & AO jointly.

During Audit of CEO Health Authority Okara for the year 2016-17, it was observed that CEO District Health Authority Okara made payment amounting to Rs 431.076 million on accounts of pay and allowances without getting approval from the Finance Department for the No of posts admissible against each cost centre and also failing to cater to the adjustment of regular employees as well as pensioners of defunct council.

Audit was of the view that due to weak internal and administrative control budget allocation for pay & allowances was not ensured as per directions of the Finance Department.

The matter was reported to the PAO during November, 2017. Neither any reply was furnished nor DAC meeting was convened till finalization of this report.

Audit recommends regularization of the matter in a manner prescribed besides fixing responsibility against the person(s) at fault.

[Para No. 6]

### **15.4.3.2 Overpayment due to purchase of medicine at higher rates Rs 123.966 million**

.As per rule 4 of PPR 2014 A procuring agency, while making any procurement, shall ensure that the procurement is made in a fair and transparent manner, the object of procurement brings value for money to the procuring agency and the procurement process is efficient and economical. Further according to Rule 2(1)(a e) of PPR 2014 ‘value for money’ means the best returns for each rupee spent in terms of quality, timeliness, reliability, after sales service, up-grade ability, price, source, and the combination of whole-life cost and quality to meet the procuring agency’s requirements. Further according to Rule 22 of PPR 2014 the procuring agencies shall use open competitive bidding as the principal method of procurement for the procurement of goods, services and works.

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

Management of following formation under of District Health Authority Okara made overpayment amounting to Rs 19.488 million for purchase of medicine during Financial Year 2016-17. Scrutiny of record revealed that purchase was made at higher rates. Procuring agency did not compare rates of items purchased with rate of same salt in previous Financial Year. Rates of similar medicine were lower in 2015-16 but in current Financial Year exorbitant rates were paid. In some cases more than 300% rates were paid for similar medicine.

<b>Sr. No.</b>	<b>Formation Name</b>	<b>Amount (Rs in million)</b>	<b>PDP No</b>
1	CEO Health Okara	20.387	2
2	DHQ Hospital South City Okara	19.488	3
3	RHC Gogera	0.977	3
4	RHC Gogera	0.544	5
	<b>Total</b>	<b>123.966</b>	

Audit was of the that the purchase process was not efficient and effective and due to mis-procurement value for money was not achieved.

This resulted in overpayment to the tune of Rs 19.488 million.

The matter was reported to the PAO during November, 2017. Neither any reply was furnished nor DAC meeting convened till finalization of this report.

Audit recommends inquiry into the matter for purchase of medicines at higher rates besides fixing responsibility against the officers / officials at fault under.

#### **15.4.3.3 Unjustified expenditure without re-appropriation of funds – Rs 61.887 million**

According to Guideline for utilization of SDA of issued and circulated by Government of the Punjab, Primary & Secondary Health Care Department vide letter No. PSO/SECY-P&SH/05/2016 dated 2nd September, 2016 sets forth that distribution of released funds shall be done into finalized object codes list. Re-appropriation of funds shall be made from A05270-Others to relevant object code. Re-appropriation order shall be prepared by the concerned MS DHQ/THQ and copy of the same shall be submitted to Additional Secretary (Development), Primary and Secondary Healthcare Department. The concerned person in P&SHD shall get the funds online in SAP system from Finance Department as per re-appropriation order and intimate the same to the concerned MS of DHQ/THQ.

Medical Superintendent DHQ Hospital Okara made payment amounting to Rs 61.887 million during Financial Year 2016-17, out of SDA account of the Hospital. The expenditure was held irregular because the lump-sum release / funds were not distributed / re-appropriated among the detailed object codes according to requirement of the hospital. Expenditure was incurred out of the object code “A05270- Others”.

Audit was of the view that due to financial indiscipline and weak internal controls unjustified expenditure was incurred.

This resulted in unjustified payment of Rs 61.887 million.

The matter was reported to the PAO during November, 2017. Neither any reply was furnished nor DAC meeting was convened till finalization of this report.

Audit recommends regularization of the matter in a manner prescribed besides fixing responsibility against the officers / officials at fault. [PDP No. 1]

#### **15.4.3.4 Unauthorized and doubtful consumption of syringes & Branulas Rs 8.817 million**

As per Rule 15.4 (a) & 15.7 of PFR Vol-1, all material must be examined, counted, weighed or measured as the case may be and recorded in an appropriate stock register.

During audit it was observed that during Financial Year 2016-17 medicine store of office of MS DHQ Hospital south city Okara issued syringes, branulas & IV canulas to medical wards, scrutiny of record of wards revealed that in consumption / expense register of wards bed head ticket number of patients were not mentioned in the absence of expense record the authenticity of the expenditure could not be verified.

Sr.	Name of Medicine	Vendor	Rate	Qty	Amount (Rs)
1	I.V. Cannula with Injection Port and Integrated Closing Cone Size 18,	USMANCO International	5.50	1,000	35,500
2	I.V. Cannula with Injection Port and Integrated Closing Cone Size 20	USMANCO International	5.50	5,000	177,500
3	I.V. Cannula with Injection Port and Integrated Closing Cone Size 24,	B Braun Pakistan (Pvt) Ltd	9.70	20,000	994,000
4	Disposable Syringe 10ml with needle(Blister Pack) 10ml. Piece	ASTO Life Sciences Pvt Ltd	.75	25000	24,375
5	Disposable Syringe 5ml with needle(Blister Pack) 5ml. Piece	ASTO Life Sciences Pvt Ltd	.18	500000	3,590,000
6	Disposable Syringe 3ml with needle(Blister Pack) 3ml. Piece	ASTO Life Sciences Pvt Ltd	.58	300000	1,674,000
7	Auto-Disable Syringe 5ml with needle 5ml. Injection	ASTO Life Sciences Pvt Ltd	.56	150000	1,134,000
8	Auto-Disable Syringe 2ml with needle 2ml. Injection	ASTO Life Sciences Pvt Ltd	.94	200000	1,188,000
<b>Total</b>					<b>8,817,375</b>

Audit was of the view unauthorized consumption of medicines was due weak internal control of.

This resulted in unauthorized and doubtful consumption of stock to the tune of Rs 8.817 million.

The matter was reported to the PAO during November, 2017. Neither any reply was furnished nor DAC meeting was convened till finalization of this report.

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

[PDP No. 04]

#### **15.4.3.5 Unauthorized payments of inadmissible allowances - Rs 8.324 million**

As per clarification issued by Government of the Punjab, Finance Department's letter no. FD (M-1)1-15/82-P-I dated 15.1.2000, in case a designated residence is available, the Government servant for whom it is meant cannot draw HRA even if he does not reside in it. In case of designated residences, the officer/officials could not draw HRA & Conveyance even if he does not avail the facility and residence remains vacant during the period. In case Govt. Servant is allotted below entitlement residence, he will not be allowed to draw HRA and will have



to pay house rent at the rate of 5% of maximum scale of the category for which residence is meant. As per letter bearing no. PMU/PHSRP/G-I-06/61/760 dated, the 16th March, 2007, issued by the Government of the Punjab, Health Department, the PHSRP allowance is payable only when the doctors / Paramedics and other staff perform their duties under the PHSRP at RHCs / BHUs. Any doctor / Paramedic and other staff whether regular or on contract, posted and drawing pay against the posts of RHCs / BHUs is directed to perform the somewhere else will not be entitled to PHSRP(HSR) allowance any such allowance paid should be recovered. Further no HSRA is admissible during leave period. According to Treasury Rule 7, Conveyance allowance is not inadmissible during leave period.

According to Rule 78 (1) of Punjab District Authorities (Budget) Rules 2017, the primary obligation of collecting officer shall be to ensure that all revenue due is claimed, realized and credited immediately into the District Authority fund, under the proper receipt head.

Government of the Punjab, S&GAD (Estate office) Lahore, Penal Rent @ 60% of basic pay is required to be charged from unauthorized and illegally occupant of Government accommodation according to Serial No.36 (e) (rent matter) of letter No. EO(S&GAD) Policy/2009/345 dated 19.01.2009.

Management of the six offices of the District Health Authority Okara made payments of in-admissible allowances amounting to Rs 8.324 million to the officials / officers during Financial Year 2016-17. Scrutiny of record of DDOs revealed that house rent allowance and conveyance allowance was released to the employees who were residing in the official residences available within office premises. Similarly in few cases inadmissible allowances like HSRA and CA were paid to the employees during leave period. Penal rent was not collected from unauthorized occupants of government residences. In one case the rent of stand was not recovered from the tenant.

Sr. No.	Name of office	(Rs in million)	PDP No.	Detail of recovery
1	DHQ Hospital Okara	0.151	8	Payment of CA to employees Residing in Government residences within premises of office
		0.674	7	Non Recovery of Penal Rent from unauthorized Occupants
		0.076	15	In-admissible payment of HSRA to employees
		0.038	18	Payment of HRA to employees residing in Hospital
2	DHQ Hospital	0.295	18	Non recovery of Auction fee of Cycle Stand
		0.247	19	Non Recovery of Penal Rent from unauthorized

	South City Okara			Occupants
		0.168	22	Non-recovery of Electricity Charges from residents of colony
		0.126	23	Payment of CA to employees Residing in Government residences within premises of office
3	DO (Health)	3.313	2	Payment of CA to employees Residing in Government residences within premises of office
		1.658	4	In-admissible payment of CA to vaccinators availing the facility of official vehicle
		0.342	9	In-admissible payment of HSRA to employees serving in non-entitled offices
		0.054	12	In-admissible payment of CA 7 HSRA during Leave
4	RHC Hujra Shah muqem	0.233	1	In-admissible allowances paid during leave
5	RHC Renala Khurd	0.548	4	Non Recovery of Penal Rent from unauthorized Occupants
		0.198	5	Non-recovery of HRA & CA from the officials whereas designated residence s are available in the hospital
6	RHC Akhtarabad	0.203	1	Non-recovery of HSR and CA from the residents of government residences
		<b>8.324</b>		

Audit held that due to dereliction on the part of management, inadmissible payment amounting to Rs 8.324 million was made. This resulted in loss to public exchequer.

The matter was reported to the DCO /PAO in November 2017. Departments admitted the lapse and committed to affect the recovery of the overpaid amount.

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

#### **15.4.3.6 Loss to government due to non-credit of receipt to authority's fund Rs 5.840 million**

According to Rule 78 (1) of Punjab District Authorities (Budget) Rules 2017, the primary obligation of collecting officer shall be to ensure that all revenue due is claimed, realized and credited immediately into the District Authority fund, under the proper receipt head.

During audit of District Health Authority Okara revealed that authority's receipts amounting to Rs 5.840 million was not credited to Account of Authority. The reconciliation of receipt with collecting officer and head of institutes was not carried out in violation of rule ibid.

Audit was of the view that due to weak internal and administrative control receipt of Account-VI was credited into Account-I

The matter was reported to the PAO during November, 2017. Neither any reply was furnished nor DAC meeting was convened till finalization of this report.

Audit recommends recoupment of the amount from provincial government besides fixing responsibility against the person(s) at fault.

[Para No. 14]

**15.4.3.7 Irregular payment on accounts of electricity charges- Rs 4.248 million**

According to Rule 2.31(a) of PFR Volume I, a drawer of bill for pay, allowances, contingent and other expenses will be held responsible for any over charges, frauds and misappropriations. Moreover, as per Rules 2.33 of PFR Vol-I, every Government servant should realize fully and clearly that he would be held personally responsible for any loss sustained by Government through fraud or negligence on his part or to the extent he contributed to the loss by his own action or negligence.

MS DHQ Hospital South City Okara made payment amounting to Rs 4,247,779 on accounts of electricity charges. Payment was held irregular and doubtful because during audit it was observed that no electricity meters were installed at the residences of the hospital, direct electricity was supplied to the residences from the electricity meter of hospital. Even no sub meters were arranged in the residences so it was a clear case of theft which was not taken up by the management of the hospital or health authority.

Due to dereliction of the management there was no record that which payment pertains to hospital and due to weak financial control government funds were misused.

This resulted in unauthorized and doubtful payment on accounts of electricity charges amounting to Rs 4.248 million.

The matter was reported to the PAO during November, 2017. Neither any reply was furnished nor DAC meeting was convened till finalization of this report.

Audit recommends recovery from the owners and installation of meters at residences besides fixing responsibility against the officers / officials at fault.

[PDP No. 05]

#### **15.4.3.8 Unauthorized and doubtful payments of on accounts of arrears of pay & Allowances – Rs 2.525 million**

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

MS DHQ Hospital South City Okara made payments amounting to Rs 1.767 million and DO (Health) Okara maid payment amounting to Rs 0.758 million to the officials / officers on accounts of arrears of pay and allowances. Payment was held unauthorized and doubtful because there was no orders of the competent authority about the entitlement and sanction of expenditure. No due and drawn statement was available. No entries were made on service books of the non-gazzeted and pay slips of gazzeted after scale audit was not issued by the DAO. Approval of change form authorized by DDO and DAO was not available. It is significant to mention here that a driver of DHQ hospital drew an arrear of overtime amounting to Rs265,000 in a month, there was no detail where he perform duties who authorized and approved overtime.

Audit held that due to dereliction on the part of management unauthorized and doubtful payment amounting to Rs 2.525 million was made without authorization and may be direct credit in computerized payroll system without approval of the DDO and DAO.

This resulted in irregular payment of pay and allowances amounting to Rs 2.525 million

The matter was reported to the PAO during November, 2017. Neither any reply was furnished nor DAC meeting was convened till finalization of this report.

Audit recommends detailed inquiry about the payment of arrears during the year through higher office.

[PDP No. 08,07]

#### **15.4.3.9 Non-imposition of penalty for Late Supply – Rs 2.502 million**

As per terms and condition of Rate contract concluded by Health Department Punjab, penalty @ 0.067% per day after 60 (sixty) days would be charged for late supply of medicine.

During audit of DHQ Hospital Okara for the FY 2016-17, it was observed that medicines valuing Rs 35.149 million were not provided by the suppliers within time allowed during 2016-17. Due to delay in supply

penalty @ 0.067% per day was required to be deducted from the claims of the suppliers but the same was not deducted resulting in loss of Rs 2.502 million.

Audit was of the view that due to financial indiscipline and weak internal controls penalty was not imposed.

This resulted in loss to public exchequer to the tune of Rs 2.502 million.

The matter was reported to the PAO during November, 2017. Neither any reply was furnished nor DAC meeting was convened till finalization of this report.

Audit recommends imposition and recovery of late delivery charges besides fixing responsibility against the officers / officials at fault.

[Para No. 6]

#### **15.4.3.10 Unauthorized expenditure on accounts of Pay & Allowances Rs 1.428 million**

According to Rule 64(1)(ii) read with Rule 66(1) of PDG & TMA (Budget) Rules, 2003 every Drawing & Disbursing Officer (DDO) shall ensure that authorized allocations are expended in Schedule of Authorized Expenditure (SAE) and maintain an appropriation register which shall include the commitments against the appropriations and a register of actual disbursements.

Principal Nursing School Okara under the control of CEO Health made payment amounting to Rs 1.428 million for pay and allowances to the following staff during Financial Year 2016-17. Scrutiny of record revealed that employees posted in nursing school were not from relevant cader. Staff working in nursing school were from general nursing cader but were posted against the posts of nursing teachers. Scrutiny of pay slips revealed that in pay slips the designations of the staff were also fraudulently mis-stated in the record of DAO and unauthorized salaries were paid. DAO issued pay of staff against irrelevant posts. This resulted unauthorized expenditure of Rs 1.428 million on pay and allowances without sanctioned post posts as detail below:

(amount in Rs)

Name of Employee	Actual Designation	Sanctioned Post	Monthly pay	Amount 01.01.17 to 30.06.17
Kausar Jabbar	Head Nurse	Nursing Instructor	76308	457848
Rashida	Charge Nurse	Public Health	52880	317280

Rasheed		Nutritionist		
Saima Pirkash	Charge Nurse	Nursing Instructor	52607	315642
Rukhsana Khalid	Charge Nurse	Public Health Supervisor	56287	337722
				1,428,492

It is also pointed out that no efforts for regularization of above said posts from competent authority has been found on record from the department which is question mark on the performance of the management.

Audit was of the view that due to weak internal controls and poor financial management regularization of above said post was not obtained from the competent Authority.

The matter was reported to the PAO during November, 2017. Neither any reply was furnished nor DAC meeting convened till finalization of this report.

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

[Para No. 01]

#### **15.4.3.11 Irregular and Doubtful payment for repair of vehicles Rs 1.233 million**

According to Rule 20 of West Pakistan Staff Vehicle (Use and Maintenance) Rules, 1969, Log book, history sheet and petrol consumption accounts register is required to be maintained for each government owned vehicle.

MS DHQ Hospital south city Okara paid Rs 1,232,697 for repair of transport of government vehicles. The payment was held unauthorized and doubtful because no history sheet was prepared to check the running and justification of the repair. Huge amount was spent on the repair of a single vehicle which was almost equivalent to the market value of the vehicle. No NOC was obtained from the government work shop for major repair of the vehicle. No demand from the incharge of vehicle 1122 was on record. No estimate for repair was prepared, work was executed by a general order supplier which made the payment doubtful. There was no dead stock register for the replaced parts of vehicle and no certificate of government workshop for satisfactory work was obtained.

Audit held that payment was made due to weak internal control of management.

This resulted in irregular and doubtful expenditure to the tune of Rs 1.233 million.

The matter was reported to the PAO during November, 2017. Neither any reply was furnished nor DAC meeting was convened till finalization of this report.

Audit requires the fixing of responsibility. [PDP No. 13]

**15.4.3.12 Irregular and doubtful payment on accounts of TA/DA  
Rs 1.206 million**

According to TA Rules no government official could proceed on tour without prior approval of tour programme by the competent authority.

DO (Health) Okara under the control of DHA made payment amounting to Rs 1.206 million on accounts of TA/DA. The payment was held unauthorized because there was no tour program in support of claims. Purpose of visit, minutes of meeting or outcome of the tour was not monitored by the controlling officer. In this scenario it could safely be concluded that the payment was unauthorized and doubtful.

Audit held that due to weak internal control payment was drawn from treasury.

This resulted in irregular and doubtful expenditure to the tune of Rs 1.206 million.

The matter was reported to the PAO during November, 2017. Neither any reply was furnished nor DAC meeting was convened till finalization of this report.

Audit recommends inquiry into the matter besides fixing responsibility against the officers / officials at fault.

[PDP No. 06]

**15.4.3.13 Imprudent management of Assets and Liabilities**

According to Rule 5(i) of District Govt. Rules of business, 2001, prudent management of assets and liabilities of District Government is the responsibility of the Executives According to Rule 3 of local government property Rules 2003 The Local Government, with approval of its Council, shall take such steps as may be necessary to ensure that the Property vested in the District Government, Tehsil/Town and Union Administration respectively is managed and maintained in the best interest of the public for the purposes of the Ordinance and manager shall take as much care of the Property entrusted to him as a man of ordinary prudence would, under

similar circumstances, take of his own property of like nature, ensure that the rented Property fetches the maximum rent, keep all title deeds and other documents, relating to the Property with duplicate copies of such title deeds and other documents, in safe custody, have the boundaries of lands of the Local Government demarcated, ensure the maintenance of prescribed registers; be vigilant about and to check encroachments or wrongful occupations on Property and in case there is any encroachment or wrongful occupation take necessary steps for the removal thereof and prevent the Property against nuisance, damage or misuse. Further according to Rule 4(2) The Manager shall be responsible to the Local Government for any loss, destruction or deterioration of the Property, if such a loss, destruction or deterioration occurs as a result of his default or negligence in discharge of his responsibility.

Management of offices under the control of District Health Authority Okara have not maintained record regarding the assets and liabilities in the violation of rule *ibid*. There was no demarcation of properties of hospitals /institutes/offices. Due to the negligence of the concern the assets of millions have not yet accounted for despite the laps of significant years of establishment of institute. No internal control system was developed to safeguard assets, being the legal owner of the property there was no register of the moveable and immoveable property. No location and handing over /possession wise plane of property was prepared to fix the responsibility in case of loss of property. How the administrative authorities can ensure prudent management in the scenario where the assets especially property have not yet been accounted for.

Audit was of the view that due to poor asset management record of assets was not maintained.

This may result in misuse/ misappropriation of assets /property of the hospital.

The matter was reported to the PAO during November, 2017. Neither any reply was furnished nor DAC meeting was convened till finalization of this report.

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

[Para No. 13,26, 15]



#### **15.4.4 Performance**

##### **15.4.4.1 Wasteful expenditure on Civil Works**

According to Rule 2.10(a)(1) of PFR vol-I, same vigilance should be exercised in respect of expenditure incurred from Government revenues as a person of ordinary prudence would exercise in respect of the expenditure of his own money.

During compliance audit of District Headquarter Hospital, Okara it was observed that an expenditure of Rs 8.543 million on repair and maintenance of hospital building as detailed below during the Financial Year 2015-16 and 2016-17. The expenditure is held wasteful as the revamping of government hospitals was assigned to IDAP (Infrastructure Development Authority Punjab) work was started during the Financial Year 2016-17 by demolishing the work already done.

Audit was of the view that wasteful expenditure on civil works was due to poor financial discipline and weak internal controls.

This resulted in wasteful expenditure of Rs 8.543 million.

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

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

##### **15.4.4.2 Irregular centralization of the budgeted expenditure and un-reconciled receipt for authority's fund - Rs 698.711 million and loss for want of investment of surplus cash closing balance.**

According to para 2.3.2.2 of APPM "information in the accounts and in the supporting subsidiary records shall be accurate, representing actual substance of past events, without undue errors or omissions. This shall include correct and consistent classification and recognition of revenues and expenditures." Moreover, the functions of District Health Authorities, as prescribed under the Punjab Local Government Act, 2013 is to establish, manage and supervise primary and secondary health care facilities and institutions also to approve the budget of the Authority and allocate funds to health institutions including BHUs. As provided within the meaning of the Rule 11(2) (f) of the Punjab District Authorities Accounts Rules 2017, in discharge of his responsibilities, the Chief Executive Officer shall ensure that the amount credited to the Local Fund

as reported by Accounts Officer are reconciled or verified with records on monthly and annual basis. As provided under Section 109(2) of the PLGA 2013, a local government may invest surplus funds, if any, in such securities and financial institutions, as may be approved by the Government.

During audit of the accounts the DHA Okara for the period from January to June 2017, it was observed that as per financial statement of DHA Okara against the budgetary outlay of Rs 931.602 million, total receipts of the DHA was reported worth Rs 698.711 million without reconciliation on record. The allocation of budget to declared independent Primary Healthcare institutions was not ensured and spending remained centralized whereas it had to be delegated to the level of institutions. Without rationalization of need assessment against consuming units and field formations, medicines worth Rs 48.460 millions were stockpiled respectively through centralized procurements avoiding sub allocations of funds in terms of requisite budgeting. Cash closing balance accumulated due to inflated releases against the PFC share of the DHA with final balance shown as Rs 178.869 million. No investment of the carried forward unspent balance was opted for compromising the revenue potential of the District Health Authority Okara with loss incurred for blockage of the amount without yielding dividends worth Rs 1.193 million per month against competitive offer of Daily Progressive Accounts of reputed Banks.

Audit held that it was binding to curb irregular centralization of the budgeted expenditure leaving no room to keep un-reconciled receipt worth Rs 698.711 million no heed was paid to loss caused for want of investment of surplus cash closing balance.

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

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

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

## CHAPTER 16

### District Health Authority, Rawalpindi

#### 16.1 Introduction of the Authority

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

Prior to promulgation of the Act, District Health Department was headed by the Executive District Officer (Health) who is Departmental Accounting Officer of group of offices of District Health Department and District Coordination Officer was the Principal Accounting Officer under PLGO, 2001.

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

- establish, manage and supervise primary and secondary health care facilities and institutions;
- approve the budget of the Authority and allocate funds to health institutions;
- coordinate health related emergency response during any natural calamity or emergency;
- develop referral and technical support linkages between primary and secondary levels of health care on the one hand and tertiary level health facilities and medical education institutions on the other;
- ensure human resource management and capacity development of health service delivery personnel under the policy framework given by the Government;
- ensure timely reporting of progress on health indicators relating to disease surveillance, epidemic control, disaster management to the Government; and
- ensure implementation of minimum standards of service delivery, infrastructure, patient safety, hygiene and public health as prescribed by the Punjab Health Care Commission.

DHA Rawalpindi manages following primary and secondary health care facilities and institutes:

Description	No. of Health facility/ institute
Basic Health Units	98
Government Rural Dispensary	6

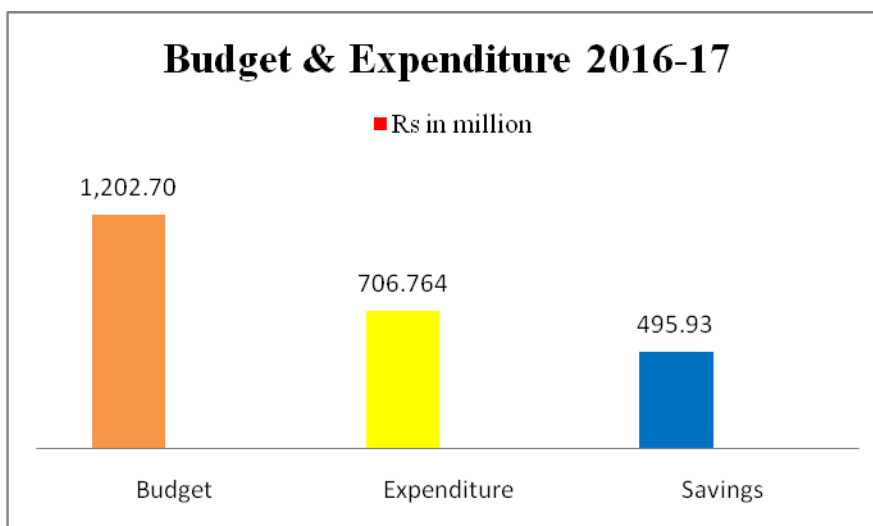
Rural Health Centre	8
Tehsil Head Quarter Hospitals	6
District Head Quarter Hospitals	Nil
District Health Development Centre	1
District Health Officers	4

## 16.2 Comments on Budget and Accounts

Total budget of District Health Authority Rawalpindi was Rs 1,202.699 million including salary component of Rs 673.413 million, non-salary component of Rs 168.353 million and development component of Rs 360.932 million. Expenditure against salary component was Rs 459.658 million, Non salary component was Rs 164.830 million and development component was Rs 82.276 million. Overall savings were Rs 495.934 million which was 41.235% of total budget.

(Rs in million)

Financial Year	Budget	Expenditure	Savings	% Savings
2016-17	1,202.698	706.764	495.93	41.23



## 16.3 Brief Comments on the Status of Compliance with PAC Directives

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

## **16.4      AUDIT PARAS**

## **16.4.1 Non-production of record**

### **16.4.1.1 Non-production of Record – Rs 2.365 million**

According to Section 14 (2) of Auditor General's (Functions, Powers and Terms and Conditions of Service), Ordinance, 2001, the Auditor-General shall have authority to require that any accounts, books, papers and other documents which deal with, or form, the basis of or otherwise relevant to the transactions to which his duties in respect of audit extend, shall be sent to such place as he may direct for his inspection.

Various formations under District Health Authority Rawalpindi did not produce auditable record of Rs 2.365 million. In the absence of record, authenticity, validity, accuracy and genuineness could not be verified. Detail is given below.

(Rs in million)

<b>Name of Office</b>	<b>PDP No.</b>	<b>Description</b>	<b>Amount</b>
RHC Chountra	1	1- Budget Control Register 2- Log Books	-
RHC Chountra	2	Payroll/pay slips	2.365
THQ Hospital Kahuta	14	detail of residents in the residencies provided by the government was not produced	-
RHC Bagga Sheikhan	3	1. Revised Budget copy for the period 01.07.2016 to 31.12.2016 & 01.01.2017 to 30.06.2017	-
		2. Reconciled Expenditure statement for the month of 06/2017	-
		<b>Total</b>	<b>2.365</b>

Audit held that due to financial indiscipline and weak internal controls, relevant record was not produced to audit by the auditee in violation of provisions of Ordinance.

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

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

## **16.4.2 Irregularity & Non-compliance**

### **16.4.2.1 Irregular expenditure on purchase of medicines - Rs 44.70 million**

According to Rule 8 of Punjab Procurement Rules 2014, a procuring agency shall, within one month from the commencement of a Financial Year, devise annual planning for all proposed procurements with the object of realistically determining the requirements of the procuring agency, within its available resources, delivery time or completion date and benefits that are likely to accrue to the procuring agency in future. Further according to rule 9 read with rule 12(1) of Punjab Procurement Rules 2014, procurements over one hundred thousand rupees and up to the limit of two million rupees shall be advertised on the PPRA'S website in the manner and format specified by regulation by the PPRA'S from time to time. Further, a procuring agency shall announce in an appropriate manner all proposed procurements for each Financial Year and shall proceed accordingly without any splitting or regrouping of the procurement so planned.

During scrutiny of record of following health institutions of District Health Authority, Rawalpindi, it was observed that the medicines (Bulk Purchase) amounting to Rs 44.70 million had been purchased from the firms whom rate contract were awarded by the health Department Govt. of Punjab.

<b>Name of office</b>	<b>PDP No.</b>	<b>Head</b>	<b>Amount (Rs)</b>
DO(Health)	1, 3	Bulk Purchase of Medicines	41,181,013
RHC Phagwari	1, 2	Bulk Purchase of Medicines	1,505,001
RHC Mandra	1, 2	Bulk Purchase of Medicines	2,013,928
		<b>Total</b>	<b>44,699,942</b>

Audit noted the following irregularities which made expenditure irregular.

- 1 Neither any advertisement for procurements by Procuring agency was made nor any record regarding Tender proceedings was produced.
- 2 Record of earnest money was not produced regarding the supply orders
- 3 Record of stamp duty was not produced against the supply orders issued Non production of record showed that stamp duty was not deducted by the department.
- 4 Performance Security was neither obtained from the suppliers nor record was produced to Audit as directed by Health Department Govt., of the Punjab vide Notification No.SO(P-1)1-1/2016-17

dated 16.10.2016, at the 2<sup>nd</sup> Paragraph. Non production of record revealed that performance security was not obtained from firms/suppliers.

- 5 Procurement as per rate contract of Health Department Govt., of the Punjab was unauthorized, unlawful and in violation of Punjab Procurement Rules 2014 where in rate contract did fall under any specified methods of procurement.
- 6 14 medicines had been declared essential medicines by the MEAs and their presence in RHCs of the District Rawalpindi was mandatory. Audit noted following observations in the award of rate contract.
  - i. The rate contracts of all the essential medicines had not been awarded to any firm.
  - ii. The rate contract had not been properly executed by the Govt., well in time.
  - iii. In the rate contract, the selected firms were not bound to deliver the medicines to end user without charging extra transportation cost.
- 7 Payments were made to suppliers without obtaining of DTL reports. As no DTL Report regarding Bulk Purchase was available in the local office
- 8 Medicines were issued to various units in RHC by DHO, but stock register was not signed by the controlling officer. Hence whole the expenditure is held unlawful.

The above irregularity occurred due to weak financial controls resulted in risk of health and deprived patients from quality medicines.

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

Audit recommends regularization from Competent authority besides fixing of responsibility against the person at fault.

#### **16.4.2.2 Irregular Purchase of Medicines & Medical Equipments on the Rates Finalized by Secretary Health Punjab– Rs 43.61 million**

According to Rule 8 of Punjab Procurement Rules 2014, a procuring agency shall, within one month from the commencement of a Financial Year, devise annual planning for all proposed procurements with



the object of realistically determining the requirements of the procuring agency, within its available resources, delivery time or completion date and benefits that are likely to accrue to the procuring agency in future. Further according to Rule 9 read with Rule 12(1) of Punjab Procurement Rules 2014, procurements over one hundred thousand rupees and up to the limit of two million rupees shall be advertised on the PPRA'S website in the manner and format specified by regulation by the PPRA'S from time to time. Further, a procuring agency shall announce in an appropriate manner all proposed procurements for each Financial Year and shall proceed accordingly without any splitting or regrouping of the procurement so planned.

During audit of CEO (District Health Authority) Rawalpindi for the period 1/2017 to 6/2017, it was observed that medicines and medical equipments valuing Rs 43.61 million had been purchased from the firms whom rate contract were awarded by the Secretary Primary and Secondary Health Care Department Government of the Punjab, Lahore.

Audit noted the following irregularities which made expenditure irregular.

1. According to above mentioned rules of Punjab Procurement Rules 2014, all the stages of procurement process including annual planning for procurement to tendering should be done by procuring agency. But neither any advertisement for procurements by procuring agency was made nor any record regarding Tender proceedings was produced.
2. Procurement as per rate contract of Health Department Govt., of the Punjab was unauthorized, unlawful and in violation of PPRA Rules 2014 where in rate contract did fall under any specified methods of procurement.

Audit held that due to weak managerial controls and negligence, relevant procedure was not followed which resulted in irregular expenditure on purchase.

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

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

(PDP # 1, 2 & 3)

### **16.4.2.3 Irregular Centralized Purchases of Medicines by CEO (District Health Authority) – Rs 35.261 million**

According to Rule 8 of Punjab Procurement Rules 2014, a procuring agency shall, within one month from the commencement of a Financial Year, devise annual planning for all proposed procurements with the object of realistically determining the requirements of the procuring agency, within its available resources, delivery time or completion date and benefits that are likely to accrue to the procuring agency in future. Further according to rule 9 read with rule 12(1) of Punjab Procurement Rules 2014, procurements over one hundred thousand rupees and up to the limit of two million rupees shall be advertised on the PPRA'S website in the manner and format specified by regulation by the PPRA'S from time to time. Further, a procuring agency shall announce in an appropriate manner all proposed procurements for each Financial Year and shall proceed accordingly without any splitting or regrouping of the procurement so planned.

During audit of CEO DHA, Rawalpindi it was found that budget for purchase of medicines allocated to District officer (Health) Rawalpindi for BHUs and budget allocated to RHCs of District Rawalpindi amounting to Rs 35.26 million was withhold by CEO(DHA) and incurred by himself as detailed below:

Head of Account	Period	Under	Amount (Rs)
Purchase of Drugs and Medicines	01.01.2017 to 14.05.2017	SDA, CEO District Health Authority, Rawalpindi	21,648,960
	15.05.2017 to 30.06.2017	Account-VI, District Health Authority, Rawalpindi	13,611,712
	<b>Total</b>		<b>35,260,672</b>

District officer (Health) Rawalpindi and SMOs of RHCs were independent DDOs and had right to incurred their budget according to their demand and requirements. Budget withhold and incurred expenditure by CEO was serious irregularity.

Audit held that due to defective financial controls, budget of RHCs and DOH was utilized by CEO DHA Rawalpindi.

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

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

(PDP # 20)

#### **16.4.2.4 Irregular Purchase of Medicines – Rs 18.133 million**

##### **Non-recovery of Performance Security @ 5% - Rs 1.34 million**

According to Rule 8 of Punjab Procurement Rules 2014, A procuring agency shall, within one month from the commencement of a Financial Year, devise annual planning for all proposed procurements with the object of realistically determining the requirements of the procuring agency, within its available resources, delivery time or completion date and benefits that are likely to accrue to the procuring agency in future. Further according to Rule 9 read with Rule 12(1) of said Rules, procurements over one hundred thousand rupees and up to the limit of two million rupees shall be advertised on the PPRA's website in the manner and format specified by regulation by the PPRA from time to time. Further, a procuring agency shall announce in an appropriate manner all proposed procurements for each Financial Year and shall proceed accordingly without any splitting or regrouping of the procurement so planned.

During audit of THQ Hospitals Kahuta and Kotli sattian, it was observed that medicines (Bulk Purchase) amounting to Rs 18,133,599 had been purchased from the firms whom rate contract were awarded by the Health Department Govt. of Punjab. Audit noted the following irregularities which made expenditure irregular.

1. Neither any advertisement for procurements by Procuring agency (MS THQ Hospital) was made nor any record regarding Tender proceedings was produced.
2. Performance Security @ 5% Rs 1,338,647 was neither obtained from the suppliers nor record was produced to Audit.
3. Procurement as per rate contract of Health Department Govt., of the Punjab was unauthorized, unlawful and in violation of Punjab Procurement Rules 2014 where in rate contract did fall under any specified methods of procurement.

Name of Office	Particulars	Amount (Rs)	5% Performance Security	Stamp duty @ 25 Paisa per 100 Rupees	Total (Rs)
THQ Hospital Kotli Sattian	Purchase of Medicine 2016-17	8,797,878	939,893	21,994	9,759,765
THQ Hospital Kahuta	Purchase of Medicine 2016-17	7,975,080	398,754	0	8,373,834
	<b>Total</b>	<b>16,772,958</b>	<b>1,338,647</b>	<b>21,994</b>	<b>18,133,599</b>

Audit held that due to weak internal controls and negligence, relevant procedure was not followed which resulted in irregular purchase of medicines.

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

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

#### **16.4.2.5 Irregular Advance Drawl from Treasury – Rs 16.225 million**

According to 2.10(b)(5) of PFR volume-I “That no money is withdrawn from the treasury unless it is required for immediate disbursement or has already, been paid out of the permanent advance and that it is not permissible to draw advances from the treasury for the execution of works the completion of which is likely to take a considerable time. According to revised procedure for operation of Special Drawing Accounts, circulated by Finance Department circular letter No. SO(TT)6-1/2007, dated 11<sup>th</sup> September, 2007, all payments through Special Drawing Account should be invariably made through "Crossed Cheques" in the name of valid payees only.

During audit of CEO (District Health Authority) Rawalpindi for the period 1/2017 to 6/2017, it was observed a sum of Rs 16.224 million was drawn from SDA against purchase of different medical equipments.

- i. The amounts were drawn in advance from SDA of District Health Authority without approval of Finance Department.
- ii. Payment was not made to actual payees.
- iii. Amount was transferred in commercial account of Secretary P&SHCD Lahore through cheques.
- iv. Equipments purchased were not delivered /received in the office of CEO District Health Authority, Rawalpindi even till the date of Audit (July 2017).

Audit was of the view that due poor managerial controls and financial mis-management, payment was drawn in advance and not paid to actual payees.

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

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

(PDP # 3)

#### **16.4.2.6 No Legal Action Against the Supplier Due to Non-supply of Medicines - Rs 14.01 million**

According to condition No.04 of Rate Contract awarded by the Government of the Punjab Health Department vide No.SO(P-I)4-4/2016 dated 04.10.2015 “ all suppliers are bound to abide by all terms and condition of bidding documents. In case of failure to comply with any term & condition, District Health Department can initiate legal action against the firm or they may refer the case to Health Department for lawful action”.

Audit of accounts of various health institutions working under District Health Authority, Rawalpindi revealed that different suppliers were failed to deliver the medicines amounting to Rs 14.01 million. CEO District Health Authority, Rawalpindi neither initiated legal action against the defaulting firm nor the case was referred to Health Department Punjab for lawful action or for black listing the firms. Detail of medicines not supplied is as below

Name of Office	PDP No	Description	Amount (Rs)
THQ Hospital Kahuta	2	Medicines not supplied	931,844
CEO (Health) Rawalpindi	8	Medicines not supplied	4566925
THQ Hospital Gujar Khan	1	Medicines not supplied	3191873
THQ Hospital Kotli Sattian	5	Medicines not supplied	2088200
THQ Hospital Murree	12	Medicines not supplied	3231749
		<b>Total</b>	<b>14,010,591</b>

Audit was of the view that due to defective managerial controls, no legal action was initiated against the firms refused to supply the medicines.

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

Audit desires legal action against the defaulters.

#### **16.4.2.7 Government Releases of Supplementary Grants Not Credited to District Health Authority, Rawalpindi – Rs 11.501 million**

According to Punjab Budget Manual Section (C) Rules of Business of the Punjab Government Finance Department, Rule16. (1) No

Department shall, without previous consultation with the Finance Department, authorize any orders, other than orders in pursuance of any general or special delegation made by the Finance Department, which directly or indirectly affect the finance of the province, or which in particular involve re-appropriations within budget grants.

During audit of CEO DHA, Rawalpindi it was found that following development additional grants/ supplementary grants were released by Finance department Punjab but not credited to CEO (DHA) Rawalpindi.

(Rs in million)

Sr No	Grant. Sr No	Name of Schemes	Amount of Additional Grant
01	1015	Establishment of BHU Arriari, Tehsil Kottli sattian (R-LO15004373)	0.887
02	1018	Construction of Dispensary at Dhoke Mustaqeem Rawalpindi (R-L015004365)	0.614
03	1019	Up-gradation of BHU to RHC level Hospital at Thoakhalsa Tehsil Kahuta (R-LO16002102)	10.00
		<b>Total</b>	<b>11.501</b>

Audit was of the view that due to defective financial management, grant released from Finance Department not credited to CEO.

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

Audit desires inquiry of the matter.

(PDP # 9)

#### **16.4.2.8 Splitting of Job Orders to Avoid advertisement at PPRA website- Rs 10.289 million**

According to Rule 59(b) of Punjab Procurement Rules 2014, petty purchases through quotation a procuring agency may provide for petty purchases through at least three quotations where the cost of the procurement is more than fifty thousand rupees but less than one hundred thousand rupees and such procurement shall be exempted from the requirements of bidding procedures; the procuring agency shall, however, ensure that such procurement is in conformity with the principles of procurement. Further, according to Rule 12(1) of Punjab Procurement Rules 2014, procurements over one hundred thousand rupees and up to the limit of two million rupees shall be advertised on the PPRA's website in the manner and format specified by regulation by the PPRA from time to

time. A procuring agency shall announce in an appropriate manner all proposed procurements for each Financial Year and shall proceed accordingly without any splitting of the procurements so planned. The annual requirements thus determined would be advertised in advance on the PPRA website. According to Para 2.4 & 4.5 of B&R Code, no development work shall be executed without TS Estimate and administrative approval and all civil works needs to be recorded in Measurement Book.

Scrutiny of record of various offices of District Health Authority Rawalpindi for the period 01.01.2017 to 30.06.2017, it was observed that DDOs incurred expenditure of Rs 10,288,962 on different head of accounts by splitting the indents in violation of above rules as detail given at Annexure-P. Neither quotation was found on record nor advertised in print media. This resulted in irregular and un-economical expenditure cannot be ruled out as open competition was discouraged. It leads to chances of misappropriation / embezzlement. No Punjab Procurement Rules for more than one lac were followed for same nature of expenditure. The estimate was neither prepared nor got approved from the competent authority. The annual plan was also neither prepared nor got approved from competent authority.

Audit held that splitting of indents to avoid quotations for non-compliance of rule was due to financial indiscipline and weak internal controls. This resulted in irregular expenditure of Rs 10.289 million out of Government exchequer.

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

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

#### **16.4.2.9 Unauthorized Expenditure on Fogging / Spray for Dengue – Rs 7.647 million**

According to section 17.2(1) of PFR-Volume-I, “there must be an act of sanction of an authority competent to sanction” Further, according to Rule 15.5 of PFR Volume-I, when materials are issued from stock for departmental use the government servant in charge of the stores should see that the person authorized has issued an indent

During audit of CEO DHA, Rawalpindi it was noticed that petrol, Diesel, and Delta methirne valuing Rs 7,647,292 was incurred on fogging / spray for dengue control programme as detailed at Annexure-Q:

Audit has noted the following observations:

- i. Fogging was made in different places of the areas, but approval of Dy DHO or any other officer was not obtained.
- ii. Fogging completion report was not counter signed by Dy DHO or any other officer
- iii. Delta methrine, Temiphan and liquid temi-phass issued to field staff in different Union Administrations but Union administration wise distribution and consumption was not shown to Audit.

Audit held that due to defective managerial controls, expenditure on fogging was held unauthorized.

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

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

(PDP # 12)

#### **16.4.2.10 Unauthorized Expenditure on Contingent Paid Staff - Rs 6.874 million**

As per preface of Schedule of Wage Rates, 2017 issued by the Government of the Punjab Finance Department, the appointment of contingent staff may be made by competent authority subject to the following conditions;

- a) The posts shall be advertised properly in leading newspapers.
- b) The recruitment to all posts in the Schedule shall be made on the basis of merit specified for regular establishment vide para 11 the Recruitment policy issued by S&GAD vide No. SOR-IV (S&GAD) 10-1/2003 dated 17.09.2004

Management of following formations made payment of Rs 6.874 million to contingent paid staff during Financial Year 2016-17. Payment was held unauthorized because staff was appointed without fulfilling codal formalities as mentioned in the recruitment policy.

Moreover, in case of “Asaf Fasihuddin Khan Vardag v. Government of Pakistan and others” [2014 SCMR 676] the august



Supreme Court has held that a public authority possessed powers only to use them for the public good and this imposed a duty to act fairly.

Audit was of the view that payment made to contingent paid staff without fulfillment of codal formalities was due to weak administrative and financial discipline.

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

Audit recommends, seeking regularization of expenditure from the competent authority besides fixing responsibility against the persons at fault. (PDP # 19)

#### **16.4.2.11 Irregular Purchase of Medicines without DTL Report– Rs 5.11 million**

According to the Drug Act 1976 and the Drug Rules, 1988, made there-under, the payments for medicines shall be made after obtaining Drug Testing Laboratory (DTL) Reports. Further according to Sr No. 15.4 (a) of PFR volume-I “All materials received should be examined, counted, measured and weighed, as the case may be, when delivery is taken, and they should be kept in charge of a responsible Government Servant. The passing and the receiving Government servants should see that the quantities are correct and their quality good, and record a certificate to this effect. The receiving Government servant should also be required to give a certificate that he has actually received the materials and recorded them in his appropriate stock registers.

During audit of THQ Hospital Kahuta for the period January 2017 to June 2017, it was noticed that payments were made to suppliers on accounts of purchase of medicines amounting to Rs 5,111,524 were made without obtaining of DTL reports, which resulted in irregular expenditure on purchase of medicines.

The above irregularity occurred due to weak financial controls, above action of the management resulted in risk of health and deprived patients from quality medicines.

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

Audit recommends to fix responsibility against the person(s) at fault besides disciplinary action. (PDP #3)

#### **16.4.2.12 Irregular Expenditure due to Misclassification - Rs 5.106 million**

As per Article 30 of Audit Code, all financial transactions are required to be recorded and allocated to proper heads of account. According to Rule 55(2) of Punjab District Authorities (Budget) 2017, head of offices and DDO shall be responsible to ensure that authorized budget allocations are spent in conformity with the Schedule of Authorized Expenditure.

Scrutiny of record various health institutions under District Health Authority Rawalpindi for the period 01.01.2017 to 30.06.2017, it was observed that DDOs incurred expenditure amounting to Rs 5,106,025 which were charged to wrong heads of account instead of actual heads of account. This resulted in irregular expenditure of Rs 5,106,025.

Audit held that due to weak financial management and poor budgeting resulted in wrong classification of expenditure.

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

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

#### **16.4.2.13 Irregular Expenditure on Purchase of Ambulance – Rs 4.567 million**

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

CEO (District Health Authority), Rawalpindi incurred expenditure of Rs 4,567,500 for purchase of ambulance for THQ Hospital Murree from M/S Toyota Capital Motors, Islamabad. The purchase was not justified due to the following:

- i. Tender proceeding along-with tender published was not shown to Audit.
- ii. Payment was made in advance through SDA cheque No.750015 dated 05.05.2017 but ambulance was not delivered till date of Audit.

- iii. Original invoice was of Rs 4,567,000 but the payment of Rs 4,567,500 was made wrongly.
- iv. Ambulance was purchased for THQ Hospital Murree being a more than 50 beds Hospital is exempted from GST but GST @ 17% amounting to Rs 659,359 was charged resulting in loss to the government.

Audit was of the view that due to poor financial control, purchase of ambulance was held irregular.

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

Audit recommends that action be taken against the concerned along with recovery.

(PDP # 11)

#### **16.4.2.14 Unauthorized Expenditure without Sanction and Approved Budget – Rs 2.220 million**

According to Rule 64(1)(ii) & (2)(i)(ii) of PDG & TMA (Budget) Rules 2003, each Local Government shall ensure that authorized budget allocations are expended in conformity with the Schedule of Authorized Expenditure and that there must be an appropriation of funds for the purpose besides sanction.

During the audit of THQ Hospital Kahuta, District Rawalpindi, it was observed that expenditure of Rs 2.220 million was incurred under the Account Head A02217-Special Health Care Allowance and Incentive Allowance to the Specialists but the authority to receive such allowance in form of sanction letter and approved budget allocation was not shown to audit.

Audit was of the view that due to weak internal controls, expenditure was incurred clear valid sanction and approved budget allocation.

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

Audit requires that action be taken against the concerned after fixing responsibility.

(PDP # 4)

#### **16.4.2.15 Non-transparent and Unauthorized Expenditure on M&R Work - Rs 1.49 million**

According to para No.2.104(2) of B&R Code, No deposit should be received for “Deposit Works” until such time as the works have been sanctioned by the competent authority. Further according to rule 2.105 (VI), in case of deposit works all anticipated excesses owing to the tenders having been received in excess of the estimated rates should be brought at once to notice of the local body or the party concerned accepting the excess and arranging the funds accordingly.

During audit it was CEO (Health), Rawalpindi transferred to Buildings department Rawalpindi an amount of Rs 1,488,000 for repair work of office and residence building during the year 2016-17.

Account Code	Account Description	Amount (Rs)
A13301	Office Building	1000,000
A13302	Residential Building	488,000
	<b>Total</b>	<b>1,488,000</b>
	<b>Income tax not withheld @ 6%</b>	<b>89,280</b>

The expenditure was not justified due to the following:

- i. Sanction of competent authority was not shown
- ii. Amount in excess of estimate was not reported and refunded to CEO (District Health Authority) Rawalpindi.
- iii. Estimates and Completion according to the estimates not shown to audit.

This resulted in non transparent expenditure.

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

Audit recommends that action be taken against the concerned along with recovery.

(PDP # 17)

#### **16.4.2.16 Unjustified Expenditure on accounts of POL Charges – Rs 1.226 million**

According to Rule 2.10(a)(1) of PFR vol-I, same vigilance should be exercised in respect of expenditure incurred from Government revenues as a person of ordinary prudence would exercise in respect of the expenditure of his own money.

Audit of accounts revealed that THQ Hospital Murree incurred expenditure of Rs 1,226,301 on Ambulance and Generator. It was observed that no ambulance was found in the sanctioned strength of Hospital and log book was not shown to audit. Further an amount Rs 369,396 was incurred on the Generator but schedule of WAPDA was not shown to audit to verify the timings from stock register. Due to non provision log book receipts collected from ambulance can also be not verified. Audit was of the view to verify the following documents for justification of expenditures.

- i. Log Book
- ii. Refer cases of patients on distance travel as per log book.
- iii. WAPDA load shading schedule during 2016-17.
- iv. Approval from competent authority regarding list of ambulance under the sanction strength of THQ Murree Hospital.

Audit held that due to weak financial controls, list of vehicles was not maintained.

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

Audit requires that compliance should be made against the Instructions of Government.

(PDP # 13)

#### **16.4.2.17 Unauthorized Use of Medicines Bulk Purchase Budget by CEO (DHA) Rawalpindi – Rs 1.20 million**

According to rule 8 of Punjab Procurement Rules 2014, a procuring agency shall, within one month from the commencement of a Financial Year, devise annual planning for all proposed procurements with the object of realistically determining the requirements of the procuring agency, within its available resources, delivery time or completion date and benefits that are likely to accrue to the procuring agency in future. Further, a procuring agency shall announce in an appropriate manner all proposed procurements for each Financial Year and shall proceed accordingly without any splitting or regrouping of the procurement so planned”.

During audit it was noticed that amount of Rs 1.60 million was allocated to SMO RHC Qazia under head A03942-Purchase of drugs and medicines. Out of which 25% budget amounting to Rs 400,000 meant for Local purchase and emergency. 75% budget for bulk purchase of

medicines had been withheld and used by CEO (DHA) Rawalpindi. This resulted in unauthorized use of budget.

Audit was of the view that due to financial mismanagement, medicines budget of RHC was utilized by CEO Health.

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

Audit desires regularization.

(PDP # 1)

**16.4.3 Performance**  
**16.4.3.1 Non-utilization of Development Budget –**  
**Rs 154.976 million**

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

During audit of CEO (Health) Rawalpindi it was noticed that an amount of Rs 263.603 million was allocated under development grant for Wah General Hospital, Taxila and THQ Hospital Murree during Financial Year 2016-17 but during January 2017 to June 2017 only amount of Rs 108.627 million was drawn and remaining amount of Rs 154.976 million was remained unutilized.

Audit was of the view that due to poor financial management, development funds were not utilized for the purposes provided in violation of instructions.

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

Audit desires justification besides fixing responsibility of person(s) at fault.

(PDP # 10)

#### **16.4.4 Internal Control Weaknesses**

##### **16.4.4.1 Unauthorized Payment of Health Sector Reform Allowance Recovery thereof – Rs 2.880 million**

As per Govt. of the Punjab Health Department letter No.DO(P&E-1)19-113/2004, Health sector Reform Allowance has been approved for the doctors posted in DHQ/THQ of less attractive district. This allowance shall be paid only Anesthetists and to other doctors of BPS-19 & 20 on the condition that they will do hospital based practice after duty hours read with the letter No.PO (P&E-1)19-113/2004(v) dated 26.08.2010 Govt. of the Punjab Health Department.

During audit of different health institutions of District Health Authority Rawalpindi it was noticed that different doctors were paid Health Sector Reform Allowance (HSRA) during January 2017 to June 2017, who did not perform Hospital based practice after duty hours, which resulted in un-authorized payment of HSRA amounting to Rs 2,880,000 as detailed below:

<b>Sr.</b>	<b>Formation</b>	<b>PDP #</b>	<b>Description</b>	<b>Amount Rs</b>
1	THQ Hospital Kahuta	13	HSRA	498,000
2	THQ Hospital Murree	3	HSRA	2,256,000
3	RHC Doltala	2	Paid excess rate than admissible on accounts of HSRA	126,000
	<b>Total</b>			<b>2,880,000</b>

Audit was of the view that due to weak internal control and financial indiscipline, un-authorized HSRA was paid to doctors who were not doing hospital based practice.

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

Audit requires that action be taken against the concerned after fixing responsibility.

##### **16.4.4.2 Non-recovery of Pay & Different Allowances – Rs 2.85 million**

According to Rule 2.33 of PFR Volume-I, every Government servant should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part.



Audit of accounts of various Offices of District Health Authority Rawalpindi revealed that Departmental Authorities failed to recover overpayment on accounts of pay and different allowances. This resulted in non-recovery of Rs 2.852 million as detailed in Annexure-R.

Audit was of the view that due to weak managerial and financial discipline unjustified overpayment was made.

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

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

**16.4.4.3 Non-deduction & Non-deposit of DTL Fee, Cost of Medicines and Late Delivery Charges in Treasury - Rs 1.70 million**

According to Sr vi(b) of (rate contract) Government of Punjab Primary & Secondary Health Department letter No.SO(P-I)4-4/2016, the cost of DTL / lab test shall be borne by the supplier / contractor which may be deducted from its final bill or deposited in the Government Treasury. Further, according to Sr 6 of (Rate Contract) Government of Punjab Primary & Secondary Health Department letter No.SO(P-I)4-4/2016, 0.067% per day after sixty (60) days as delivery period shall be deducted by the procuring agency.

During audit of various health institutions under CEO District Health Authority, Rawalpindi it was noticed that DTL fee, cost of sample medicines and late delivery charges in different cases amounting to Rs 1,698,579 had not been deducted from the bills and deposited in treasury.

Audit was of the view that due to poor internal control, DTL Fee, Cost of medicine and penalty was not deducted from suppliers making late supplies. This resulted in loss to the government.

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

Audit recommends to fix responsibility against the person(s) at fault besides disciplinary action and recovery.

## **CHAPTER 17**

### **District Health Authority, Sargodha**

#### **17.1 Introduction of the Authority**

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

Prior to promulgation of the Act, District Health Department was headed by the Executive District Officer (Health) who is Departmental Accounting Officer of group of offices of District Health Department and District Coordination Officer was the Principal Accounting Officer under PLGO, 2001.

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

- establish, manage and supervise primary and secondary health care facilities and institutions;
- approve the budget of the Authority and allocate funds to health institutions;
- coordinate health related emergency response during any natural calamity or emergency;
- develop referral and technical support linkages between primary and secondary levels of health care on the one hand and tertiary level health facilities and medical education institutions on the other;
- ensure human resource management and capacity development of health service delivery personnel under the policy framework given by the Government;
- ensure timely reporting of progress on health indicators relating to disease surveillance, epidemic control, disaster management to the Government; and
- ensure implementation of minimum standards of service delivery, infrastructure, patient safety, hygiene and public health as prescribed by the Punjab Health Care Commission.

DHA Sargodha manages following primary and secondary health care facilities and institutues:

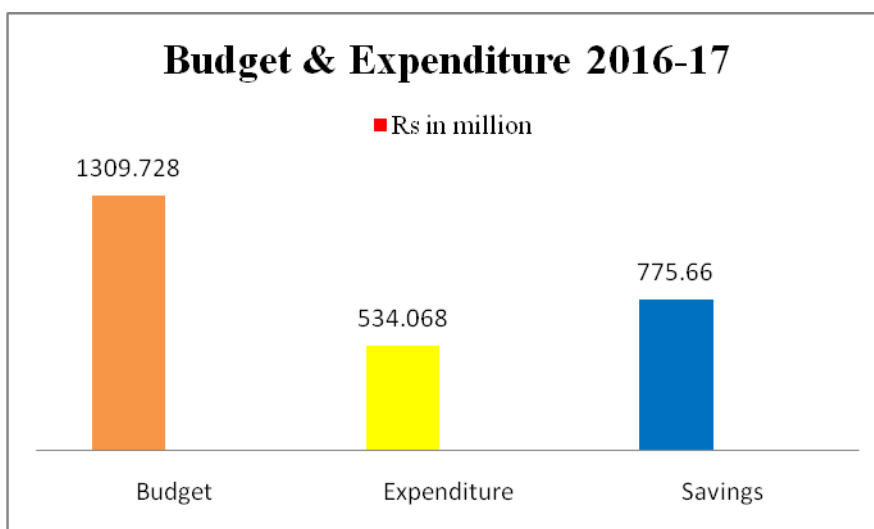
Description	No. of health facility/ institute
Basic Health Units	138
Government Rural Dispensary	40
Rural Health Centre	12
Tehsil Head Quarter Hospitals	08
District Head Quarter Hospitals	01
District Health Development Centre	01
District Health Officers	03
Any other institute/ health facility	16

### 17.2 Comments on Budget and Accounts

Total budget of District Health Authority for the Financial Year 2016-17 was Rs 1309.728 million, against which only Rs 534.068 million was spent. Overall savings of Rs 775.60 million during the Financial Years 2016-17 which was 59% of budgetary allocation, showing non-utilization of funds meant for provisions of amenities in District Health Authority thus depriving the community from getting better facilities.

(Rs in million)

Financial Year	Budget	Expenditure	Savings	% Savings
2016-17	1309.728	534.068	775.660	59



### 17.3 Brief Comments on the Status of Compliance with PAC Directives

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

## **17.4      AUDIT PARAS**

## **17.4.1 Non-production of Record**

### **17.4.1.1 Non production of record / vouchers - Rs 1.700 million**

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

MS THQ Hospital Bhagtanwala transferred an amount of Rs 500,000 to PHA Sargodha for beautification of lawn of the hospital whereas the vouchers, detailed estimates, rough cost estimates and measurement book were not produced.

Similarly, MS THQ Sahiwal and MS THQ Hospital Bhagtanwala drew an amount of Rs 1.000 and Rs.200 million respectively from the health council funds. The formations neither submitted the vouched account nor deposited back funds to the relevant account.

In the absence of record, authenticity, validity, accuracy and genuineness of expenditure could not be verified.

<b>Sr. No.</b>	<b>Name of formation</b>	<b>PDP No.</b>	<b>Amount</b>
1	MS THQ Hospital Bhagtanwala	90	0.500
2	MS THQ Hospital Bhagtanwala	91	0.200
3	MS THQ Hospital Sahiwal	103	1.000
			1.700

Audit held that due to financial indiscipline and weak internal controls, relevant record was not produced to audit in violation of criteria *ibid*.

The matter was reported to CEO in August 2017 but neither reply was submitted nor was DAC meeting convened till finalization of this report.

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

(PDP No. 90,91,103)

## **17.4.2 Irregularities & Non-compliance**

### **17.4.2.1 Irregular expenditure in violation of Punjab Procurement Rules – Rs 11.848 million**

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

Drawing and Disbursing Officers of some formations of health Authority sargodha procured various items of store / stock equipment of Rs 11.848 million without floating advertisement on PPRA website and nation daily newspaper in violation of the rule ibid.

(Rs in million)			
<b>Sr.</b>	<b>Name of formation</b>	<b>PDP No.</b>	<b>Amount</b>
1	MS THQ Hospital Bhalwal	14	0.286
2	MS THQ Hospital, Bhera	17	0.873
3	MS THQ Hospital Bhera	18	0.750
4	MS TB Hospital Sargodha	29	6.137
5	MS THQ Hospital Kotmomin	36	1.239
6	District Officer Health	41	0.852
7	MS THQ 90 SB	57	0.396
8	MS THQ Hospital Bhagtanwala	87	0.395
9	THQ Hospital Sahiwal	99	0.920
<b>Total</b>			<b>11.848</b>

Audit held that purchases were made without advertising on PPRA's website to avoid fair competition.

This resulted in irregular expenditure of Rs 11.848 million.

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

Audit recommends action against the responsible and condemnation of irregularity from the PPRA authority.

(PDP No. 14,17,18,29,36,41,57,87,99)

#### **17.4.2.2 Acceptance of medicines of less shelf life - Rs 6.866 million**

According to Government of Punjab Health Department Notification No.S.O (P-I) H/3-64/2008 dated 18<sup>th</sup> October 2008, the shelf life in case of imported items must not be less than 80% and in case of local items 90% at the time of delivery. However, in case of imported medicines, the stores may be accepted up to 70% shelf life and in case of locally manufactured / packed drugs up to 80% at the time of supply / delivery subject to 1% penalty charges for the actual short fall.

Following formations of District Health Authority Procured medicines below shelf life of 90% but penalty charges were not deducted from the suppliers of medicines in violation of above rule.

(Rs in million)			
Sr. No.	Name of formation	PDP No.	Amount
1	SMO RHC 104 N.B	5	6.298
2	MS THQ Hospital Bhalwal	13	0.250
3	MS THQ Hospital Bhera	20	0.032
4	MS THQ Hospital Kotmimon	38	0.286
<b>Total</b>			<b>6.866</b>

Audit held that due to weak financial controls medicines of below shelf life were accepted without penalty charges.

This resulted in acceptant of less shelf life medicines without deduction of penalty charges.

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

Audit recommends fixing of responsibility against the person(s) at fault.  
(PDP No. 5,13,20,38)

#### **17.4.2.3 Irregular expenditure due to payment of medicines without DTL Reports – Rs 5.334 million**

According to Health Department's policy letter No. SO (P-1) H/RC 2001-2002/01, dated 29th September, 2001, no drug/ medicine shall be accepted & used without the report of Drug Testing Lab (DTL). Moreover, payment on accounts of Drugs/Medicines shall be released to suppliers only on receipt of standard/positive DTL report. Further, according to Drug Act 1967, the payment to suppliers of medicines should be made after obtaining DTL reports.

Following formations of District Health Authority made payment of Rs 5.334 for purchase of medicines from suppliers without obtaining Drugs Testing Laboratory reports.

(Rs in million)

Sr. No.	Name of formation	PDP No.	Amount
1	THQ Hospital Sillanwali	16	1.768
2	THQ Hospital Kot Momin	32	.584
3	MS THQ 90 SB	55	.413
4	MS THQ 90 SB	56	.168
5	MS THQ Bhangtan Wala	92	.047
6	MS THQ Sahiwal	104	.907
7	CEO Health Authority	113	1.447
<b>Total</b>			<b>5.334</b>

Audit held that due to weak internal controls the expenditure was incurred without fulfilling laid down instructions.

This resulted in an irregular expenditure of Rs 5.334 million

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

Audit recommends condemnation of irregularity from competent forum.  
(PDP No. 16,32,55,56,92,104,113)

#### **17.4.2.4 Unauthorized payment of previous year liabilities Rs 4.739 million**

According to Rule 17.17 (A) read with Rule 17.18 of PFR Vol. every disbursing officer shall maintain a register of liabilities in P.F.R Form No.27 in which he should enter all those items of expenditure for which payment is to be made by or through another officer; budget allotment or sanction of a higher authority is to be obtained; or payment would be required partly or wholly during the next Financial Year or years. Further, under no circumstance may charges incurred be allowed to stand over to be paid from the grant of another year

DO Health Sargodha procured medicines during May 2016 for Rs 4.739 million. The formations created liability during 2016 and made payment from the budget allocation of next year 2016-17. Further the register of liability was also not maintained by the formation in violation of criteria *ibid*.



<b>Bill No. &amp; Date</b>	<b>Supply Order</b>	<b>Supplier</b>	<b>DTL</b>	<b>Amount</b>
100027845 dt.05-06-16	5039 dt.05-05-16	PDH Labs.	27-05-2016	2039000
2132 dt.19-01-16	Nil	Gulf Pharmaceuticals	02-05-2016	1400985
2374 dt.04-016	Nil	Bloom Pharmaceuticals	22-07-2016	1300000
<b>Total</b>				<b>4739985</b>

Audit held that due to financial indiscipline and administrative controls pending liabilities were created in May, 2016 and liquidated during 2016-17 without maintaining register of liabilities.

This resulted in unauthorized payment of liabilities Rs 4.740 million.

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

Audit recommends condemnation of irregularity from competent forum.

### **17.4.3 Internal Control Weaknesses**

#### **17.4.3.1 Non-Surrendering of Savings – Rs 40.795 million**

Anticipated savings in the budget should be surrendered in the 2<sup>nd</sup> excess and surrendered statements as required under Rule 17.20 of P.F.R Vol-1 and Para 14 of Punjab Budget Manual. Furthermore Rule 20(iii) of PDG and TMA (Budget) Rules, 2003 also requires that each Drawing and Disbursing officer shall develop the most realistic and sound budget estimates.

CEO District Health Authority Sargodha did not surrender savings of Rs 40.795 million on due time.

<b>F.Year</b>	<b>Head of Account</b>	<b>Budget</b>	<b>Expenditure</b>	<b>Savings</b>
2016-17	Total utilities	700,000	21,682	678,318
2016-17	Purchase of medicine	49,850,000	48,248,443	1,601,557
2016-17	SDA	79,556,905	41,042,172	38,514,733
<b>Total</b>		<b>130,106,905</b>	<b>89,312,297</b>	<b>40,794,608</b>

Audit was of the view that due to weak internal and financial control funds were not surrendered in time.

This resulted in blockage of public money Rs 40.795 million.

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

Audit recommends that the blockage of funds be justified besides fixing of responsibility against the person(s) at fault.

(PDP No.112)

#### **17.4.3.2 Non-deduction of Income Tax and GST – Rs 3.808 million**

According to Section 153(a)(b) of Income Tax Ordinance 2001. every prescribed person shall, at the time of making the payment, deduct tax from the gross amount inclusive of the sale tax, at the rate of 3.5% and 6% on accounts of purchase of goods and services rendered respectively

Following formations of District Health Authority made payments to suppliers for the purchase of different items but recovery on accounts of Income Tax and GST were not deducted or less deducted from the gross payment. This resulted in a loss of Rs 3.808 to the government.

(Rs in million)

Sr. No.	Name of formation	PDP No.	Amount
1	MS THQ Hospital Bhera	22	0.156
2	SMO RHC Phularwan	23	0.037
3	MS TB Hospital Sargodha	26	0.656
4	DO Health	39	1.004
5	MS THQ Hospital 90 SB	52	0.025
6	MS THQ Hospital 90 SB	53	0.807
7	MS THQ Hospital 90 SB	54	0.012
8	MS THQ Hospital, Shahpur	59	0.576
9	SMO RHC Lillani	67	0.028
10	SMO RHC Miani	74	0.040
11	MS THQ Hospital Bhagtanwala	85	0.193
12	MS THQ Hospital Bhagtanwala	86	0.076
13	MS THQ Hospital Sahiwal	98	0.198
<b>Total</b>			<b>3.808</b>

Audit held that due to weak internal controls and weak financial discipline IT and GST were not deducted.

This resulted in loss of Rs 3.808 million to public exchequer.

The matter was reported to the CEO in August, 2017. The reply was not furnished by the department and DAC meeting was also not convened till finalization of report.

Audit recommends that responsibility against the person/s at fault be fixed. (PDP No.22,23,26,39,52,52,54,59,67,74,85,86,98)

#### **17.4.3.3 Unauthorized Drawl of HRA, CA, HSRA and SSB – Rs 2.580 million**

According to Sub Treasury Rules 7-A read with instructions contained in Finance Department, Government of the Punjab (Monitoring Wing) Lahore's letter No.FD(M-I)1-15/82-P-I dated 15<sup>th</sup> January, 2000, the Government servant who is allotted a government residence is not allowed to draw House Rent Allowance. Further House Rent Charges @ 5% of the basic pay shall be deducted from his salary.

DDOs of following formations of District Health Authority made unauthorized payment of Rs 2.580 million on accounts of House Rent Allowance, Conveyance Allowance, Health Sector Reform Allowance and Social Security Benefit etc in violation of the rule ibid.

(Rs in million)			
Sr. No.	Name of formation	PDP No.	Amount
1	SMO RHC 104/NB	7	.041
2	MS TB Hospital Sargodha	30	.192
3	MS THQ Hospital Kotmomin	33	.656
4	Program Director (DHDC)	64	.209
5	Program Director DHDC	65	.022
6	SMO RHC Miani	78	.202
7	MS THQ Hospital Bhagtanwala	93	.093
8	MS THQ Hospital Bhagtanwala	94	.147
9	MS THQ Hospital Bhagtanwala	96	.360
10	MS THQ Hospital Sahiwal	105	.035
11	MS THQ Hospital Sahiwal	108	.491
12	MS THQ Hospital Sahiwal	109	.132
			2.580

Audit held that due to weak internal controls and weak financial discipline different allowances were paid.

This resulted in overpayment of allowances Rs 95.487 million

The matter was reported to the CEO in August, 2017. The reply was not furnished by the department and DAC meeting was also not convened till finalization of report.

Audit stresses on recovery.

(PDP No.7,30,33,64,65,78,93,94,96,105,108,109)

#### **17.4.3.4 Loss due to purchases at exorbitant rates- Rs 2.062 million**

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

Following formations purchased certain items from different suppliers on quotations. Comparison of rates charged in the quotations and rate prevailing in market for the same year showed that the rates of the items purchased through quotations were exorbitantly higher than the prevailing market rates. This resulted into a huge loss of Rs 2.062 million.

(Rs in million)				
Sr	Name of formation	Description	PDP No.	Amount
1	MS TB Hospital	AC	31	0.390
2	District Officer Health	UPS	42	0.223
3	District Officer Health	Water Dispenser	43	0.502
4	District Officer Health	Steel Benches	44	0.903
5	MS RHC Lillani	Water Dispenser	72	0.044
<b>Total</b>				<b>2.062</b>

Audit was of the view that due to weak internal and financial control items purchased on higher rates.

This resulted in a loss of Rs 2.062 million.

The matter was reported to the CEO in August, 2017. The reply was not furnished by the department and DAC meeting was also not convened till finalization of report.

Audit recommends that the purchase on higher rates be justified besides fixing of responsibility against the person(s) at fault.

(PDP No. 31,42,43,44,72)

#### **17.4.3.5 Loss to the Govt. due to non-deduction of LD charges - Rs 1.698 million**

As per clause 20 of General Condition of the supply order, the supplier shall deliver consignment within 60 days with the grace period of further 15 days from the date of issuance of supply order. Extension in delivery period shall only be granted with penalty @0.067 per day after 60 days (as delivery period)

Security of record revealed that some formations of District Health Authority received medicine from suppliers after the stipulated period (inclusive of grace period). The formation neither imposed penalty nor recovered late delivery charges from the claims of contractor in violation of the above *ibid*.

(Rs in million)

Sr. No.	Name of formation	PDP No.	Amount
1	SMO RHC 104 N.B	6	0.243
2	MS THQ Hospital Bhera	19	0.135
3	MS THQ Hospital Bhera	21	0.293
4	MS THQ Hospital Kotmomin	35	0.184
5	MS THQ Hospital 90/SB	60	0.843
<b>Total</b>			<b>1.698</b>

Audit held that liquidity damages were not imposed willfully to extend favour to contractors.

This resulted in loss to government Rs 1.698 million

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

Audit recommends regularization of the expenditure.

(PDP No. 6,19,21,35,60)

#### **17.4.3.6 Unauthorized occupation of Hospital Quarter by private person involving loss of Rs 0.593 million**

According to Serial No.36 (e) (rent matter) of letter No. EO(S&GAD) Policy/2009/345 dated 19.01.2009 Government of the Punjab, S&GAD (Estate office) Lahore, Penal Rent @ 60% of basic pay is required to be charged from unauthorized and illegally occupant of Government accommodation

Security of record revealed that 08 No. residential quarters of MS THQ Hospital Sahiwal District Sargodha were illegally occupied by the Punjab Police, DDO (Health), contractor of the Trauma Centre and Punjab Police Staff but penal rent @ 60% was not being deducted from the salaries of illegally occupied employees.

<b>Residences</b>	<b>No of Designated Residence</b>	<b>Occupied by</b>	<b>Conveyance Allowance</b>	<b>House Rent Allowance</b>	<b>Total Loss</b>
Doctors	04	Punjab Police and contractor	(5000*4*12) 240,000	(5000*4*12) 240,000	440,000
Class iv	04	-----	(1785*4*12) 85,680	1400*4*12 67,200	152,880
Total					592,880

Audit held that due to weak internal controls, government residences were occupied by the illegal occupant with out payment of penal charges.

This resulted in loss to the government of Rs 592,880

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

Audit recommends recovery of penal rent and fixing of responsibility against the person at fault.

(PDP No.107)

## **CHAPTER 18**

### **District Health Authority, Sheikhpura**

#### **18.1 Introduction of the Authority**

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

Prior to promulgation of the Act, District Health Department was headed by the Executive District Officer (Health) who is Departmental Accounting Officer of group of offices of District Health Department and District Coordination Officer was the Principal Accounting Officer under PLGO, 2001.

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

- establish, manage and supervise primary and secondary health care facilities and institutions;
- approve the budget of the Authority and allocate funds to health institutions;
- coordinate health related emergency response during any natural calamity or emergency;
- develop referral and technical support linkages between primary and secondary levels of health care on the one hand and tertiary level health facilities and medical education institutions on the other;
- ensure human resource management and capacity development of health service delivery personnel under the policy framework given by the Government;
- ensure timely reporting of progress on health indicators relating to disease surveillance, epidemic control, disaster management to the Government; and
- ensure implementation of minimum standards of service delivery, infrastructure, patient safety, hygiene and public health as prescribed by the Punjab Health Care Commission.

DHA Sheikhpura manages following primary and secondary health care facilities and institutues:

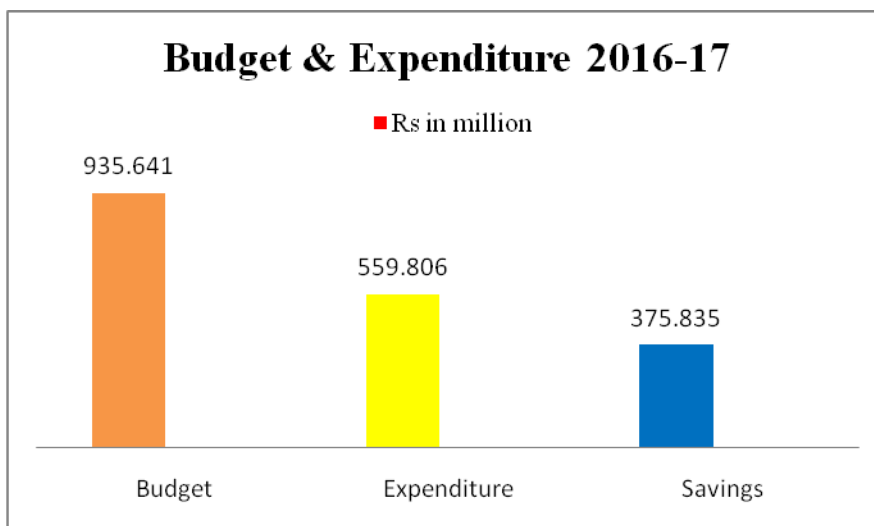
Description	No. of health facility/ institute
Basic Health Units	79
Government Rural Dispensary	0
Rural Health Centre	07
Tehsil Head Quarter Hospitals	04
District Head Quarter Hospitals	04
District Health Development Centre	01
Deputy District Officers	04
District Health Officers	01
Any other institute/ health facility	01

## 18.2 Comments on Budget and Accounts

Total budget of District Health Authority for the Financial Year 2016-17 was Rs 935.641 million, against which only Rs 559.806 million was spent. Overall savings of Rs 375.837 million during the Financial Years 2016-17 which was 40% of budgetary allocation, showing non-utilization of funds meant for provisions of amenities in District Health Authority thus depriving the community from getting better facilities.

(Rs in million)

Financial Year	Budget	Expenditure	Savings	% Savings
2016-17	935.641	559.806	375.835	40



## 18.3 Brief Comments on the Status of Compliance with PAC Directives

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



## **18.4      AUDIT PARAS**

## **18.4.1 Irregularity & Non-compliance**

### **18.4.1.1 Loss to government due to purchase of medicine at higher rates – Rs 11.621 million**

According to Rule 2.33 of P.F.R Vol-I, every Government servant should realize fully and clearly that he will be held personally responsible for any loss sustained by government through fraud or negligence on his part. Further Finance Department has imposed complete ban on serving lunch in the meeting keeping in view the austerity measures.

As envisaged within the meaning of Rule 34 of PP Rules 2014; captioned as Discriminatory and difficult conditions, during the procurement process, the officials of the Procuring Agency shall not:

- Bar or restrict availability of bidding documents/other information to a bidder;
- Develop specifications to favor a particular vendor; iii. Split or group the procurements;

Add any condition in the bidding documents which discriminates between bidders or is difficult to meet.

An audit scrutiny of accounts record of MS DHQ Hospital Sheikhpura revealed that medicine at higher rates purchased during 2016-17. The medicine was purchased on the rate contract predicated on manipulated bidding documents developing specifications to favour a particular section of suppliers approved by the Secretary, Primary and Secondary Health Government of the Punjab. The examination of rate contractor revealed that the rates of medicines were two to three time higher than the rates approved for the purchase of medicine during previous Financial Year 2015-16. Due to this reason government sustained loss of Rs 11.621 million due to purchase of medicine at higher rates. Annexure-S.

Audit was of the view that purchase of medicines at higher rates was due to poor financial discipline and weak internal controls.

The matter reported to the PAO in December, 2017. Neither reply was submitted by the department nor DAC meeting convened till finalization of this report.

Audit recommends regularization of the matter in a manner prescribed besides fixing against the officers / officers at fault under intimation to Audit

[PDP # 03]

#### **18.4.1.2 Payment of SDA without post Audit – Rs 95.602 million**

According to revised procedure for operation of SDAs circulated by the office of the Controller General of Account letter No.AC-II/1-39/08-Vol-V/632 Dated: September 24, 2008 applicable w.e.f.01-10-2008 “The drawing authorities will submit monthly account of expenditure with copies of paid vouchers to the concerned AG/DAO for post audit purpose by 15th of each month who will carry out 100% post audit. Further Government of the Punjab Finance Department vide its letter No. SO(TT)6-1/2007 dated 16-09-2007 has since decided to adopt the policy for the operation of SDAs circulated by CGA vide letter No.AC-II/6-23/99/Vol-XIV/160 dated 14-07-2007 “to overcome the existing accounting problems relating to SDAs the provisions contained in chapter 10 and 17 of the APPM will be implemented”.

EDO Health and RHC Jandiala Sher Khan incurred an expenditure of Rs 29.643 million out of funds from SDA without submitting the vouchers to DAO for post audit.

<b>Sr. no.</b>	<b>Name of formation</b>	<b>PDP #</b>	<b>Amount spent</b>
1	EDO Health	09	29.643
2	RHC Jandiala Sher Khan	02	0.602
3	THQ Hospital Muridke	01	65.357
<b>Total</b>			<b>95.602</b>

Audit was of the view that expenditure out of SDA funds without post audit was due to weak internal controls.

This resulted in irregular expenditure from SDA funds amounting to Rs 95.602 million

The matter was reported to the PAO in December, 2017. Neither reply was submitted nor DAC meeting convened till finalization of this report.

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

#### **18.4.1.3 Unjustified expenditure without re-appropriation of funds – Rs 95.602 million**

According to Guideline for utilization of SDA of issued and circulated by Government of the Punjab, Primary & Secondary Health Care Department vide letter No. PSO/SECY-P&SH/05/2016 dated 2nd September, 2016 sets forth that distribution of released funds shall be done into finalized object codes list. Re-appropriation of funds shall be made

from A05270-Others to relevant object code. Re-appropriation order shall be prepared by the concerned MS DHQ/THQ and copy of the same shall be submitted to Additional Secretary (Development), Primary and Secondary Healthcare Department. The concerned person in P&SHD shall get the funds online in SAP system from Finance Department as per re-appropriation order and intimate the same to the concerned MS of DHQ/THQ.

DHA Sheikhpura made payment amounting to Rs 95.602 million during Financial Year 2016-17, out of SDA. The expenditure was held irregular because the lump-sum release/funds were not distributed / re-appropriated among the detailed object codes according to requirement of the hospital. Expenditure was incurred out of the object code “A05270-Others”.

Audit was of the view that due to financial indiscipline and weak internal controls unjustified expenditure was incurred.

Sr. No.	Name of formation	PDP #	Rs in million
1	EDO Health	09	29.643
2	RHC Jandiala Sher Khan	02	0.602
3	THQ Hospital Muridke	01	65.357
<b>Total</b>			<b>95.602</b>

This resulted in unjustified payment of Rs 95.602 million.

The matter was reported to the PAO during November, 2017. Neither any reply was furnished nor DAC meeting was convened till finalization of this report.

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

#### **18.4.1.4 Payment of pay and allowances without admissibility - Rs 12.611 million**

According to the Government of Punjab, Health Department's order No SO(N.D)2-26 / 2004(P.II), non-practicing allowance @ Rs. 4,000 pm (BS- 17 & 18) and Rs. 6,000 pm (BS-19 & 20) w.e.f 1.1.2007 is admissible only for those doctors who do not opt for private practice. As per Government of the Punjab, Health Department, notification No. PO(P&E-I) 19-113/2004 dated 20<sup>th</sup> June, 2006, HSRA is admissible only to the staff working at RHCs and BHUs. According to Government of the Punjab, Finance Department letter No. FD (M-1) 1-15/82P-I dated 15.01.2000, in case of designated residences, the officer/officials cannot

draw HRA even if he does not avail the facility and residence remains vacant during the period. In case Govt. Servant is allotted below entitlement residence, he will not be allowed to draw HRA and will have to pay house rent at the rate of 5% of maximum scale of the category for which residence is meant. Further, According to revised pay scales notification, the Adhoc Allowance 2011,2012 were discontinued w.e.f. 01-07-2015 and Adhoc Allowance 2013, 2014, 2015 were discontinued w.e.f 1-7-2016.

During compliance audit of following formations for the Financial Year 2016-17, it was observed that management made payment on accounts of allowances amounting to Rs 12.611 million as mentioned against each without admissibility.

Sr. No.	Name of Formation	Nature of Allowance	PDP #	Amount (Rs)
1	RHC Jandiala Sher Khan	House rent allowance	01	0.132
2	DO Health	HSRA	05	0.262
3	DO Health	House Rent allowance and conveyance allowance	06	6.007
4	DO Health	Adhoc Allowance 2012, 2013 and 2014	07	0.305
5		Adhoc Allowance 2012, 2013 and 2014	08	0.250
6	THQ Safdarabad	HSRA	04	0.868
7	DHQ Hospital Sheikhpura	House rent allowance and conveyance allowance	04	0.199
8	THQ Hospital Sharqpur sharif	NPA	03	0.200
9	THQ Hospital Sharqpur sharif	HRA and CA	05	0.416
10	THQ Hospital Sharqpur sharif	HSRA	10	1.107
11	RHC Manawala	HRA and CA	02	2.865
	<b>Total</b>			<b>12.611</b>

Audit was of the view that payment of inadmissible allowances was made due to weak internal controls.

This resulted in overpayment of Rs 23.966 million to the public exchequer.

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

#### **18.4.1.5 Purchase of store items by violating Punjab Procurment Rules -Rs 14.140 million**

As per Rule 9 &12 of Punjab Procurement Rules 2014, a procuring agency shall announce in an appropriate manner all proposed procurements for each Financial Year and shall proceed accordingly without any splitting or regrouping of procurement so planned.

During compliance audit of following formations for the year 2016-17, it was observed that management incurred an expenditure of Rs 14.140 million on purchase of different items without adopting the system of open tendering resulting in irregular purchase.

<b>Sr. No.</b>	<b>Name of formations</b>	<b>Items purchased</b>	<b>PDP #</b>	<b>Amount (Rs)</b>
1	RHC Jandiala Sher Khan	Medical equipment, furniture etc	03	531,103
2	THQ Hospital Safdarabad	Ceramic tiles, flush tanks, CCTA wires	04	2,303,428
3	THQ Hospital Sharqpur	Purchase of LP medicine	12	1,027,367
4	RHC Manawanwala	-do-	06	111,693
5	THQ Hospital Muridke	Medical Eqp, Furniture, hardware etc		10,167,374
	Total			14,140,965

Audit was of the view that purchase without advertisement as per Punjab Procurement Rules was due to poor procurement planning and weak internal controls.

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

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

#### **18.4.1.6 Non-recovery of Penal Rent – Rs 2.220 million**

Government of the Punjab, S&GAD (Estate office) Lahore, prescribed that Penal Rent @ 60% of basic pay is required to be charged from unauthorized and illegally occupant of Government accommodation according to Serial No.36 (e) (rent matter) of letter No. EO(S&GAD) Policy/2009/345 dated 19.01.2009.

During compliance audit of RHC Farooqabad, it was observed that a penal rent amounting to Rs 2.220 million was not recovered from the

officials who occupied residences beyond their entitlement resulting in loss to government.

Sr. No.	Name of Formation	PDP #	Amount (Rs)
1	RHC Farooqabad	01	1,226,328
2	THQ Hospital Sharaqpur sharif	04	230,100
3	RHC Manawala	01	763,710
	<b>Total</b>		<b>2,220,138</b>

Audit held that non-recovery of penal rent was due to poor financial discipline and weak internal controls.

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

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

#### **18.4.1.7 Non-deposit of public receipts in local government fund – Rs 751,051**

According to Rule 76 of PDG & TMA (Budget) Rules, 2003, The primary obligation of the Collecting Officers shall be to ensure that all revenue due is claimed, realized and credited immediately into the local government fund under the proper receipt head.

During compliance audit of RHC Kharianwla and THQ Hospital Muridke for the Financial Year 2016-17, it was observed that management collected receipts amounting to Rs 751,051 on accounts of ambulance, MLC and x-ray fee but the same was not deposited into government treasury resulting in loss to public exchequer.

Audit was of the view that non-deposit of receipt into government treasury was due to poor financial discipline and weak internal controls.

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

Audit recommends deposit of receipt into government treasury besides fixing responsibility against the officers / officials at fault.

[PDP # 03, 12]

#### **18.4.1.8 Non-recovery of penalty charges – 1.168 million**

According to Government of Punjab Health Department Notification No.S.O (P-I) H/3-64/2008 dated 18.10.2008, the shelf life in case of locally manufactured/ packed drugs must not be less than 85% and in case of imported items 75% at the time of delivery. However, subject to 1 % penalty charges for the actual short fall, in case of locally manufactured / packed drugs, the stores may be accepted up to 80 % shelf life and in case of imported medicines up to 70 % at the time of delivery.

During compliance audit of SMO RHC Kharianwala, Sheikhpura for the Financial Year 2016-17, it was observed penalty charges amounting to Rs 1.168 million due to purchase of medicines below shelf life were not recovered. Annexure-T.

Audit was of the view that non-recovery of penalty charges was due to poor financial discipline and weak internal controls.

This resulted in loss of Rs 1.168 million to the public exchequer.

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

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

[PDP # 07]

#### **18.4.1.9 Illegal occupation of Nursing school staff Residence - Rs 843,714**

As per clarification issued by Government of the Punjab, in terms of Finance Department's letter no. FD (M-1)1-15/82-P-I dated 15.1.2000, in case a designated residence is available, the Government servant for whom it is meant cannot draw HRA even if he does not reside in it. In case of designated residences, the officer/officials could not draw HRA & Conveyance even if he does not avail the facility and residence remains vacant during the period. In case Govt. Servant is allotted below entitlement residence, he will not be allowed to draw HRA and will have to pay house rent at the rate of 5% of maximum scale of the category for which residence is meant. Further, according to Government of Punjab, S&GAD Department letter No.EO (S&GAD)Policy / 2002-1943 dated 16.10.2002 a government servant in case of his transfer may retain government accommodation for a maximum period of two month and



after the said period he will be liable to pay panel rent at the rate of 60% of his pay.

During compliance audit of General Nursing School, Sheikhpura it was observed that three Government residences were allotted for nursing instructor but same residences were occupied by the staff of DHQ hospital Sheikhpura without deducting the HRA, CA and 5% maintenance charges amounting to Rs 0.844 million.

Audit was of the view that illegal occupation of government residence and non deduction of allowances and maintenance charges was due to weak internal controls.

This resulted in loss of Rs 0.844 million to the public exchequer.

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

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

[PDP #06]

#### **18.4.1.10 Irregular Expenditure due to Shifting of Head Quarter Rs 3.001 million**

As per Finance Department, Government of Punjab letter No.FD.SR.IV-8-1/76 (Prov) dated 16<sup>th</sup> March 1988, shifting of Headquarter of a civil servant can only be allowed for a period not exceeding three months with the prior approval of Finance Department.

During compliance audit of the following formations for the Financial Year 2016-17, accounts record revealed that staff of these formations were performing duties in other offices and drawing pay & allowances amounting to Rs 3.001 million from the budget of these offices.

<b>Sr. No.</b>	<b>Name of formation</b>	<b>PDP #</b>	<b>Amount (Rs)</b>
1	DO Health	01	551,688
2	THQ Hospital Safdarabad	03	2,449,752
	<b>Total</b>		<b>3,001,440</b>

Audit was of the view that payment of salaries without performing duty was due to poor financial discipline and weak internal controls.

The matter was reported to the PAO in December, 2017. Neither reply was submitted by the department nor DAC meeting convened till finalization of this report.

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

#### **18.4.1.11 Irregular Payment of Conveyance Allowance to vaccinators – Rs 1.461 million**

According to Govt. of Punjab, FD Letter No.FD-SR.I.9-4/86(P)(PR) dated: 21st April 2014, the officers who are availing Govt. vehicles including bikes (sanctioned / pool) are not entitled to the facility of conveyance allowance w.e.f.01-03-2014. FD's instructions whereby Conveyance Allowance was allowed on a certificate of not using vehicle from house to office and vice versa were withdrawn accordingly.

During compliance audit of DO health Sheikhpura it was observed that payment on accounts of conveyance allowance amounting to Rs 1.461 million was being made to vaccinators and others staff despite of the fact they were provided officials motorcycles.

Audit was of the view that due to weak internal control conveyance allowance was not deducted from the salaries resulted in loss to government.

This resulted in loss of Rs 1.461 million to the public exchequer.

The matter was reported to the PAO in December, 2017. Neither reply was submitted by the department nor DAC meeting convened till finalization of this report.

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

[PDP # 02]

#### **18.4.1.12 Payment of medicine without obtaining DTL reports Rs. 5.793 million**

“No drug / medicine shall be accepted & used without the report of Drug Testing Lab (DTL). Moreover, payment on accounts of drugs / medicines shall be released to the suppliers only on receipt of standard / positive DTL report” according to Health Department's policy letter No. SO(P-I)H/RC 2001-2002/01 dated 29.9.2001.

During compliance audit of THQ hospital Safdarabad for the Financial Year 2016-17, it was observed that an expenditure of Rs 5.793 million was made to the supplier on purchase of medicine without obtaining DTL reports.

Audit was of the view that payment without DTL reports was due to poor financial discipline and weak internal controls.

This resulted in irregular purchase of medicines and their use amounting to Rs 5.793 million.

The matter was reported to the PAO in December, 2017. Neither reply was submitted nor DAC meeting convened till finalization of this report.

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

[PDP # 05]

#### **18.4.1.13      Irregular payment of salaries without sanctioned posts Rs 475.344 million**

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

During Audit of CEO Education Sheikhpura for the year 2016-17, it was observed that CEO District Education Authority Sheikhpura made payment amounting to Rs 475.344 million on accounts of pay and allowances without getting approval from the Finance Department and adjustment of regular employees of defunct council.

Audit was of the view that payment of salaries without approval of Finance Department was due to weak internal controls.

This resulted in unjustified payment of salaries amounting to Rs 475.344 million

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

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

[PDP # 01]

#### **18.4.1.14 Less deposit of Government Receipts – Rs 329,343**

According to Rule 76 of PDG and TMA (Budget) Rules, 2003 the Collecting Officers shall ensure that all revenue due is claimed, realized and credited immediately into the Local Government Fund.

During compliance audit of District Headquarter Hospital, Sheikhpura it was observed that receipts on accounts of ECG and X-ray amounting to Rs 0.329 million was less deposited in government treasury as detailed below.

Month	Nature of Receipts	No. of Patients as per DHIS	Rate (Rs)	Amount (Rs)	Amount Deposited (Rs)	Difference (Rs)
January	ECG	1,211	75	90,825	30,983	59,842
	X-ray	4,331	15	64,965	10,466	54,499
February	ECG	1,388	75	104,100	36,957	67,143
	X-ray	2,795	15	41,925	13,581	28,344
March	ECG	1,152	75	86,400	38,779	47,621
	X-ray	5,608	15	84,120	12,226	71,894
<b>Total</b>				<b>472,335</b>	<b>142,992</b>	<b>329,343</b>

Audit held that less collection of receipt was due to poor financial discipline and weak internal controls.

This resulted in loss of Rs 329,343 to the public exchequer.

The matter was reported to the PAO in December, 2017. Neither reply was submitted nor DAC meeting convened till finalization of this report.

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

[PDP # 02]

#### **18.4.1.15 Non deposit of receipts in account VI of District Health Authority – Rs 2.159 million**

According to the Rule 76 (1) of the Punjab District Authorities (Budget) Rules 2017, the primary obligation of the collecting officers shall be to ensure that all revenue due is claimed, realized and credited immediately into the authorities fund under the proper receipt head.

During compliance audit of DHQ, it was observed that receipts amounting to Rs 2.159 million as detailed below was not deposited in account-VI of DHA rather the same was being deposited in account-I of provincial government.

Sr. #	Month	Amount
1	February, 2017	931,577
2	April, 2017	178,200
3	May, 2017	1,050,138
<b>Total</b>		<b>2,159,915</b>

Audit held that non-deposit of receipt in District Health Authority was due to poor financial discipline and weak internal controls.

This resulted in loss of Rs 2.159 million to the public exchequer.

The matter was reported to the PAO in December, 2017. Neither reply was submitted nor DAC meeting convened till finalization of this report.

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

[PDP # 03]

#### **18.4.1.16 Unauthorized expenditure from account –VI – Rs 2.749 million**

According to Primary and Secondary Health Care Department of Government of Punjab letter No. PSO/SecyP&SH/05/016 dated 2<sup>nd</sup> September 2016 Finance Department released non-salary budget into SDA account of MS DHQ Hospital Sheikhpura against equal surrender from the block allocation of equal amount of Rs 245,000 million.

During compliance audit of DHQ hospital SKP, scrutiny of the sample vouchers revealed that it was observed that expenditure of Rs 3.638 million was incurred from account –VI (District Health Authority)

in spite of the fact that SDA account was opened for incurring expenditure on contingency.

Audit held that expenditure from account after the opening of SDA account was due to poor financial discipline and weak internal controls.

This resulted in unjustified use of funds amounting to Rs 3.638 million.

The matter was reported to the PAO in December, 2017. Neither reply was submitted nor DAC meeting convened till finalization of this report.

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

[PDP # 06]

#### **18.4.1.17 Unjustified expenditure on purchase of medical equipment – Rs 1.930 million**

According Director General Health Services Punjab letter No. 6611-6646/PA dated 13<sup>th</sup> July, 016, all EDOs Health were directed no to purchase the machinery and equipment during the Financial Year 2016-17 till further orders.

During compliance audit of DHQ Hospital for the year 2016-17, scrutiny of the sample vouchers revealed that an expenditure of Rs 1.930 million was incurred on the purchase of following medical equipments in violation of the instructions issued by Government of Punjab.

<b>Sr. No.</b>	<b>Date</b>	<b>Description of item</b>	<b>Supplier</b>	<b>Amount (Rs)</b>
1	11-Jan-17	Semi Auto Clinical chemistry analyzer	Seico Scientific	389,000
2	11-Jan-17	Hematology analyzer	Seico Scientific	370,000
3	26-Apr-17	Air conditioner split type (1.5 ton)	Hamad Raza & comp.	399,000
4	26-Apr-17	Air conditioner 2 ton cabinet type	Hamad Raza & comp.	772,000
		<b>Total</b>		<b>1,930,000</b>

Audit held that unauthorized purchase of medical equipment was due to poor financial discipline and weak internal controls.

This resulted in unjustified purchase of medical equipment.

The matter was reported to the PAO in December, 2017. Neither reply was submitted nor DAC meeting convened till finalization of this report.

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

[PDP # 07]

#### **18.4.1.18 Theft of Electricity - Rs. 884,800**

According to Rule-2.33 of Punjab Financial Rules Volume-I, provided that every Government servant must realize that he will be held responsible for any loss caused to Government through negligence / fraud on his part.

During compliance audit of THQ Sharqpur for the Financial Year 2016-17, it was observed that officials / officers residing in government accommodation were using electricity from the Hospital meter. The management did not make any efforts to install separate meters for residences nor collected electricity charges or received an amount of Rs 0.884 million from residents.

Audit was of the view that non-collection of electricity charges was due to poor financial discipline and weak internal controls.

This resulted in loss of Rs 0.884 million to the public exchequer.

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

Audit recommends recovery of electricity charges besides fixing responsibility against the officers / officials at fault under intimation of Audit.

[PDP # 01]

#### **18.4.1.19 Non recovery of outstanding dues Rs1.053 million**

According to Rule 2.10(a)(1) of PFR vol-I, same vigilance should be exercised in respect of expenditure incurred from Government revenues as a person of ordinary prudence would exercise in respect of the expenditure of his own money.

Scrutiny of record THQ Hospital Muridke for the Financial Year 1.1.2017-30.6.2017, it was observed that management auductioned the Canteen and Cycle Stand for amounting to Rs1,453,100 in 2016-17 but

contractor paid only Rs400,000 from total outstanding amount. Department failed to collect the outstanding dues from contractor for Rs 1,053,102 as detailed given below. This resulted in loss of revenue amounting to Rs1,053 million.

Audit was of the view that non-recovery of outstanding dues was due to weak supervisory and financial controls.

The matter was reported to the PAO in December, 2017 but neither reply was submitted no DAC meeting convened till the finalization of this report.

Audit recommends recovery of outstanding charges besides fixing responsibility against the officers / officials at fault under intimation of Audit.

[PDP # 10]



## **18.4.2 Performance**

### **18.4.2.1 Irregular centralization of the budgeted expenditure and un-reconciled receipt for authority's fund - Rs 762.205 million and loss for want of investment of surplus cash closing balance**

According to para 2.3.2.2 of APPM, information in the accounts and in the supporting subsidiary records shall be accurate, representing actual substance of past events, without undue errors or omissions. This shall include correct and consistent classification and recognition of revenues and expenditures. Moreover, the functions of District Health Authorities, as prescribed under the Punjab Local Government Act, 2013 is to establish, manage and supervise primary and secondary health care facilities and institutions also to approve the budget of the Authority and allocate funds to health institutions including BHUs. As provided within the meaning of the Rule 11(2) (f) of the Punjab District Authorities Accounts Rules 2017, in discharge of his responsibilities, the Chief Executive Officer shall ensure that the amount credited to the Local Fund as reported by Accounts Officer are reconciled or verified with records on monthly and annual basis. As provided under Section 109(2) of the PLGA 2013, a local government may invest surplus funds, if any, in such securities and financial institutions, as may be approved by the Government.

During audit of the accounts the DHA Sheikhpura for the period from January to June 2017, it was observed that as per financial statement of DHA Sheikhpura against the budgetary outlay of Rs 935.641 million, total receipts of the DHA was reported worth Rs 762.205 million without reconciliation on record. The allocation of budget to declared independent Primary Healthcare institutions was not ensured and spending remained centralized whereas it had to be delegated to the level of institutions. Without rationalization of need assessment against consuming units and field formations, machinery and equipment and medicines worth Rs 20.900 million and Rs 35.804 millions were stockpiled respectively through centralized procurements avoiding sub allocations of funds in terms of requisite budgeting. Cash closing balance accumulated due to inflated releases against the PFC share of the DHA with final balance shown as Rs 1,317.175 million. No investment of the carried forward unspent balance was opted for compromising the revenue potential of the District Health Authority Sheikhpura with loss incurred for blockage of the amount without yielding dividends worth Rs 8.781 million per month against competitive offer of Daily Progressive Accounts of reputed Banks.

Audit held that it was binding to curb irregular centralization of the budgeted expenditure leaving no room to keep un-reconciled receipt worth Rs 762.205 million no heed was paid to loss caused for want of investment of surplus cash closing balance.

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

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

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

## **CHAPTER 19**

### **District Health Authority, Sialkot**

#### **19.1 Introduction of the Authority**

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

Prior to promulgation of the Act, District Health Department was headed by the Executive District Officer (Health) who is Departmental Accounting Officer of group of offices of District Health Department and District Coordination Officer was the Principal Accounting Officer under PLGO, 2001.

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

- establish, manage and supervise primary and secondary health care facilities and institutions;
- approve the budget of the Authority and allocate funds to health institutions;
- coordinate health related emergency response during any natural calamity or emergency;
- develop referral and technical support linkages between primary and secondary levels of health care on the one hand and tertiary level health facilities and medical education institutions on the other;
- ensure human resource management and capacity development of health service delivery personnel under the policy framework given by the Government;
- ensure timely reporting of progress on health indicators relating to disease surveillance, epidemic control, disaster management to the Government; and
- ensure implementation of minimum standards of service delivery, infrastructure, patient safety, hygiene and public health as prescribed by the Punjab Health Care Commission.

DHA Sialkot manages following primary and secondary health care facilities and institutes:

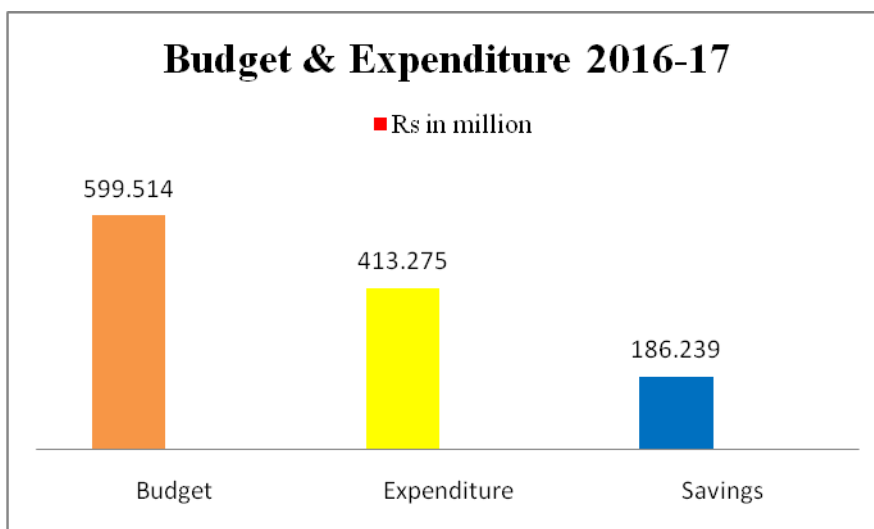
Description	No. of health facility/ institute
Basic Health Units/MNCH Centers	105
Government Rural Dispensary	03
Rural Health Centres	06
Tehsil Head Quarter Hospitals	04
District Head Quarter Hospitals	01
District Health Development Centre	01
District Health Officers	01
General Nursing School	01
District Blood Transfusion Unit	01

## 19.2 Comments on Budget and Accounts

Total budget of District Health Authority for the Financial Year 2016-17 was Rs 559.514 million, against which only Rs 413.275 million was spent. Overall savings of Rs 186.239 million during the Financial Years 2016-17 which was 31% of budgetary allocation, showing non-utilization of funds meant for provisions of amenities in District Health Authority thus depriving the community from getting better facilities.

(Rs in million)

Financial Year	Budget	Expenditure	Savings	% Savings
2016-17	559.514	413.275	186.239	31



## 19.3 Brief Comments on the Status of Compliance with PAC Directives

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

## **19.4      AUDIT PARAS**

#### **19.4.1 Irregularity & Non-compliance**

##### **19.4.1.1 Irregular purchase of medicine - Rs 40.557 million**

As per Rule 69 of Punjab Procurement Rules 2014, any violation of these rules shall be treated as mis-procurement.

During the audit of Chief Executive Officer Health of District Health Authority Sialkot for the Financial Year 2016-17 (Jan17 to Jun 17), it was observed that medicine was purchased on rate contract executed by Punjab Health Department Lahore which is not covered by Punjab Procurement Rules 2014.

Audit held that expenditure in incurred in violation of rules due to weak internal controls.

The matter was reported to the PAO in December, 2017. No DAC was convened despite repeated requests

Audit recommends for regularization of expenditure besides fixation of responsibility on persons at fault.

[PDP No 9]

##### **19.4.1.2 Irregular purchase of medicine of - Rs 35.592 million**

According to Rule 2.33 of PFR Vol-I, every Government servant should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part, and that he will also be held personally responsible for any loss, arising from fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he contributed to the loss by his own action or negligence.

Chief Executive Officer Health of District Health Authority Sialkot purchased medicine for Rs 35.292 million from the various venders but the purchase is held irregular on the following grounds performance security @5% of Rs 1,779,608 was neither collected nor deposited into government exchequer payment was made in cash besides through crossed cheques on the name of vender

This resulted in irregular purchase of medicine of Rs 35.592 million.

Audit held that expenditure in incurred in violation of rules due to weak internal controls.

The matter was reported to the PAO in December, 2017. No DAC was convened despite repeated requests

Audit recommends for regularization of expenditure besides fixation of responsibility on persons at fault.

[PDP No 7&8 ]

**19.4.1.3 Irregular Payment/ consumption of medicine due to non-submission of samples for lab testing - Rs 27.540 million**

According to clause “C” of the purchase order by the Chief Executive Officer Health Gujranwala i.e. “Govt. is well contingent of its extra ordinary care. In addition to procuring agency’s inspection committee the department’s inspection committee may collect 1-2 samples at random from any batch/supply. The samples will be got tested by any international WHO qualified Lab, engaged/hired/authorized by provincial Govt. the cost of such lab test shall also be born by the supplier/contractor. The supplier will directly pay the charges to that particular Laboratory.

MS THQ Hospital Daska, Sialkot did not produce any record in compliance to the above said provision of Purchase order. It was told that samples have been sent but no reports have yet been received but no cost was received from the suppliers. Furthermore, the medicine has been issued to the subsidiary formations for consumption which was required to be issued after these reports. This resulted in irregular payment/ consumption of medicine worth Rs 27.540 million without lab testing.

Audit held that due to non-compliance of rules the medicine was issued and payment was made without lab testing.

The matter was reported to the PAO in December, 2017. No DAC was convened despite repeated requests

Audit suggest fixing of responsibility against the person at fault.

[PDP No 10]

**19.4.1.4 Doubtful payment for purchase of Plant & Machinery - Rs 13.931 million**

According to letter No.PO (D-II)1-14/2016 (P) dated 22-08-2016 of Primary & Secondary Health Care Department, Government of Punjab’ “ Sanction is also hereby accorded to place the above said amount into Special Drawing Account (SDA) of DCO & EDO F&P Sialkot for execution scheme. Further, expenditure on the scheme may be incurred by the nominated executed agency after having the feasibility established and issuance of A.A by competent Authority and completion of all other codal/legal/ procedural formalities.” and according to Rule 2.32 (a) of PFR

Vol-1, all details about all accounts shall be recorded as fully as possible, so as to satisfy any enquiry that may be made into the particulars of any case.

During the audit of Chief Executive Officer Health of District Health Authority Sialkot for the Financial Year 2016-17 (Jan17 to Jun 17), it was observed that scheme “up-gradation of BHU into RHC Gagger, U/C Kullowal and up-gradation of (40 to 70 bedded) THQ Pasrur were approved and funded through Special Drawing Account (DCO & EDO F&P). Procurement procedure was to be completed by executing agency, but an amount of Rs 13.931 million was drawn and paid to Secretary Health Govt. of Punjab for procurement without any order, voucher, invoice and by ignoring legal formalities as detailed below:

Sr.	Name of Scheme	Name of Payee	Cheque No.	Amount (Rs)
1	Up-gradation of BHU into RHC Gagger, U/C Kullowal	Secretary Primary & Secondary Health	488316 dated 28-03-17	6,920,000
2	Up-gradation of (40 to 70 bedded) THQ Pasrur		488316 dated 28-03-17	7,011,000
Total				13,931,000

Audit held that expenditure in incurred in violation of rules due to weak internal controls.

The matter was reported to the PAO in December, 2017. No DAC was convened despite repeated requests

Audit recommends for regularization of expenditure besides fixation of responsibility on persons at fault. [PDP No 1]

#### **19.4.1.5 Unlawful drawl and transfer of funds - Rs11.251**

According to letter No.PO (D-II)1-14/2016 (P) dated 22-08-2016 of Primary & Secondary Health Care Department, Government of Punjab’ “ Sanction is also hereby accorded to place the above said amount in to Special Drawing Account (SDA) of DCO & EDO F&P Sialkot for execution scheme. Further, expenditure on the scheme may be incurred by the nominated executed agency after having the feasibility established and issuance of A.A by competent Authority and completion of all other codal/legal/ procedural formalities” and according to Rule 2.32 (a) of PFR Vol-1, all details about all accounts shall be recorded as fully as possible, so as to satisfy any enquiry that may be made into the particulars of any case.

During the audit of Chief Executive Officer Health of District Health Authority Sialkot for the Financial Year 2016-17 (Jan17 to Jun 17),



it was observed that scheme “up-gradation of BHU into RHC Gagger, U/C Kullowal and up-gradation of (40 to 70 bedded) THQ Pasrur were approved and funded through Special Drawing Account (DCO & EDO F&P). Procurement procedure was to be completed by executing agency. Secretary Primary and Secondary Health got permission for advance drawl of funds for electro medical equipment which required to be purchased through L.C. CEO Health transfer and drew in advance funds for purchase of plant & machinery, furniture and drapery without any justification as detailed below:

Sr.	Name of Scheme	Name of Payee	Description of item	Amount
1	Up-gradation of BHU into RHC Gagger, U/C Kullowal	Secretary Primary & Secondary Health	Drapery	0.351
			Plant & Machinery	5.000
			Furniture & Fixture	.889
2	Up-gradation of (40 to 70 bedded) THQ Pasrur		Drapery	0.500
			Plant & Machinery	3.000
			Furniture & Fixture	1.511
Total				11.251

Audit held that expenditure in incurred in violation of rules due to weak internal controls.

The matter was reported to the PAO in December, 2017. No DAC was convened despite repeated requests

Audit recommends for regularization of expenditure besides fixation of responsibility on persons at fault. [PDP No 2]

#### **19.4.1.6 Unauthorized expenditure on purchase of medicine-Rs 4.52 million**

According to Rule 2.9(d) of D.F.R, the Divisional Officer is required to maintain clear accounts of all stores received by him and to make these accounts available for audit. According to Finance Department letter No. FD (MR) MW/1-4/92 dated 26<sup>th</sup> September, 1992, if entries in the stock register are not available or if the concerned officials are not present at the time of audit and record is not shown to auditors, the entries made and record produced afterward would not be accepted,.

Scrutiny of accounts record of MS THQ Hospital Sambrial District Sialkot revealed that medicine were purchased during the Financial Year 2016-17, however the same were neither taken in stock nor its issuance was shown to audit.

Audit held that due to weak internal controls, medicines were not taken on stock register which resulted in unauthorized expenditure.

The matter was reported to the Deputy Commissioner in December, 2017. No DAC was convened despite repeated requests

Audit recommends justification of the matter. [PDP No 13]

#### **19.4.1.7 Unjustified drawl of funds in cash – Rs 4.494 million**

According to Para No. 4.49 of Sub Treasury Rules, all payments exceeding Rs.100,000 are to be paid through crossed cheques / pay-order and not by cash.

Scrutiny of accounts record of District Health Officer Sialkot revealed that management of the following BHUs withdraw funds amounting Rs 4.494 million from Health Council bank accounts more than one hundred thousand in each time. Cash drawl was also split up in the same month in violation of rule. According Finance Department Govt. of the Punjab, equal or more than one hundred thousand should be paid through crossed cheque rather than in cash. However Incharge of the school drew enormous funds in cash in one transaction which was inadmissible.

Audit held that due to non-compliance of govt. instructions, cash withdrew from Health Council bank account and paid to the supplier/contractors in violation of govt. rules.

The matter was reported to the Deputy Commissioner in December, 2017. No DAC was convened despite repeated requests

Audit suggests investigation of the matter.

[PDP No 1]

#### **19.4.1.8 Invalid expenditure on purchase of day-to-day medicines - Rs 2.537million**

As Per Government of the Punjab Health department letter No 199-336 dated 30.04.1998 and letter No AAC/HD/1-42/94(p) 14.04.1998 the procedure for purchase of day to LP medicine should be as follows: -

Tender register should be maintained. The same committee should process the case which is nominated by the Government for bulk purchase of medicines. 5% security of the LP budget should be obtained from successful bidder Discount rate for drugs of multinational items finalized by the Government should be kept in view. Contract for disposable and surgical items should be finalized separately on the basis of open tender, discount rate, rate contract. Patient's treatment register showing name registration number, address diagnosis, medicines etc should be

maintained. LP should not be for more than seven days for one patient. Drugs should be received defaced and issued from store against proper acknowledgement.

Audit of THQ Pasrur revealed that an amount of Rs. 2.537 million, was incurred on purchase of LP medicines but the above mentioned criteria was not fulfilled. The purpose of L.P medicine is to fulfill the day to day demand of medicine and it must be purchased within 2km of the hospital. Thus the expenditure so incurred was held as irregular.

The matter was reported to the PAO in December, 2017. No DAC was convened despite repeated requests

Audit suggest inquiry and fixing of responsibility against the persons at fault. [PDP No 4]

#### **19.4.1.9 Unjustified payment of pay and allowances due to absence from duty – Rs 2.466 million**

During scrutiny of Bio Matric attendance report (System Generated) of the Hospital, it has been observed that following officers/officials were reported as absent during the month of June 2017 whereas the manual attendance register shows their presence during these days. Audit was of the view that the employees did not attend the hospital and marked their attendance on the next day. The matter is required to be investigated thoroughly as well as in other months. This resulted in unjustified payment of pay and allowances of Rs2.466 million approximately, due to absence from duty.

Audit was of the view that due to weak internal control the unjustified pay and allowances were paid to the absent staff

The matter was reported to the PAO in December, 2017. No DAC was convened despite repeated requests

Audit suggests detailed inquiry/scrutiny of the matter and recovery of pay and allowances. [PDP No 11]

#### **19.4.1.10 Irregular payment of stipend - Rs.1.765 million**

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

During the audit of Chief Executive Officer Health of District Health Authority Sialkot for the Financial Year 2016-17 (Jan17 to Jun 17),

it was observed that stipend for community midwifery students were drawn and paid in cash instead of crossed cheques or through direct transfer in bank accounts of students as detailed below:

Document No.	Date	Cost Center	Description of Expense	Amount
1900030197	22.06.2017	CEO Health Sialkot	Stipend for CMW Student	299,600
1900039160	22.06.2017			568,336
1900064105	22.06.2017			896,800
Total				1,764,736

Audit held that expenditure in incurred in violation of rules due to weak internal controls.

The matter was reported to the PAO in December, 2017. No DAC was convened despite repeated requests

Audit recommends for regularization of expenditure besides fixation of responsibility on persons at fault. [PDP No 10]

#### **19.4.1.11 Irregular expenditure on purchase of similar items - Rs 1.669 million**

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

MS THQ Kotli Loharan, Sialkot incurred an expenditure of Rs 1.669 million on accounts of purchase of similar items by splitting the indent to avoid tender. This resulted in irregular expenditure Rs 1.669 million.

Audit held that due to financial indispine, purchases were split up.

The matter was reported to the PAO in December, 2017. No DAC was convened despite repeated requests

Audit recommends that the matter be got regularized from competent authority. [PDP No 06]

## **19.4.2 Internal Control Weaknesses**

### **19.4.2.1 Unauthorized payment of health sector reform allowance to the employees - Rs 19.776 million**

According to Secretary Health Department letter No PO(P&EI)19-113/2004 dated 13.4.2007 that Health sector reform allowance is only admissible in the less attractive DHQs/THQs Furthermore, whereas THQ Daska is not included in the list of Less attractive DHQs/THQs vide Secretary Health Notification No PO(P&E-I) 19-113/2004(V) dated 10.3.2007, as announced by the health department.

During scrutiny of records of THQ Daska, Sialkot it has been observed that HSRA is being paid to the MOs, WMOs and Specialists etc since long in violation of notification *ibid*. This resulted in unauthorized/inadmissible payment of HSR Allowance of Rs 19.776 million, which may be recovered from the employees. The calculations were made for the last 4 years which are required to be recovered at an actually paid HSR to the employees since 2007 according to their appointment at THQ.

Audit was of the view that due to weak internal control the unauthorized allowance was allowed to the staff

The matter was reported to the PAO in December, 2017. No DAC was convened despite repeated requests

Audit suggests the recovery of the government dues under intimation to Audit

[PDP No 7]

### **19.4.2.2 Unauthorized Drawl of Adhoc Allowance-2010 (50%) - Rs 9.943million**

According to Govt. of the Punjab, Finance Department letter No.FD.PC.40-04/12 dated 17-4-2012, those Doctors who are drawing Health Sector Reform Allowance and Health Professional Allowance are not entitled to Adhoc Allowance,07/2010 @50%. Similarly the charge nurses are drawing Mess @8000 and Dress Allowance @3100. This adhoc allowance has not been granted to the employees who have been allowed an allowance equal to at least one month's initial of pay scale of 2008.

During scrutiny of record of THQ Daska, Sialkot it has been observed that the following Doctors/Nurses were drawing Adhoc Relief Allowance, 2010 @50% in violation of above rule resulted in loss to Government Exchequer.

This resulted in loss of Rs 9,943,308.

Audit was of the view that due to weak internal control the unauthorized allowance was allowed to the staff

The matter was reported to the PAO in December, 2017. No DAC was convened despite repeated requests

Audit suggests the recovery of the government dues under intimation to Audit

[PDP No 4]

**19.4.2.3 Unauthorized Drawl of Adhoc Allowance-2010 (50%)-  
Rs 1.20 million**

According to Govt. of the Punjab, Finance Department letter No.FD.PC.40-04/12 dated 17-4-2012, those employees who are drawing special allowances are not entitled to Adhoc Allowance, 07/2010 @50%. This adhoc allowance has not been granted to the employees who have been allowed an allowance or allowances the sum of which is equal to at least one month's initial of pay scale of 2008.

During scrutiny of record of SMO RHC Satrah, it has been observed that the following staff were drawing special allowances i.e. dress allowance, mess allowance, health professional allowance and health sector reform allowance. Further probe revealed that Adhoc Relief Allowance, 2010 @50% was also being drawn in violation of above rule resulted in loss to Government Exchequer of Rs 1.20 million.

The matter was reported to the PAO in December, 2017. No DAC was convened despite repeated requests

Audit suggests recovery of unauthorized allowance

[PDP No 6]

**19.4.2.4 Unauthorized payment of HSRA to specialists-  
Rs 1.074million**

As per notification of Government of Punjab, Lahore No.PO(P&E-I)19-113/2004 HSRA will be allowed to the doctors posted at less attractive DHQ/THQ Hospitals and Specialists will be allowed only on hospital based practice after duty hours.

During audit of THQ Pasrur it was observed that Health sector reform allowance amounting to Rs. 1.074million was paid to the following staff. HSRA is allowed only in less attractive hospitals but THQ Pasrur

(70 bedded hospital) is not included in category of less attractive. This resulted in overpayment of Rs. 1.074million.

The matter was reported to the PAO in December, 2017. No DAC was convened despite repeated requests

Audit desires that the matter be justified besides recovery.

[PDP No. 9]

## **ANNEXURES**



## Annexure-A

### PART-I

#### Memorandum for Departmental Accounts Committee Paras Pertaining to Current Audit Year 2017-18

#### District Health Authority, Attock

(Rs in million)

Sr.	PDP#	Formation	Description of Paras	Amount
1	6	CEO Health	Irregular payment on Repair	0.146
2	7		Non- forfeited of Performance Security	0.049
3	5	DHQ Hospital	Purchase of LP Medicines for OPD Patients	-
4	1		Expenditure incurred on accounts of medicines and equipment by health council	8.047
5	17		Irregular Payment on discharging Liabilities	0.50
6	3		Non-allocation of 25% Budget LP Medicines	-
7	3	RHC Domail	Doubtful Expenditure from SDA of CEO-DHA	0.104
8	5	THQ Hospital	Un authorized Payment of Liabilities	0.45
9	6	Jand	Non-reconciliation of Expenditure of SDA	-
10	7		Non verification of GST	0.083
11	4	DOH Attock	Non-obtaining of Acknowledgment/ APRs	1.398
12	5		Ineffective use of government resources	-
13	12		Drawal of pay without sanctioned posts	1.44
14	17		Non maintenance of expenditure / receipt statements and Non-reconciliation with bank	-
15	18		Non utilization of medicine	0.248
16	19		Irregular drawl of POL	0.171
17	21		Un-justified Drawl of Transportation Charges	0.129
18	5	RHC Chab	Inefficient and unjustified use of resources	0.561
19	8		Irregular Payment of Punjab HSRPA	0.046
20	5	THQ Hazro	Retention of government residence after retirement	0.108
21	6		Non-forfeiture of security of defaulting contractors	0.024
22	9		Unauthorized payment of allowances	0.945
23	11		Unjustified payment of POL charges	0.199
24	12		Non utilization of medicine	1.16
25	1	RHC Bahter	Unjustified expenditure on purchase of X-Ray	0.069
26	4		Irregular payment of bills in cash	0.68
27	5		Irregular expenditures on purchase of Uniform	0.49
28	6		Non-verification of payment of GST	0.053
29	7		Expenditure incurred in excess of budget provision	0.193
30	8		Irregular expenditure on accounts of POL	0.071
31	9		Irregular expenditure on accounts of transport rep	0.054
32	1	RHC Rangoo	Irregular Expenditure on accounts of POL	0.121
33	2		Irregular payment on Repair for	0.094
34	7	THQ Fateh Jang	Irregular Expenditure due to Misclassification	0.458
35	2		Non allocation of 25% Budget for LP	-
36	2		Expenditure incurred on accounts of medicines and equipment by health council	8.990
37	9	RHC Maggian	Non verification of Deposits of Hospital Receipts	0.134
38	8	THQ Hassan	Irregular purchase of medicines	0.067
39	9	Abdal	Doubtful payment of Utility Bills	1.064
40	1		LP of Medicines without Competition	0.317
41	11		Doubtful consumption of diesel	0.187

42	14		Non verification of GST deposits	0.095
43	16	DHQ Attock	Unjustified Expenditure	0.59
44	14		Payment of pension contribution w/o verification	5.50
45	6	RHC Chab	Un authorized shifting of head quarter	0.809
46	11		Blockage of funds due to non-purchase medicine	0.722
47	2	THQ Hazro	Payment of Pay and Allowances from A01270	0.855
48	1	RHC Bahter	Unauthorized expenditure LP medicine	0.42
49	1	RHC Maghian	Unauthorized purchase of LP w/o Competition	0.42
50	2		Unauthorized Purchase of Medicines	-
51	4		Payment of pay and Allowances under A01270	0.529
52	15	DHQ Attock	Use of Medicines against Bogus DTL Report	0.75
53	3	THQ H.abadal	Defective Award of Medicines Rate Contract	-
54	1	RHC Qazia	Unauthorized use of medicine budget by CEO (H)	1.275
55	3	RHC Maghian	Defective Award of Medicines Rate Contract	1.275
56	1	RHC Chab	Non deposit of income tax and sales tax	0.092
57	7		Overpayment on accounts of PCA	0.030
58	3	THQ H.Abdal	Non recovery of Sample Fee/liquidate damages	0.225
59	13		Non deposit of hospital receipt into Govt treasury	0.031
60	11	DOH	Irregular Drawl of Pay & Allowances during General Duty and unauthorized drawl of HSRA-Rs 1.592 million and overpayment of Rs 162,816	0.162
61	4	THQ Fateh Jang	Unauthorized payment to Contingent paid staff	-
62	1	THQ Hazro	Irregular Payment against Unauthorized Posting	-
63	2,4	CEO (Health)	Non-supply of Medicines	-

### District Health Authority-Bhakkar

Sr.	PDP#		Description of Paras	Amount
1	21	DHQ Hospital	Difference in Reconciliation of Expenditure statement	-
2	23		Unauthorized expenditure on accounts of repair of vehicle	0.929
3	8		Irregular Purchase of furniture from unapproved contractor	0.417
4	49	THQ Kallur Kot	Non Surrendering of Savings	-
5	61		Non Reconciliation of Expenditure	-
6	63	DO Health	Non-accounting of stores	0.134
7	67		Doubtful expenditure	0.135
8	69	THQ Mankera	Irregular expenditure	-
9	70		Irregular expenditure	-
10	71		Irregular expenditure due to mis-classification	-
11	72		Un-authorized expenditure	0.376
12	75		Irregular Purchase of LP Medicine	0.4412
13	79		Irregular payment of pending liability	0.936
14	77	CEO Health	Unauthorized expenditure on POL	0.174
15	81		Purchase of medicine without availability of budget	-
16	82		Irregular payment of incentive	2.040
17	84		Purchase of medicine w/o Performance Guarantee.	-
18	85		Irregular purchase of medicine below shelf life	0.020

### District Health Authority, Chakwal

Sr.	PDP#	Formation	Description of Paras	Amount
1	4	City Hospital, Talagang	Unjustified/ Irregular procurement of Lab items	0.256
2	5		Non-Reconciliation of Receipts	0.703
3	6		Irregular Payment of Pay & Allowance	0.179

Sr.	PDP#	Formation	Description of Paras	Amount
4	7		Overpayment on a/c of LP Medicines	0.201
5	8		Loss to Govt. due to non-supply of medicines	0.096
6	9		Irregular expenditures on execution of civil work	0.277
7	10		Un-authorized award of rate contract	
8	11		Non-deduction of penalty due to late supply of medicines	0.115
9	13		Irregular drawl of TADA	0.029
11	15	RHC Balkasar	Irregular expenditure	0.198
12	16		Irregular drawl of Non practicing Allowance	0.052
15	20	RHC	Non surrendering of savings	6.122
16	23	Jhatla	Non reconciliation of receipts	0.118
17	24	RHC Kot Qazi	Excess allocation without requirement	0.705
18	25		Non recuping of Advance Drawl	0.100
19	26		Non reconciliation of receipts	0.045
20	32	RHC	Irregular expenditure	0.099
21	33	Tamman	Irregular drawl of NPA	0.040
22	36	Trauma Center Kallar Kahar	Overpayment on accounts of GST	0.096
23	37		Irregular expenditure without specification	0.921
24	39		Excess release of funds	-
25	41		Late supply of medicine and penalty thereof	0.012
26	42		Non verification of GST	1.149
27	43		Wasteful expenditure	0.214
28	45		Wasteful expenditure	-
29	44		Overpayment on accounts of IV Stand recovery thereof	0.049
30	46		Loss to government	0.138
31	49		Loss to government	0.049
32	51	MS DHQ Chakwal	Non deduction of income tax	0.550
33	52		Non deposit of performance security	0.251
34	53		Recovery due to unjustified payment of Sales tax	0.672
35	54		Overpayment on accounts of Ophthalmic Phacoemulsification	0.493
36	55		Doubtful payment of Sales tax on accounts of Machinery and Medical item	0.619
37	58		Unauthorized expenditures due to purchase of non-registered item	0.325
38	59		Unjustified payment of GST	0.290
39	64		Irregular purchase of LP and loss of discount	0.357
40	65		Irregular expenditures on purchase of medicines	-
41	66		Unjustified purchase of lab items and general store item	-
42	67		Irregular expenditure on accounts of repair of building	0.307
43	68		Irregular expenditure on accounts of medical gases	0.539
44	71		Unjustified expenditures on accounts of POL of Generator	0.503
45	77	DOH Chakwal	Excess allocation of funds	-
46	78		Non-maintenance of cash book	0.318
47	79		Non-verification of payment of GST	0.146
48	80		Non-verification of payment of GST	0.052
49	81		Irregular expenditure on accounts of repair of Transport	0.079

Sr.	PDP#	Formation	Description of Paras	Amount
50	89	CEO (H)	Non-surrendering of saving	-
51	90	RHC Dina	Non-verification of deposit of GST	0.283
52	92	RHC Dhudial	Receipt not verified from the District Accounts Office, Chakwal	0.042
53	93		Non-surrendering of saving	0.143
54	97		Expenditure in Excess of Allocated Budget	0.024
55	99	RHC Dhumman	Irregular retention of Non-salary	0.322
56	100		Doubtful consumption of medicines issued to wards &OT	-
57	102		Irregular payment of bills in cash	0.115
58	102-A		Non reconciliation of receipts	0.111
60	103	RHC Pir Pullahi	Irregular retention of (Non-salary)	0.902
61	104		Irregular payment of bills in cash	0.259
62	105		Recovery due to non-exemption of Sales tax	0.020
63	106		Doubtful consumption of medicine issued to wards & OT	-
64	107		Non verification of government receipt	0.067
65	108		Irregular receipt of Lab fee Share	0.035
66	109		Irregular expenditure on accounts of Plant and Machinery	0.039
67	110		Non-verification of payment of GST	0.087
68	111		Non conducting of annual physical verification.	-
69	112	MS THQ Choa Saiden Shah	Recovery due to non-exemption of Sales tax	0.185
70	115		Overpayment due to non-deduction of penalty	0.058
71	116		Non deduction of Income tax	0.081
72	119		Unjustified expenditure on purchase of UPS and batteries	0.100
73				
74	125	THQ Talangang	Irregular payment of previous years liabilities	0.449
75	127		Irregular Payment of Pay & Allowance	0.118
76	128		Overpayment on A/c of LP Medicines	0.054
77	129		Un-authorized award of rate contract	-
78	131		Irregular procurement of Lab items	0.190
79	132		Non-Reconciliation/Verification of Receipts	0.513

### District Health Authority, Gujranwala

Sr	PDP#	Formation	Description of Paras	Amount
1	2	CEO Health	Unauthorized Drawl of Adhoc Allowance-2010 (50%)	0.039
2	3		In admissible payment of Mess and Dress allowances	0.069
3	4		In admissible payment of Non Practicing allowances	0.048
4	5		Unjustified payment of field allowances	0.022
5	6		Irregular purchase of medicine in violation of PPRA rules 2014	-
6	7		Irregular payment to suppliers beyond the limit	-
7	8		Irregular Transfer and Non Provision of vouched Account	-
8	12		Short/less deduction of Income Tax	0.022
9	13		Non Deduction of Income Tax	0.379
10	14		Irregular extention/Short realization of penalty	0.129
11	15		Irregular Payment of NPA recovery thereof	0.048
12	16		Non-provision vouched a/c of transferred funds to building dept.	-
13	17		Unauthorized payment of stipend	1.352
14	2	District Officer	Irregular expenditure due to Splitting of Job Orders	-
15	3		Non Deduction of Income Tax	0.820

16	5	Health	Non deposit of sales tax	-
17	10		Irregular expenditure on salary of computer operators	19.670
18	11		Irregular exp on salary of School Health and Nutrition Supervisor	35.470
19	14		Non-deduction of CA and HSRA during leave	0.862
20	15		Doubtful drawl	1.385
21	19	THQ Kamoke	Un-authorized drawl of allowances	0.044
22	1		Non deduction of CA and HSRA	0.341
23	2		Recovery of HSRA and CA	0.165
24	4		Unauthorized expenditure	0.502
25	5		Non deduction of income tax	0.061
26	1	THQ Wazirabad	Irregular payment of allowances during leave period recovery thereof	0.087
27	2		Doubtful consumption of syringes	0.109,
28	4		Less Deposit of Hospital Receipts	0.133
29	5		Non deposit of Income Tax and Punjab Sales Tax	0.181
30	8		Un-authorized drawl of pay and allowances during absent period	0.162
31	1	THQ Noshehra Virkan	Irregular drawl of Conveyance and House Rent Allowance recovery thereof	0.107
32	2		Less deposit of Government dues	0.128
33	3		Unjustified Payment of Salary	2.137
34	4		Recovery Due to Absent Period	0.058
35	5		Irregular payment of allowances during leaves period recovery	0.239
36	6		Non and Less Deduction of Income Tax	0.014
37	7		Non realization of penalty	0.590
38	8		Unauthorized Drawl of Adhoc Allowance-2010 (50%)	0.285
39	9		In admissible payment of HSRA allowances	0.336
40	10		Irregular Payment/ consumption of medicine w/o DTL	-
41	11		Irregular purchase of medicine w/o warranty certificate	10.042
42	12		Irregular purchase of medicine in violation of PPRA rules 2014	-
43	1	GMH Gujranwala	Unjustified Payment of Pathologist Shares to Doctor	0.127
44	2		Less Collection from indoor patients	0.006
45	3		Non verification of GST	0.056
46	4		Non deduction of GST	0.011
47	5		Non-production of record	0.018
48	6		Irregular expenditure due to misclassification	0.785
49	7		Irregular expenditure without requirement	0.262
50	1	RHC Ahmed Nagar	Overpayment of conveyance allowance	0.012
51	2		Irregular payment of pay & allowances	0.128
52	3		Non-maintenance of Health Council Record.	-
53	1	RHC Ali Pur Chatha	Govt. receipts deposited not verified	0.014
54	2		Physical verification and no stock entries not carried out	0.217
55	3		Govt. receipts deposited not verified	0.116
56	4		Non and Less Deduction of Income Tax	0.005
57	5		Non deduction of CA and HSRA due to Leave	0.028
58	1	RHC Dhonkal	Non-recovery of penal rent	0.426
59	2		Non-deduction of CA and HSRA during	0.018
60	3		Recovery on accounts of HSR allowance	0.009
61	4		Less Deduction of Income Tax	0.003
62	5		Unjustified payment on accounts of HSRA	0.024
63	1	RHC Gakharh	Govt. receipts deposited not verified	0.072
64	2		Recovery of pay & allowances	0.031
65	3		Non deposit of sales tax worth	0.032
66	4		Wasteful payment of salary against redundant post without performing duties	0.159
67	5		Doubtful rep of building through transfer of funds to Building department	2.500
68	6	RHC Jamke Chatha	Physical verification and stock entries not carried out	0.262
69	1		Recovery	0.023
70	2		Unauthorized purchase of LP medicines	0.051

71	3		Unauthorized purchase of LP medicines	0.051
72	1	RHC Rasool Nagar	Less deposit of Government dues	0.019
73	2		Govt. receipts deposited not verified	0.036
74	3		Wasteful payment of salary against redundant post	0.168
75	4		Doubtful expenditure on repair of building through transfer of funds to Building department	2.500
76	5		Physical verification and stock entries not carried out	0.141
77	1	RHC Wahndo	Unjustified Payment of Pathologist/ Radiologist Shares To Doctor	0.101
78	2		Less Collection from indoor patients	0.009
79	3		Less Collection of Laboratory Test Fee	0.017
80	4		Doubtful Expenditure on accounts POL	0.097
81	5		Inadmissible Expenditure on Local Purchase	0.191
82	6		Non Maintenance of government residences, loss to government	10.500
83	7	RHC Aimenabad	Non verification of GST	0.012
84	1		Irregular payment of pay & allowances	0.256
85	2		Overpayment of pay & allowances	0.084
86	1	RHC Qila Dedar Sing	Irregular payment of allowances during leave period recovery thereof	0.073
87	2		Unauthorized Purchase of LP medicine	0.145
88	3		Govt. receipts deposited not verified	0.283
89	4		Non Deposit of Taxes	0.088
90	1	RHC Sohdra	Recovery Due to Absent Period	0.009
91	2		Irregular payment of allowances during leave period recovery thereof	0.020
92	3		Irregular payment of Health Sector Reform Programme Allowance and recovery thereof	0.029
93	4		Govt. receipts deposited not verified	0.099
94	5		Irregular expenditure	0.157
95	6		Non-deposit of Taxes	0.064

### District Health Authority, Gujrat

Sr	PDP#	Formation	Description of Paras	Amount
1	1	CEO	Irregular payment to Sainatory Petrols on Daily Wages of	2.278
2	2		Unjustified Payment of GST- Recovery Thereof	0.071
3	4		Non-deduction of CA and HSRA during leaves	0.307
4	5		Irregular drawl of pay and allowance due to shifting of HQ	0.585
5	7		Less Deduction of Income Tax due to non filer	0.0585
6	8		Unjustified transfer of funds of to the Secretary Health	26.754
7	9		Loss to Govt. due to non-renewal/cancellation of Drug License	0.116
8	10		Non/Less deduction of Income Tax and sales Tax of	0.622
9	11		Non deduction of sample cost from the suppliers of medicine	0.65
10	12		Payment of inadmissible allowances at the place of posting	0.108
11	13		Irregular purchase of medicine in violation of PPRA rules	74.100
12	14		Irregular promotion of staff without considering the seniority	-
13	3	DHO	Non deduction of sales tax	0.816
14	4		Non deduction of Income Tax -	0.312
15	5		Non deduction of income tax amounting	0.086
16	7		Irregular expenditure without budget provision	3.239
17	1	MS THQ Hospital Kharain	Less deduction of income Tax	0.031
18	2		Irregular purchase of medicine in violation of PPRA rules	12.985
19	3		Irregular Payment of on purchase of printed Stationery	0.549
20	5		Unjustified purchase of computers for Data entry operator	0.859
21	6	MS THQ Hospital Sarai Alamgir	Non Verification of Treasury Deposits	0.758
22	1		Un-due retention of Government money in bank	1.372
23	5		Recovery of pay and allowances	0.120
24	7		Non deduction of income tax	0.270

Sr	PDP#	Formation	Description of Paras	Amount
25	1	MS MSSS	Non deposit of LD and Sample Cost amounting	0.318
26	2	Hospital	Non deduction of income tax amounting	0.151
27	3	Kunjah	Expenditure without maintenance of record	0.768
28	1	SMO GMH	Recovery o	0.015
29	2	Lalamusa	Unjustified drawl of Incentive Allowance amounting	0.312
30	2	Trauam Centre Lalamusa	Non deduction of SSB 30%	0.086
31	1	SMO RHC Dinga	Recovery of pay & allowances	0.324
32	2		Non deduction of income tax	0.046
33	3		Non deduction of CA and HSRA	0.042
34	5		Unjustified drawl of funds in cash	0.722
35	6		Irregular expenditure	0.245
36	3	SMO RHC Lalamusa	Irregular expenditure	0.239
37	1	SMO RHC	Unauthorized purchase of LP medicines	0.109
38	2	Pindi Sultan	Irregular expenditure	0.172
39	3	pur	Non deduction of income tax	0.024
40	1	SMO RHC Sarai Alamgir	Govt. receipts deposited not verified	0.178
41	2		Unauthorized drawl of pay & allowances during absent period	0.0158 + 0.011
42	5		Inadmissible drawl of arrears of health professional allowance	-
43	6		Irregular drawl of Utility bills	0.250
44	1	SMO RHC Dullanwala	Govt. receipts deposited not verified worth	0.092
45	1	Civil Hospital	Govt. receipts deposited not verified worth	0.079
46	4	Kotla Arab Ali Khan	Non and Less Deduction of Income Tax	0.008
47	1	SMO RH Malka	Govt. receipts deposited not verified	0.077
48	2		Non deduction of 5% House Repair Charges of	0.047
49	3		Non deduction of income tax from payment of health council	0.005
50	1	SMO RHC Shadiwal	Govt. receipts deposited not verified	0.082
51	2		Non deduction of 5% House Repair Charges	0.145
52	5		Unauthorized drawl of Pol on accounts of Generator	0.085
53	6		Non deposit of receipts on accounts of sale of developer fixer	0.105
54	1	SMO GMH Dinga	Irregular expenditure by splitting Indents	0.169
55	2		Non Accountal of Stock	0.036
56	3		Govt. receipts deposited not verified	0.089
57	1	SMO GMH Gulyana	Irregular expenditure by splitting Indents	0.247
58	2		Non preparation of expenditure statements	-
59	3		Govt. receipts deposited not verified	0.067
60	1	SMO GMH Tanda	Irregular expenditure by splitting Indents	0.147
61	2		Govt. receipts deposited not verified for	0.021
62	1	SMO RHC Tanda	Irregular expenditure by splitting Indents	0.190
63	2		Non deduction of taxes	0.055
64	3		Govt. receipts deposited not verified	0.223
65	1	SMO Civil Hospital Dinga	Irregular payment of pay during absent period recovery	0.075
66	2		Unauthorized payment of Health Sector Allowance recovery	0.062
67	5		Non reconciliation of receipts	0.083
68	1	SMO GMH Gujrat	Unauthorized payment method	0.169
69	2		Less deduction of income tax	0.023
70	3		Less deduction of GST & PST	0.028 & 0.014
71	4		Unauthorized payment of Health Sector Allowance recovery	0.118
72	6		Doubtful expenditure on POL of Generator	0.168
73	7		Unauthorized payment of CA during Leave	0.007

Sr	PDP#	Formation	Description of Paras	Amount
74	8		Non reconciliation of receipts	0.196
75	1	RHC Daulat Nagar	Irregular payment of allowances during leave period recovery	0.074
76	3		Non/Less deduction of income tax , GST & PST	0.134
77	5		Irregular expenditure on purchases	0.191
78	1	SMO Civil Hospital Lalamusa	Non/less deduction of income tax	0.064
79	4		Irregular expenditure on sanitary items	0.074
80	5		Doubtful expenditure on POL & excess drawl	0.543
81	6		Non/less deduction of income tax	0.211
82	9		Irregular appointment of DEO & Rescuer	0.494
83	1	SMO Civil Hospital Jalal pur Jhattan	Unjustified Payment of Pathologist/ Radiologist Shares	0.218
84	2		Less Collection from indoor patients	0.020
85	3		Government receipts deposited not verified worth	0.425
86	4		Non Collection of Operation fee	0.179
87	5		Inadmissible payment of Adhoc Relief Allowance 2010@50%	0.161
88	6		Non-production of Record	1.544
89	7		Inadmissible Expenditure on Local Purchase	0.44
90	8		Doubtful expenditure on repair	0.068
91	9		Non Deduction of PST on Services	0.014
92	10		Non maintenance of Stock register	0.075
93	11		Non Maintenance of Service Books	-
94	12		Over payment to Contract Employees Due to Regularization	0.109
95	13		Non deduction of CA and HSRA	0.019
96	14		Physical verification not carried out	-

### District Health Authority- Hafizabad

Sr	PDP#	Formation	Description of Paras	Amount
1	02	CEO Health DHA Hafizabad	Non imposition of penalty amounting	0.085
2	07		Unauthorized payment due to previous year Liabilities	0.109
3	10		Unauthorized payment of stipend/retention fee	0.606
4	03		Unauthorized withdrawal of funds without DTL report	0.625
5	06		Unjustified payment of DTL fee amounting	0.082
6	11		Unjustified drawl of POL	0.198
7	12		Non-production of record	-
8	05	RHC Kolo Tarrar	Govt. receipts deposited not verified worth	0.038
9	02		Unjustified purchase of items	0.157
10	04		Non Realization of Admission, Ward Charges & NPA	0.074
11	03	RHC Jalalpur	Unauthorized expenditure	1.200
12	05	DO (H)	Irregular expenditure on repair of ILRs	0.274
13	10		Recovery of on accounts of absent from duty	0.028
14	04	RHC Kaleki Mandi	Govt. receipts deposited not verified worth	0.077
15	03	RHC, Kassoki	Govt. receipts deposited not verified worth	0.127
16	04		Irregular Payment of GST	0.024
17	03	RHC Vanikay Tarar	Irregular Payment of GST	0.105
18	04		Govt. receipts deposited not verified worth	0.376
19	01	THQ Hospital Pindi Bhattian	Recovery Due to Absent Period	0.734
20	03		Irregular Payment of NPA recovery	0.216
21	05		Unauthorized collection of Test charges	0.100
22	06		Loss to the Govt. due to purchase of LP medicine without discount	4.463
23	08		Irregular expenditure on purchase of Purchase of Plants and Grass	0.225
24	09		Purchase of Medicines without DTL	0.441
25	10		Non Deposit of Performance guarantee	0.109



26	11		Non Deduction of Liquidated damages due to late Supply of Medicine Rs.	0.250
27	01	RHC Sukheke	Irregular payment of allowances	0.018
28	02		Irregular expenditure by splitting Indents	0.169
29	04		Irregular expenditure on Printing	0.143
30	02	DHQ Hospital	Irregular procurement of Emergency Medicine	0.815
31	04		Irregular expenditure on procurement of emergency medicine	8.143
32	09		Irregular Payment of NPA recovery	0.438
33	13		Doubtful deposit of Income Tax	1.749
34	14		Doubtful drawl of funds for electricity bills	0.669
35	15		Overpayment on accounts of Medicine	0.098
36	01	General Nursing School,	Irregular expenditure of due to misclassification	0.091
37	02		Doubtful purchase of misc. items amounting to	0.341
38	03		Irregular expenditure amounting to	0.193
39	04		Loss to government due to non-deduction of sales tax amounting to	0.058
40	05		Mis-procurement of I.T Equipments amounting to	0.322

### District Health Authority, Jhelum

Sr	PDP#	Name of Formation	Description of Paras	Amount
1	2	Civil Hospital Khewera	Non-Maintenance of Medicine Stock Register	0
2	4		Excess Expenditure over approved budget allocation	267.662
3	3		Non-surrender of savings	2.535
4	6		Non-Verification of Government Receipt	0.175
5	7		Drawl on a/c of purchase failed DTL medicine	0
6	8		Irregular payment of pay and Allowances through the abolished head of Accounts	0.006
7	9		Physical Verification of Stock Not Carried Out	0
8	11		Internal audit not carried out	0
9	13	RHC Lillah	Irregular payment of pay from abolished head of A/C	0.037
10	15		Splitting job orders to avoid advertisement on PPRA website	0.398
11	16		Physical Verification of Stock Not Carried Out	0
12	18		Internal audit not carried out	0
13	30		Physical Verification of Stock Not Carried Out	0
14	31		Non auction of un-serviceable store article and news paper	0
15	32		Internal audit not carried out	0
16	39	RHC Dina	Unauthorized Expenditure against Nil Budget Allocation	8.217
17	40		Non-surrendering of Savings of SDA	4.346
18	41		Non-verification of deposit of GST	0.067
19	42		Non deduction of GP Fund and Group Insurance	0.023
20	44		Less provision of discount on Local Purchase of Medicines	0.008
21	44a		Loss due to Non auction of Condemned Vehicle/Ambulance	0.200
22	45		Over Payment due to charging excess rate	0.002
23	46		Physical verifications not Carried out	0
24	47	RHC Khalaspur	Non-auction of un-serviceable store articles and X-ray filter waste	0
25	48		Unauthorized use of medicines bulk purchase budget by CEO(H)	1.50
26	49		Doubtful Expenditure from SDA of CEO (H)	0.056
27	50		Non-surrendering of Savings	16.028
28	51		Non-verification of deposit of GST	0.034
29	54		Non-auction of Un-Serviceable Store Article and X-Ray Waste	0
30	55		Physical verification not Carried out	0
31	57		Excess Expenditure Over Budget Allocation	15.369
32	58	RHC Dina	Non-surrendering of Anticipating Savings	9.179
33	66	DHQ Hospital	Irregular Expenditure on purchase due to Misclassification	0.044
34	68		Unjustified payment of huge bill of Sui gas	4.562
35	80		Loss due to overpayment on purchase of medicine	0.072
36	81	CEO, DHA	Loss due to supply of medicine of below specification	0.320

Sr	PDP#	Name of Formation	Description of Paras	Amount
37	84	THQ Hospital Sohawa	Ineffective use of government resources	1.40
38	85		Non forfeiture of performance security of defaulting contractor	0.047
39	91		Un-authorized payment of dress	0
40	92		Unauthorized expenditure without sanction of Competent Authority	11.09
41	93		Un authorized expenditure	0.668
42	94		Un authorized purchases of Medicines	1.61
43	95		Non deduction of income tax	0.027
44	96		Un authorized payment on accounts of POL	0.119
45	102		Irregular expenditure amounting	0.125
46	103		Purchase of LP of Medicines without Competition	0.125
47	104		Irregular expenditure	0.641
48	109		Unjustified procurement of Lab items	0.426
49	110		Irregular purchase of medicines on accounts of local purchase	3.129
50	111		Non utilizing of funds	6.374
51	112		Irregular expenditure on accounts of repair of Transport	0.425
52	113		Non-verification of payment of GST	0.556
53	114	DO (Health)	Non-Reconciliation of Receipts	0.337
54	116		Irregular expenditure on purchase of Iron Stand	0.198
55	117		Doubtful expenditure on purchase of Stationary	0.100
56	118		Irregular payment of Honorarium worth	0.039
57	119		Physical verification not conducted	0
58	133		Internal Audit not Carried Out	0
59	134	RHC Jalal pur	Non utilization of budget	0.869
60	135		Irregular expenditures due to Misclassification of account	0.056
61	137		Irregular receipt of Lab Share	0.043
62	138		Unjustified expenditures on POL	0.185
63	139		Irregular expenditure on accounts of repair of Transport	0.196
64	140		Unjustified expenditure on Transportation of goods	0.062
65	141		Irregular expenditure due to payment of pending liabilities	0.006
66	142		Non-verification of payment of GST	0.007
67	143	THQ PD Khan	Payment of POL on Ambulances Shifted to Rescue 1122	0.387
68	27		Payment of pay and Allowances through the head of Other A01270	0.519
69	25		Payment of pay and Allowances through the head not Admissible	0.136
70	26		Unjustified payment on accounts of POL	0.564
71	124	E & EDC Center Jhelum,	Irregular retention of RS	2.885
72	125		Irregular expenditures due to Misclassification	0.210
73	126		Unjustified procurement of Lab items	0.205
74	127		Unjustified expenditure on Transportation of goods	0.010
75	128		Unjustified expenditures on accounts of POL	0.012

### District Health Authority, Kasur

Sr.	PDP#	Formation	Description of Paras	Amount
1	05	DO Health	Non-Preparation of Fixed Assets Register	-
2	06		Non-realization of purchase fee from municipal dispensaries	-
3	02	RHC Ganda Singh Wala	Unjustified expenditure without DTL for local purchase	0.172
4	04		Non-obtaining of security	0.281
5	05		Irregular expenditure of Generator	0.079
6	06		Non deduction of house rent maintenance charges	0.033
7	01	THQ Chunian	Purchases of Medicines on LP beyond Delegated Powers	3.646
8	04		Non-reconciliation of Expenditure	-
9	11		Non-accounting of stores	0.195
10	17		Irregular purchase of Split AC (PEL) due to quoting brand name	0.099
11	03		Irregular Purchase of LP medicine	3.646
12	06		Non-imposition of Penalty for Delay	0.467
13	19		Irregular purchase of Split AC due to ignoring the lower offer	1.226
14	18		Non-deduction of GST	0.081

Sr.	PDP#	Formation	Description of Paras	Amount
15	05		Irregular purchase of medicines	18.865
16	05	THQ Kot Radha Kishan	Uneconomical LP Medicines from Budget for Bulk Purchase Medicine	1.458
17	06		Purchases of Medicines beyond Delegation	2.502
18	07		Unauthorized re-appropriation	0.853
19	09		Shortage of store items	0.870
20	11		Overpayment due to charging exorbitant rate	0.232
21	10		Non-reconciliation of Expenditure	
22	01	RHC Ellahabad	Payment of pay and allowances without performing of duties	7.051
23	04		Non purchase of MSD medicine	
24	03		Irregular utilization of 15% budget meant for Day to day LP	0.679
25	08	DHQ Hospital	Doubtful deposit of government receipts	7.283
26	12		Irregular Payment of Janitorial Services	15.190
27	16		Non-recovery of Auction fee on accounts of Canteen and Cycle stand	3.550
28	18		Unauthorized opening of SDA	212.724
29	20		Non transparent record of private rooms-misappropriation of fee	
30	21		Imprudent management of Assets and Liabilities	
31	22		Non-conducting of annual physical verification	
32	01	Cardiac Center Chunian	Irregular Consumption of POL	0.544
33	04		Irregular payment of pay and allowances	0.293
34	11		Less Availing Discount Rate on accounts of LP	0.019
35	12		Non verification of Deposits	0.228
36	13		Misappropriation of hospital waste	
37	14		Non-reconciliation of expenditure statement	
38	15		Imprudent management of Assets and Liabilities	
39	16		Non-conducting of annual physical verification	
40	01	Aziz Bibi Hospital	Unauthorized purchase of medicine	10.664
41	02		Irregular payment on accounts of Local Purchase of medicine	0.096
42	07		Unauthorized opening of SDA	21.082
43	09		Non disbursement of public money	7.576
44	10		Imprudent management of Assets and Liabilities	
45	11		Non-conducting of annual physical verification	
46	12		Non-reconciliation of expenditure statement	
47	02	General Nursing School	Non recovery of Stipend	
48	05	RHC Jaura	Non compliance of provisions of Hospital Waste Management Rule 2005	
49	06		Irregular payment of pay and allowances	1.471
50	07		Irregular expenditure due to purchase from unregistered person	0.120
51	04		Non-imposition of Penal Rent	0.070
52	08		Non deduction of house rent maintenance charges	0.059
53	04	RHC Kangan Pur	Irregular expenditure of Generator	0.208
54	06		Irregular purchase	0.131
55	08		Doubtful and Irregular Purchase of LP Medicine	0.165
56	03		Non deduction of house rent maintenance charges	0.039
57	01		Irregular payment of pay and allowances	0.532
58	02	RHC Mustafabad	Un-justified preparation of estimates	1.673
59	03		Unjustified expenditure through misclassification	0.095
60	05		Irregular Purchase of LP Medicine	
61	06		Irregular expenditure of Generator	
62	07		Irregular payment of pay and allowances	
63	04		Non deduction of house rent maintenance charges	

## District Health Authority-Khushab

Sr	PDP #	Name of formation	Description of Paras	Amount
1	04	RHC Khabeki	Doubtful Payment of Pay and Allowances	1.899
2	10	THQ Noor Pur	Doubtful payment of Pay and allowances	18.756
3	17	THQ Khushab	Loss to government due to non-deposit of MLC charges	0.045
4	19		Loss due to non-deduction of penalty	0.031
5	24	THQ	Expenditure to avoid open competition by splitting Indents	0.122
6	32	Quaidabad	Illegal sanctioned of leave and Payment of salary	-
7	33		Non Deduction of Income Tax On Doctor's Share	-
8	37	DO Health	Overpayment due to purchase of Steal Benches on higher rates	0.300
9	38		Overpayment due to P/o Water Dispenser on higher rates	0.117
10	39		Overpayment on accounts of Purchase of UPS on exorbitant rates	0.057
11	46	RHC Padhrar	Non verification of GST invoices	0.084
12	47		Non verification of receipt deposit	0.070
13	51	THQ Naushera	Loss to the Govt. due to acceptance of below shelf life medicine	0.023
14	52		Un-justified payment of pay of data entry operators	0.540
15	53		Irregular payment of Bank account clearing charges and Zakat	0.131
16	54		Irregular payment of pay without performing duty of Pharmacist	0.060
17	57	RHC Hadali	Uneconomical expenditure on a/c of sanitary work	0.306
18	58		Un-authorized payment of Pay and allowances	0.689
19	59		Non deposit of government receipts into A/C VI	0.040
20	60		Excess Expenditure	0.993
21	61		Overpayment of practicing allowance	0.009
22	63	RHC Roda	Non-utilization of government Assets	2.500
23	64		Non deposit of government receipts into A/C VI	0.074
24	66		Excess Expenditure	0.569
25	67		Irregular/ unauthorized drawl of allowances	0.010
26	70	DHQ Hospital	Irregular/ unauthorized drawl of allowances	0.170
27	75		Non deposit of government receipts into A/C VI	1.500
28	76		Unauthorized collection of ultrasound and ECG fee	0.586
29	77		Unauthorized collection of ultrasound and ECG fee	266,970
30	79		Non Production of Record	-
31	80		Non-deduction of Conveyance and 5% maintenance charges	0.061

## District Health Authority, Lahore

Sr	PDP#	Formation	Subject of the paras	Amount
1	03	DDOH DGBT	Non deduction of Conveyance allowance and HRA	0.188
2	05		Un-authorized payment on A/c of Non Practicing Allowance	0.336
3	06		Non reconciliation of Recovery of purchase fee with treasury	0.239
4	07		Unauthorized drawl of conveyance allowance	0.197
5	08	DDOH Nishtar Town	Irregular expenditure of Health Sector Reform Allowance	0.476
6	02		Irregular Consumption of POL	0.647
7	04	DDOH Aziz Bhatti Town	Unauthorized and doubtful consumption of Medicine	1.229
8	03		Irregular Payment of NPA	0.288
9	06		Unauthorized purchase of medicine & wastage of fund	1.714
10	07		Irregular Payment of Conveyance Allowance	0.587
11	08		Unauthorized payment of HSRA	0.188
12	09		Unauthorized payment of inadmissible allowance	0.437
13	10		Unauthorized running of center and collection of fee	0.213
14	11		Overpayment to Doctor after termination of Adhoc contract	0.241
15	13		Unauthorized occupation of Residence	0.056
16	11	DDOH Nishtar Town	Un-authorized payment on accounts of NPA	0.288
17	04		Less deduction of Income Tax	0.039
18	05		Non deduction of Conveyance	0.025
19	06		Unauthorized drawl of conveyance allowance	0.556

20	08		Irregular expenditure on repair of vehicle	0.189
21	09		Irregular expenditure of Health Sector Reform Allowance	0.476
22	10		Non Recovery of purchase fee	0.020
23	11		Irregular payment of Pay and allowances	2.875
24	07		Purchase of medicine without DTL	0.344
25	02	DDOH	Defective purchase of medicine under 10% budget	0.098
26	03	Gulberg Town	Loss due to Purchase of LP Medicine without Discount	0.029
27	04		Doubtful consumption of POL	0.367
28	05		Irregular Payment of Conveyance Allowance to vaccinators	0.317
29	07		Un-authorized Payment of Non Practicing Allowance	0.168
30	04	DDOH Iqbal	Loss due to Purchase of LP Medicine without Discount	0.029
31	05	Town	Unauthorized payment of Adhoc Allowances	1.904
32	06		Irregular Payment of Conveyance Allowance to vaccinators	0.490
33	08		Irregular Expenditure on accounts of POL	0.107
34	09		Un-authorized Payment of Non Practicing Allowance	0.228
35	02	Eyes Hospital	Un-authorized Payment of Non Practicing Allowance	0.312
36	03	Swami Nagar	Irregular payment of pay and allowances	0.474
37	04		Irregular creation of pending Liability	0.756
38	06		Irregular repair of M&E	0.148
39	02	I.D. Hospital	Less deduction of income Tax	0.312
40	03	Lahore	Doubtful and Irregular Purchase of LP Medicine	0.286
41	05		Irregular Expenditure due to non obtaining sales tax invoices	0.130
42	06		Non verification of Deposits	2.386
43	07		Non deduction of Conveyance allowance	0.062
44	08		Irregular payment of Pay and allowances	1.041
45	09		Un-authorized Payment of Non Practicing Allowance	0.120
46	01	RHC	Overpayment to Doctor without performing duties	0.642
47	02	AwanDhaiwala	Unauthorized payment of conveyance allowance	0.553
48	04		Overpayment to employees	0.323
49	05		Overpayment to Doctor after termination of Adhoc contract	0.200
50	06		Non-verification of deposit of government receipts	0.037
51	07		Non Recovery of HSR allowance	0.018
52	08		Non-deposit of government receipts	0.015
53	09		Non Accountal of government Assets	0.250
54	01	RHC Chung	Irregular transfer of fund purchase of medicine by EDO-H	0.723
55	02		Payment of pay without performing of duties	2.147
56	02	RHC Manga	Irregular payment of Repair of Machinery and Equipment	0.089
57	01	RHC Raiwind	Irregular transfer of fund purchase of medicine by EDO-H	0.825
58	02		Irregular payment of pay without performing of duties	5.186
59	02	Govt. Hospital	Defective purchase of medicine under 10% budget	0.997
60	03	Samanabad	Non deduction of Conveyance Allowance during Leave	0.309
61	02	RHC Khana	Irregular Payment on discharging Pending Liabilities	0.180
62	03		Non-reconciliation and non-obtaining schedule of payment	
63	04	THQ Raiwind	Overpayment due to charging exorbitant rate	0.123
64	05		Irregular payment for P/F of PVC Paneling Sheets on wall	0.717
65	06		Non-deduction of GST	0.170
66	09		Unjustified appointment of cooks	0.357
67	10		Irregular appointment of ward servant	
68	11		Non-allotment of Residences resulting in loss	0.415
69	12		Expenditure incurred without pre-audit	
70	13		Non-reconciliation of Expenditure	
71	01	RHC Barki	Non Verification of Deposits	0.08
72	03		Overpayment on accounts HRA, CA & Basic Pay	0.407
73	04		Irregular Payment on accounts of LP Medicines	0.397
74	01	DDOH	Non-deduction of House Rent Allowance and CA	0.279
75	02	Samanabad	Unjustified expenditure on Pay due to Bogus Documents	0.103
		Town		

76	03	CEO DHA	Inadmissible Payment on accounts of CA	0.668
77	04		Unjustified payment of Health Sector Reforms Allowance	0.359
78	02		Expenditure on POL w/o Log Book & sanction strength veh	
79	03		Drawal of SHA to Drug Inspectors without admissibility	0.420
80	04		Drawal of Allowances without admissibility	0.357
81	06		Irregular Expenditure due to Misclassification-Rs 112,002	0.112
82	07		Irregular payment of Project Allowance-Rs 146,856	0.146
83	08		Improper maintenance of accounts showing discrepancies between expenditure statement and schedule of payment.	
84	11		Purchase of medicines at higher rate by ignoring the lowest	0.092
85	13		Irregular P/o Photocopier & Fax for Police Line Hospital	0.115
86	14		Excess Payment of Refrigerator for Police Line Hospital	0.076
87	15		Irregular P/o BP Apparatus-Desk Type Police Line Hospital	0.046
88	19		Irregular purchase of photocopier	0.312
89	20		Irregular purchase of refrigerators	0.716
90	21		Excess Payment on a/c of P/o Hot Air Oven Police Line	0.093
91	22		Excess Payment of P/o Nebulizer IDH and THQ Kahna	0.481
92	24		Irregular purchase of X-ray Table without competition	0.911
93	25		Excess Payment of P/o Weight Machine for Adult for Manawan Hospital and THQ Kahna	0.090
94	26		Excess Payment of P/o 6 channel ECG Machine for Manawan Hospital	0.076
95	27		Excess Payment P/o Laryngoscope for Manawan Hospital	0.057
96	31		Unauthorized and doubtful transfer of funds for buildings	

### District Health Authority M.B.Din:

Sr	PDP #	Formation	Description of Paras	Amount
1	02	MS THQ Hospital Malakwal	Unauthorized purchase of LP medicines	0.722
2	03		Unauthorized expenditure without advertisement	0.338
3	04		Unjustified darwa of PCA and NPA	0.078
4	05		Non deduction of income tax	0.145
5	08		Non deduction of SSB 30%	0.0857
6	09		Unauthorized expenditure	0.424
7	03	MS THQ Hospital Phalia	Unjustified drawl of PCA and NPA amounting	0.354
8	04		Non recovery of CA and HSRA	0.039
9	08		Recovery of house rent and conveyance allowance	0.380
10	09		Non deduction of SSB 30%	0.172
11	10		Irregular expenditure	0.134
12	02	District Officer (Health) Mandi Bahauddin	Unauthorized drawl of NPA/PCA	0.12
13	03		Unauthorized Repair of vehicles	0.222
14	06		Irregular expenditure on repair of vehicles	0.562
15	07		Non deposit of Govt.money	0.024
16	08		Govt. receipts deposited not verified	0.154
17	01	CEO Health MB Din	Unauthorized expenditure amounting	0.739
18	02		Non deduction of conveyance allowance and pay & allowances	0.396
19	03		Unauthorized drawl of funds	8.389
20	04		Non collection of performance security amounting	0.490
21	05		Unauthorized drawl of medical charges amounting	0.192
22	06		Unauthorized expenditure on account of POL	0.446
23	07		Unauthorized withdrawal of funds without DTL report	10.09
24	08		Irregular expenditure	0.182
25	09		Non recovery of Income tax and penalty amounting	0.028
26	10		Recovery of pay & allowances	0.362
27	11		Unauthorized repair of vehicle	0.110
28	12		Unjustified drawl of POL	1.09
29	13		Unjustified drawl of TA/DA	0.087
30	14		Unjustified drawl of funds	0.014

Sr	PDP #	Formation	Description of Paras	Amount
31	01	MS DHQ Hospital MB Din	Un authorized Drawl of Health Sector Reform Allowance	0.18
32	06		Non Verification of Treasury Deposits	1.53
33	07		Non Deduction of Income Tax	0.84
34	08		Unjustified payment of pay and allowances due to absence from duty	0.96
35	10		Non realization of penalty	0.04
36	12		Misuse of ambulance due to non production of log book recovery thereof	0.17
37	13		Misappropriation due to misuse of ambulance	0.12
38	14		Irregular Payment of PCA	0.49
39	15		Irregular Drawl of Qualification Allowance	0.12
40	16		Unjustified payment of pay and allowances	0.23
41	17		Irregular drawl of pay and allowances due to regularization from the contract and recovery of SSB	0.14

### District Health Authority- Mianwali

Sr	PDP#	Formation	Description of Paras	Amount
1	1	RHC Tabi Sar	Irregular expenditure incurred by split up	0.295
2	2		Irregular expenditure incurred over and above the budget allocation	9.892
3	4	DHQ Hospital	Doubtful payment of Pay and allowances	42.857
4	9		Rate award at double rate than budgeted price	1.230
5	10		Misappropriation of profit	0.164
6	17		Non auctioning of Out of Order Machinery	-
7	17		Irregular Clearness of pending liability and payment after expiry of rate contract	3.091
8	19	RHC Kundian	Purchase of X-ray films at exorbitant rates	0.016
9	20		Purchase of IV Canulaat exorbitant rates	0.007
10	21		Purchase of anti Rabies at exorbitant rates	0.009
11	23		Doubtful expenditure on store items	0.625
12	24		Purchase of Misbranded Medicine	0.528
13	26	THQ Piplan	Non Deduction of less shelf life charges	0.005
14	27		Un-authorized purchased of Anti Rabic	0.139
15	28		Purchase of misbranded medicine LP	0
16	31		Purchase of IV Cannula at Exorbitant rates	0.093
17	32	RHC Wan Bhachran	Non utilization of Budget	1.500
18	39	RHC Hafizwala	Un-authorized expenditure by violating PPRA	0.441
19	41		Irregular Purchases beyond Requirement	0
20	43	RHC Ckakralla	Irregular Purchases beyond Requirement	0
21	44		Doubtful expenditure on store items	0.674
22	49	RHC Kamar Mushani	Excessive expenditure Without deducting discount on local purchase of medicines	0.007
23	50	RHC Trag	drawl of Misc. allowances. Recovery	0.021
24	51		Excessive expenditure Without deducting discount on local purchase of medicines	0.021
25	53		Uneconomical expenditure on purchase of Misc Items on higher rate	0.044
26	65	THQ Esa Khel	Non-accounting of stores	0.133
27	66		Un-authorized issuance of Laptop	0.090
28	67		Loss to the government	0.833
29	68	THQ Kala Bagh	Irregular expenditure on repair	0.154
30	74		Un-authorized expenditure	0.375

31	79	CEO (Health)	Unauthorized purchase w/o assessing market rate	16.839
32	80	CEO (Health)	P/o Anti Rabic Medicine at higher rates	0.215
33	81		Purchase of Sprit at higher rate	0.069
34	82		Non obtaining performance guarantee	1.683
35	83		Irregular purchase without obtaining the demand of final user	16.839
36	84		Expenditure on incentive out of Development Budget	0.921
37	86		Irregular expenditure out of Development grant	0.099
38	89		Un-authorized purchase	5.626
39	90		Overpayment to Contractor / Less Deduction of Income tax at Source	1.291

### District Health Authority, Narowal:

Sr	PDP #	Formations	Description of Paras	Amount
1	2	CEO (Health)	Irregular purchase of medicine	0.196
2	3		Irregular payment of pending medicine bills	0.196
3	4		Difference in closing balance	0.264
4	8		Irregular reimbursement of GST & Income Tax	0.285
5	01	MS DHQ (H) Narowal	Irregular Payment of NPA recovery thereof	0.304
6	02		Unauthorized Drawl of Adhoc Allowance-2010 (50%)	0.181
7	06		Illegal Occupation of residence and Recovery of Penal rent	0.555
8	07		Unauthorized Occupation of Residential Building by UET students	0.470
9	08		Govt. receipts deposited not verified	1.400
10	10		Unauthorized drawl of POL	0.546
11	11		Unauthorized drawl of POL	0.442
12	16		Less deduction of Income Tax	0.191
13	17		Over Payment to Consultant on accounts of PST-	0.408
14	20		Non-Performance Of Security Contract Recovery of Penalty	0.150
15	21		Less deposit of Government dues	0.111
16	02	DO (H) Narowal	Non deduction of income tax on accounts of Health Council	0.287
17	03		Irregular expenditure without demand	0.815
18	04		Less deduction of income tax	0.037
19	05		Govt. receipts deposited not verified	0.425
20	06	General Nursing School	Unauthorized Repair of vehicle	0.049
21	02		Unjustified payment of Electricity bills	0.128
22	01	RHC Qila Ahmadabad	Recovery Due to Absent Period	0.108
23	02		Irregular payment of Health Sector Reform Programme Allowance and recovery thereof	0.096
24	03		Irregular payment of allowances during leave period recovery	0.053
25	04		Irregular drawl of Conveyance and House Rent Allowance	0.099
26	05		Govt. receipts deposited not verified	0.181
27	06		Non deduction of Income Tax	0.025
28	07		Non Deduction of General Sales Tax	0.062
29	01	RHC Baddo Malhi	Recovery Due to Absent Period	0.028
30	02		Irregular payment of allowances during leave period	0.059
31	03		Unauthorized Drawl of Adhoc Allowance-2010 (50%)	0.031
32	04		Less deduction of Income Tax	0.034
33	05		Over Payment to Consultant on accounts of PST	0.008
34	06		Irregular drawl of Conveyance and House Rent Allowance	0.081



Sr	PDP #	Formations	Description of Paras	Amount
35	01	RHC Kot Nainan	Unauthorized Drawl of Adhoc Allowance-2010 (50%)	90900
36	02		Unauthorized collection of Test charges	72650
37	03		Non Auction of fell down trees of Government assets	0.750
38	04		Irregular payment of HSR to General Duty Staff recovery	0.108
39	05		Govt. receipts deposited not verified	0.053
40	06		Illegal Occupation of Residence of Charge Nurse	0.568
41	01	RHC Lesser Kalan	Unjustified drawl of allowances	0.011
42	02		Irregular payment of HSR to General Duty Staff recovery	0.227
43	03		Un-authorized Drawl of Pay Due To Shifting of Headquarter	0.562
44	04		Irregular payment of allowances during leaves period	0.031
45	01	RHC Sankhtra	Un-authorized payment of HRA, CA and 5% of Basic Pay	0.015
46	02		Unauthorized Drawl of Adhoc Allowance-2010 (50%)	0.109
47	03		Non verification of receipts from Government treasury	0.044
48	04		Non-maintenance of Tree Register	0.700
49	05		Drawl of pay and allowances without performing duties	0.316
50	06		Non deduction of income tax	0.047
51	07		Irregular payment of HSR to General Duty Staff	0.017
52	01	RHC Shah Gharib	Non-deduction of House Rent Allowance and CA	0.037
53	01	RHC Zafarwal	Un-authorized payment of HRA, CA and 5% of Basic Pay	0.070
54	02		Non verification of receipts from Government treasury	0.355
55	04		Unauthorized Drawl of Adhoc Allowance-2010 (50%)	0.090
56	05		Non and Less Deduction of Income Tax	0.005
57	06		Non deduction of income tax	0.017
58	03	MS THQ Hospital Shakargarh	Irregular purchase of Anti rabies vaccine	0.582
59	05		Non-deduction of L.D Charges	0.062
60	06		Irregular expenditure on purchase	0.057
61	07		Doubtful expenditure on purchases	0.142
62	08		Non deduction of income tax	0.093

### District Health Authority, Nankana Sahib

Sr.	PDP#	Formation	Description of Paras	Amount
1	04	RHC More Khunda	Non deduction of PST	0.053
2	06		Non-Verification of GST Invoices	0.632
3	02	CEO Health	Non-deposit of Performance Security	2.61
4	04		Non deduction of Sales Tax	0.004
5	06		Doubtful Purchase of Medicine (LP)	0.273
6	07		Irregular repair of transport Rs 266,869	0.266
7	08		Irregular / Doubtful Expenditure on POL	0.440
8	10		Irregular grant of sanctions amounting Rs 862,493	0.862
9	11		Irregular Expenditure on POL amounting Rs 289,870	0.289
10	12		Abnormal billing of electricity Rs 299,500	0.299
11	15		Non Reconciliation of Expenditure Rs 56.77 Million	56.77
12	02	RHC Buchakey	Doubtful Purchase of Medicine (LP)	0.027
13	03		Abnormal billing of electricity Rs 185,703	0.185
14	04		Non Payment / Verification of General Sales Tax Rs	0.079
15	05		Non deduction / Deposit of PST @ 16% on services	0.097
16	07		Loss due to purchases at in-exorbitant rates	0.06
17	08		Doubtful Payment of Rs 236995	0.236
18	01	RHC Baragar	Non-deduction of PST on accounts of Civil works	0.015

19	03		Irregular expenditure	0.306
20	04		Irregular expenditure	0.678
21	06		Unauthorized payment on accounts of NPA	0.168
22	08		Doubtful and Irregular Purchase of LP Medicine	0.119
23	01		Irregular Purchase of LP Medicine	0.065
24	04	<b>RHC</b>	Unauthorized consumption of syringes & cannula	
25	05	<b>Warburton</b>	Payment of pay w/o verification of academic Record	
26	04		Non supply of Medicines – Rs0.939 million	0.939
27	07	<b>THQ</b>	Non-imposition of penalty for delay – Rs83514	0.083
28	12	<b>Sanglahill</b>	Drawl of Adhoc Allowance 2010 w/o admissibility	0.111
29	09		Non recovery of penal rent- Rs218,664.	0.218
30	01		Non-deduction of PST on accounts of Civil works	0.291
31	03	<b>RHC</b>	Irregular expenditure of Rs0.237 million	0.237
32	06	<b>Rehanwala</b>	Irregular expenditure of Rs0.852	0.852
33	07		Unauthorized payment on accounts of NPA	0.072
34	01	<b>RHC</b>	Unjustified payment of allowances	0.985
35	03	<b>Warburton</b>	Non-deduction HRA, CA & 5% Maintenance charges	
36	01		Un-authorized payment of NPA	0.396
37	04	<b>THQ</b>	Irregular pay & allowances Rs. 200190/-	0.200
38	05	<b>Shahkot</b>	Irregular Purchase of Medicines –Rs 16454264	0.041
39	07		Splitting to avoid Sanction of Higher Authority	0.173
40	08		Non Verification of Receipts worth Rs. 509149	0.509
41	06	<b>DHQ Hospital</b>	Recovery during audit Rs 277,675	0.277

## District Health Authority, Okara

Sr.	PDP#	Formation	Description of Paras	Amount
1	07	CEO Health	Payment of medicine bills w/o pre-audit system	-
2	05		Transfer of development works from Defunct District Govt. to C&W Dept. w/o adjustment account	-
3	04		Non verification of pass book	
4	09		Irregular Expenditure due to Misclassification	
5	10		Irregular payment of Project Allowance	0.72
6	11		Non-reconciliation & non-obtaining payment schedule	
7	12		Non transfer of government property on transition	
8	13		Doubtful payment	1.071
9	21	MS DHQ Hospital	Non-advertisement on PPRA's Website	0.187
10	02		Non-deduction of PST on accounts of Civil works	0.063
11	04		Non supply of Medicines	-
12	11		Purchase of Medicine below required shelf life	0.965
13	09		Unjustified payment of GST on electricity bills	0.54
14	10		Irregular payment of pay and allowances	0.456
15	14		Unauthorized payment of Adhoc Allowances	0.059
16	16		Drawl of Adhoc Allowance 2010 w/o admissibility	0.794
17	17		Non deduction of 5% of Basic pay for maintenance charges	0.238
18	19		Excess payment to Dry Cleaner	0.047
19	20		Overpayment due to charging higher rate	0.076
20	22		Doubt full double drawl of bills	0.222
21	16	DHQ South City	Non-recovery of income tax	0.414
22	08		Likely Embezzlement of Govt. Fee	0.8
23	17		Loss to government due to non-allotment of Residences	0.380
24	20		Unauthorized payment on accounts of NPA	0.192
25	21		Non-transparent record private room-misappropriation fee	0.183
26	25		Unauthorized Use of ambulance and non-receipt of fee	-
27	08	DO Health	Doubtful Deposit of Govt. Fee	0.39

Sr.	PDP#	Formation	Description of Paras	Amount
28	10		Irregular and Doubtful payment for repair of vehicles	0.329
29	11		Overpayment due to non deduction of income tax	0.209
30	13		Irregular and Doubtful payment for repair of furniture	0.049
31	14		Unauthorized maintenance of pension fund	
32	14		Unauthorized and doubtful consumption of Medicine	
33	01	RHC Gogera	Irregular Purchase of Medicines at Shelf Life below 85%	0.739
34	02		Irregular Expenditure incurred under head- Unforeseen Exp	0.348
35	04		Less deduction of income Tax	0.077
36	03	RHC Hujra	Irregular Purchase of Medicines at Shelf Life below 85%	
37	06		Non entry of Government Receipt in Cash book	0.34
38	07		Payment of Pay w/o Verification Of Academic Record	
39	01	RHC Renala Khurd	Un-authentic consumption of diesel	0.182
40	02		Misappropriation on accounts of POL	0.25
41	03		Un-authorized payment of Non-Practice Allowance	0.052
42	06		Irregular pay & allowances	0.412
43	07		Non-production of Service Books & PC-I regarding up gradation of RHC Renala Khurd into THQ Level Hospita	
44	01	RHC Shahbore	Non deduction of HRA	0.166
45	02		Irregular expenditure on purchase of printing material	0.310
46	04		Non-verification of Educational Document of Contract Staff	
47	05		Non accountal of stock and store	0.631
48	06		Purchase of medicine without rate contract	0.220
49	03	RHC Akhtarabad	Purchase of X-Ray Films by violating PPRA	0.299
50	04		Purchase by violating procedure	0.235
51	05		Purchase of Cost of Store by violating PPRA	0.248
52	07		.Non preparation of equipment and fixed assets register	
53	02	Principal Nursing School	Irregular payment of Mess Allowance	0.358
54	04		Doubtful payment on accounts of Gas Charges	0.043
55	05		Irregular payment of pay due to unauthorized Upgradation	
56	01	RHC Wasawaywala	Unjustified expenditure due to splitting of civil works	0.152
57	02		Unauthorized payment on accounts of NPA	0.048
58	03		Expenditure in excess of the allotted budget	
59	04		Unauthorized payment of SSB	0.013
60	05		Unauthorized payment of Adhoc Allowances	0.009
61	01	MS THQ Hospital Depalpur	Unjustified deposit of government receipts	0.723
62	02		Loss of government receipts due to Less Collection	0.275
63	03		Un-authorized payment on accounts of NPA	0.144
64	04		Irregular payment of pay and allowances	0.257
65	05		Irregular payment of overtime allowance	0.268
66	06		Irregular payment of dress / uniform allowance	0.05
67	07		Loss due to non deposit of ambulance charges	0.094
68	01	THQ Haveli Lakha	Unjustified deposit of government receipts	0.373
69	02		Irregular expenditure of contingent paid staff	0.448
70	03		Non deduction of house rent maintenance charges	0.299
71	04		Irregular expenditure of pay and allowance	0.219

### District Health Authority, Rawalpindi

Sr	PDP#	Name of office	Description of Paras	Amount
1	13	CEO(DHA) Rawalpindi	Expected loss due to non registration of vehicles	3.50
2	14		Non-reconciliation of Expenditure of Account-VI	184.55
3	15		Non-reconciliation of Expenditure incurred from SDA CEO (DH A) Rawalpindi	25.35
4	4	RHC Qazian	Non verification of GST	0.06
5	4	THQ Hospital Gujar Khan	Irregular Payment of Pay & Allowance	0.16
6	6		Non verification of Receipts	0.11

Sr	PDP#	Name of office	Description of Paras	Amount
7	7		Irregular payment without receipt of Medicines	0.08
8	10		Non-reconciliation of Expenditure incurred from SDA	32.61
9	3	RHC Chauntra	Blockage of govt. resources	17.50
10	5		Non reconciliation of Expenditure	12.41
11	6		Non accountal of store items	0.26
12	7		Un authorized shifting of head quarter	0.24
13	3	RHC Doltala	Non maintenance and Non reconciliation of Expenditure	9.74
14	4		Un authorized shifting of head quarter	0.71
15	5		Doubtful consumption of fuel	0.24
16	6		Blockage of govt. resources	7.00
17	7		Irregular payment of leave encashment	0.48
18	8		Irregular payment on accounts Adhoc Allowances	0.05
19	9	THQ Hospital Kahuta	Un authorized splitting resulting in non transparent expenditure	0.58
20	10		Unauthorized exp due to non availability of classified exp	-
21	12		Irregular expenditure on repairs	0.15
22	15		Loss due to Non-regularization of Contract Employees	0.26
23	2	RHC Khaybane Sir syed	Irregular payment of bills in cash	0.38
24	3		Irregular receipt of Lab Share	0.15
25	5		Non verification of challan from treasury	0.20
26			Non deposit of Government fee	0.23
27	6	THQ Hospital Murree	Unjustified expenditure	0.10
28	10		Irregular expenditure amounting	0.14
29	11		Less/Non deduction of discounts	0.10
30	14		Non-Accounted of purchases in asset registers	0.65
31	15		Wasteful expenditure of	0.45
32	3	RHC Mandra	Non- Surrendering of Savings	4.50
33	17		Irregular payment on accounts of doctors shares in X-Ray and Lab charges	0.24
34	6	DO (Health) Rawalpindi	Payment of Printing w/o NOC from Govt. Printing Press	0.24
35	7		Non-verification of GST	0.06
36	4	RHC Mandra	Non reconciliation of Receipts	0.31
37	5		Doubt full expenditure of POL and repair of vehicle	0.10
38	3		Non- Surrendering of Savings	2.45
39	16	CEO (DHA) Rawalpindi	Doubtful Sanction of Financial Assistance	0.80

### District Health Authority-Sargodha

Sr. No	PDP#	Formation	Description of Paras	Amount
1	01	RHC 46/SB	Mismatching of medicines in stock with bill of supplier	0.034
2	02		Irregular /unlawful change of cadre	Nil
3	03		Irregular expenditure	0.408
4	04		Irregular/Unauthorized expenditure Over budget	2.357
5	09	RHC Farooka	Non recording of transaction of pay and allowances in departmental cash book	11.817
6	10		Incurrence of expenditure without expenditure statement	11.817

7	11	THQ Bhalwal	Cotton Gauze declared Substandard by the Lab	0.017
8	12		Non provision of Medicines by the suppliers as per term and condition of the supply order	2.782
9	15	THQ Sillanwali	Non provision of Medicines by the suppliers as per term and condition of the supply order	3.067
10	24	RHC Phullarwan	Acceptance of below shelf life medicine	Nil
11	25		Loss to the Govt. due to non-deduction of LD charges	Nil
12	27	TB Hospital	Irregular payment to DO Buildings for execution of sub-standard repair work	0.800
13	34	THQ Kotmomin	Expenditure incurred over and above the budget allocation	6.193
14	37		Loss to Governments due to shortage of X-Ray Films	0.012
15	40	DO (Health)	Irregular expenditure out of Health Council Funds	28.343
16	45		Non utilization of Health Council Budget	12.764
17	46		Un-authorized purchase of medicine out Health Council Funds	119
18	47		Non-verification of General Sales Tax	1.57
19	48		Unauthorized Repair of Transformers	0.020
20	49	RHC Jhawrian	Irregular drawl of HRA and Conveyance Allowance	0.023
21	50		Irregular Purchase of L.P Medicine	0.206
22	51		Acceptance of Medicine without Manufacturing & Expiry Date	0.206
23	58	THQ 90/SB	Incurrence of expenditure without expenditure statement	16.476
24	61		Undue retention of Drafts	0.225
25	62		Uneconomical expenditure on purchase of LP Medicine on higher rate instead of purchasing on rate contract	0.413
26	63	DHDC	Excess Expenditure over budget	0.340
27	66	RHC Lilliani	Expenditure incurred over and above the budget allocation	0.392
28	68		Unauthorized expenditure	0.113
29	69		Non Utilization of the medicine	0.100
30	70		Non-utilization of government Assets	0.500
31	71		Non deposit of government receipts into A/C IV	0.05
32	73	RHC Miani	Expenditure incurred over and above the budget allocation	0.193
33	75		Un-authorized expenditure	0.15
34	76		Non Utilization of the medicine	0.100
35	77		Non-utilization of government Assets	0.500
36	79		Non deposit of government receipts into A/C IV	0.07
37	80	RHC Bhabra	Expenditure incurred over and above the budget allocation	0.439
38	81		Un-authorized expenditure	0.60
39	82		Non Utilization of the medicine	0.100
40	83		Non-utilization of government Assets	0.500
41	84		Non deposit of government receipts into A/C IV	0.05
42	88	THQ Bhagtanwala	Irregular expenditure	10.00
43	89		Unauthorized expenditure	0.500
44	95		Non provision of Medicines by the suppliers as per term and condition of the supply	1.009
45	97		Non deposit of government receipts into A/C IV	0.100
46	100	THQ Sahiwal	Un-authorized expenditure	1.200
47	101		Irregular expenditure	26.000
48	102		Unauthorized expenditure on work charge	0.700
49	106		Non provision of Medicines by the suppliers as	5.212

			per term and condition of the supply	
50	110	CEO Health	Non deposit of government receipts into A/C IV	0.100
51	111		Excess Expenditure over budget	0.460
52	114		Non provision of Medicines by the suppliers as per term and condition of the supply	5.000
53	115		Non deposit of government receipts into A/C IV	5.718
54	116		Irregular expenditure	41.042
55	117		Non recovery of pension fund investment	Nil

### District Health Authority, Sheikhpura

Sr	PDP#	Formation Name	Description of Paras	Amount
1	01	CEOHealth	Irregular payment of incentives to the CMW (Community Midwives) from the budget grant of EDO-H	1.982
2	05		Non supply of medicine	3.714
3	02		Unauthorized Purchase of Medicine	49.125
4	07		Transfer of development schemes from Defunct District Government to C&W Department without having adjustment account	14.385
5	12		Non transfer of government property on transition	
6	13		Non-Verification of Payment of General Sale Tax Invoices	0.242
7	06		Purchase of medicines w/o execution of rate contracts with the suppliers	49.125
8	04		Less deduction of Income Tax	0.982
9	08		Release of funds on rep of buildings w/o post audit and non-obtaining of vouched account	2.00
10	10		Irregular payment to sanitary patrols / contingent paid staff	54.122
11	11		Irregular payment	8.677
12	01		Residing at Government Residence over and above entitlement	0.031
13	04		Non deduction of income tax	1.174
14	05	RHC Jandiala Sher Khan	Loss to Government due to Purchase of LP Medicine without Discount	0.012
15	06		Non preparation of equipment and fixed assets register	
16	04		Non deposit of Income Tax and GST	0.143
17	02	RHC Farooqabad	Irregular Payment without Pre Audit	0.206
18	03		Irregular Drawn of Pay without Verification of Academic Record	1.032
19	04		Unauthorized usage of medicines without DTL Reports	0.721
20	01	RHC Kharianwala	Irregular Drawn Of Pay without Verification of Academic Record	7.480
21	04		Unauthentic consumption of diesel on generator	0.313
22	05		Payment out of health council funds without post-audit	0.693
23	06		Irregular Purchase of LP & Natural calamities Medicine	0.125
24	05	Nursing School SKP	Unauthorized usage of medicines without DTL Reports	0.638
25	01		Expenditure over and above budget allocation	2.408
26	02		Difference between cash book and bank statement balance	1.546
27	03		Non Reconciliation of Expenditure	
28	07	DO Health	Irregular Payment of Stipend without approved duty roster	3.934
29	05		Irregular payment of uniform and Mess allowance to Nursing students	1.333
30	05		Payment of POL charges without having consumption record	5.00
31	09	THQ Hospital Safdarabad	Non-maintenance of Accounting Record of Assets and Liabilities	
32	03		Loss to government due to non maintenance of vehicles	1.363
33	01		Wastage of government resources	32.00
34	02	THQ Sharaqpur sharif	Payment without having 5% security	0.399
35	09		Irregular Purchase of Medicines	4.074
36	07		Irregular/Doubtful appointment of daily wages staff	1.927
37	06		Irregular creating pending Liability	14.555
38	02	THQ Sharaqpur sharif	Irregular Expenditure on accounts of R&M	2.375
39	09		Unjustified payment	0.050
40	07		Irregular pay & allowances	0.347
41	08		Non-production of Service Books & PC-I regarding up gradation of THQ Hospital Sharaqpur Sharif into THQ Level Hospital	
42	11		Doubtful Expenditure on accounts of POL used in Generator	0.516

Sr	PDP#	Formation Name	Description of Paras	Amount
43	13		Irregular Purchase of Medicines	23.085
44	15		Unjustified hiring of Generator on rental basis	0.540
45	16		un-justified expenditure on pay & allowances	5.131
46	17		Defective/ less work Done	5.072
47	18		non-deposit of sale proceed of waste water of x-rays	0.300
48	19		Creation of liability due to mismanagement	18.801
49	20		Irregular drawl of advance	0.330
50	07	RHC Manawala	Doubtful Expenditure on accounts of POL used in Generator	0.006
51	10		non verification of receipt	0.260
52	03		un justified expenditure on pay & allowances	0.953
53	05		Excess payment of HSRA	0.006
54	08		misappropriation of mattrial	0.075
55	09		Non recovery of ambulance charges	0.030
56	03		Over payment of HSRA	0.027
57	02	THQ Hospital Muridke	Irregular Expenditure	46.531
58	06		Non Disbursement of Cheque	3.249
59	08		Irregular transfer of fund to building department	2.484
60	09		Irregular auction of Canteen and Cycle Stand	1.321
61	11		Less Deduction of Income Tax	0.879
62	13		Non- forfeited of Performance Security	0.121
63	03		Irregular Payment	5.529
64	07	DHQ Hospital	Non-recovery of Performance Guarantee @5%	2.340
65	07		Non deduction of 5% of Basic pay for maintenance charges	0.029
66	08		Purchase of air conditioner at higher rates	0.316

### District Health Authority, Sialkot:

Sr	PDP#	Formation	Description of Paras	Amount
1	03	CEO Health	Unjustified hiring of contingent staff	0.078
2	04		Irregular purchase of stationery	0.778
3	05		Doubtful payment of salary	0.728
4	06		Non-deduction of Income Tax	0.641
5	02	DO Health	Non deduction of income tax on accounts of Health Council	0.968
6	03		Non deduction of CA and HSRA	0.820
7	04		Unauthorized expenditure on accounts of POL	0.032
8	01	THQ Sambrial	Non Realization of Operation Charges	0.393
9	02		Recovery of pay & allowances	0.163
10	03		Recovery of HSRA and CA	0.544
11	04		Non deduction of HSRA and SSB 30%	0.102
12	05		Recovery of pay & allowances	0.088
13	06		Unjustified Rate charged for lab. tests to earn the share	0.671
14	07		Non Realization of Admission and Ward Charges	0.284
15	08		Unauthorized drawl of NPA/PCA	0.55
16	09		Non deduction of conveyance allowance	0.039
17	10		Recovery of house rent and conveyance allowance	0.081
18	11		Non deduction of income tax	0.192
19	12		Non Realization of Penalty and income tax	0.050
20	1	THQ Daska	Recovery due to absent period	0.034
21	06		Unauthorized collection of Test charges	0.629
22	08		Less deposit of Government dues	0.128
2	09		Non Verification of Treasury Deposits	0.917
24	01	THQ Pasrur	Irregular payment of allowances during leave period recovery	0.365
25	02		Unauthorized Drawl of Adhoc Allowance-2010 (50%)	0.097
26	03		Recovery Due to Absent Period	0.144
27	05		Over Payment of HSRA to Specialists	0.467
28	06		Less deduction of Income Tax and Violation of PPRA	0.069
29	07		Irregular Payment of NPA recovery	0.048
30	08		Govt. receipts deposited not verified	0.877

Sr	PDP#	Formation	Description of Paras	Amount
31	01	THQ Kotli Loharan	Non/less deduction of income tax	0.205
32	02		Non deduction of PST	0.017
33	03		Non maintenance of log book	0.334
34	05		Irregular expenditure on lab chemical	0.229
35	07		Irregular expenditure on Electric work	0.105
36	01	RHC Chowinda	Non accountal/ Non Auction of cutted trees of Government assets	0.450
37	02		Irregular payment of HSR to General Duty Staff recovery	0.281
38	03		Govt. receipts deposited not verified	0.108
39	04		Non deduction of conveyance and HSRA during leave period	0.067
40	05		Unauthorized drawl of House rent and Conveyance allowance	0.267
41	06		Fraudulent drawl of pay and allowances	0.612
42	07		Unauthorized drawl of pay and allowances during absent period	0.099
43	08		Irregular drawl of pay and allowances	0.298
44	09		Unauthorized consumption of medicines in Emergency	-
45	10		Unauthorized consumption of medicines in Laboratory	-
46	11		Unauthorized Drawl of Adhoc Allowance-2010 (50%)	0.158
47	01	RHC Kahlian	Irregular expenditure by splitting Indents of purchase of chairs	0.524
48	02		Non Deduction of General Sales Tax	0.089
49	03		Non deduction of Income Tax	0.034
50	04		Govt. receipts deposited not verified	-
51	01	RHC Jamke Cheema	Govt. receipts deposited not verified	0.186
52	02		Illegal Occupation of Residence of Medical Officer Rs 614,784 and recovery of electricity charges	0.040
53	03		Wasteful payment against redundant post w/o performing duties	0.843
54	04		Irregular payment of allowances during leave period recovery	0.039
55	05		Irregular drawl of Conveyance and House Rent Allowance recovery	0.919
56	06		Illegal payment of pay and allowances	0.373
57	07		Unjustified payment of Adjustments of pay & allowances	0.818
58	08		Irregular payment of Pathlogist share to the SMO	0.305
59	09		Non deduction of income tax from the payment of health council	0.045
60	01		Unauthorized collection of Test charges	0.048
61	02	RHC Kalasswala	Non accountal/ Non Auction of cutted trees of Government assets	0.447
62	03		Irregular payment of HSR to General Duty Staff recovery	0.072
63	04		Govt. receipts deposited not verified	0.108
64	05		Non deduction of income tax from the payment of health council	0.045
65	06		Non deduction of Sales Tax @ 17% from the payment of supplier due to unregistered person	0.119
66	01	RHC Begowala	Recovery of house rent and conveyance allowance	0.398
67	02	RHC Satrah	Non deduction of income tax on accounts of Health Council	0.030
68	01		Unauthorized collection of Test charges	0.067
69	02		Non accountal/ Non Auction of cutted trees of Government assets	0.447
70	03		Irregular payment of HSR to General Duty Staff recovery	0.074
71	04		Govt. receipts deposited not verified	0.170
72	05		Non deduction of conveyance and HSRA during leave period	0.084



**Annexure-B****Detail of Budget and Expenditure****(Rs in million)**

<b>Sr. No.</b>	<b>District of DHA</b>	<b>Budget</b>	<b>Expenditure</b>	<b>Savings</b>
1	Attock	567.350	388.400	178.950
2	Bhakkar	630.281	381.189	249.092
3	Chakwal	449.715	335.479	114.236
4	Gujranwala	698.193	434.749	263.444
5	Gujrat	562.024	403.032	158.992
6	Hafizabad	493.755	251.175	242.580
7	Jhelum	548.679	342.462	206.216
8	Kasur	721.833	416.157	305.676
9	Khushab	443.761	269.279	174.482
10	Lahore	2562.027	984.811	1577.216
11	M.B.Din	422.694	266.038	156.656
12	Mianwali	560.018	371.669	188.349
13	Nankana Sahib	560.018	371.669	188.349
14	Narowal	736.493	299.964	436.538
15	Okara	757.975	520.265	237.71
16	Rawalpindi	1202.698	706.764	495.93
17	Sargodha	1309.728	534.068	775.660
18	Sheikhupura	935.641	559.806	375.835
19	Sialkot	599.514	413.275	186.239
	<b>Total</b>	<b>14762.397</b>	<b>8250.251</b>	<b>6512.15</b>

## Annexure-C

### Para 2.4.2.2

Sr. No.	Name of formation	PDP No.	Amount
1	THQ Hospital, Darya Khan	41	0.311
2	THQ Hospital, Darya Khan	42	0.288
3	THQ Hospital, Darya Khan	43	0.314
4	THQ Hospital, Darya Khan	44	0.640
5	THQ Hospital, Kallure kot	51	0.185
6	THQ Hospital, Kallure kot	53	0.332
7	THQ Hospital, Kallure Kot	55	0.184
8	THQ Hospital, Kallure Kot	56	1.012
9	THQ Hospital, Kallure Kot	57	2.661
10	THQ Hospital, Kallure Kot	58	3.586
11	THQ Hospital, Kallure Kot	59	0.295
12	District Officer Health Bhakkar	64	0.432
13	MS THQ Hospital Mankera	73	0.164
14	MS THQ Hospital Mankera	76	0.545
15	MS THQ Hospital Mankera	80	0.170
16	SMO RHC Jandanwala	88	0.171
17	MS DHQ Hospital Bhakkar	15	6.277
18	MS DHQ Hospital Bhakkar	16	0.542
19	MS DHQ Hospital Bhakkar	17	0.191
20	MS DHQ Hospital Bhakkar	18	0.233
21	MS DHQ Hospital Bhakkar	19	4.415
22	THQ Hospital, KallurKot	62	2.53
23	MS DHQ Hospital Bhakkar	31	0.187
24	MS THQ Hospital Darya Khan	33	0.315
25	MS THQ Hospital Darya Khan	34	0.226
26	MS THQ Hospital Darya Khan	35	0.203
<b>TOTAL</b>			<b>26.409</b>

## Annexure-D

### Para 2.4.3.2

Department	No. of Patients	Fee per candidate	Total Amount	Remarks
Laboratory	2835	215	609,525	2835 Medical Fitness Certificates were issued on newly appointed candidates in different department
Laboratory	14269	70	998,830	NIL
Emergency Out door	91429	1	91,429	NIL
Emergency In door	46831	1	46,831	NIL
MLC	704	200	24,186	NIL
Dental Unit	7757	-	19,768	NIL
ECG	8402	75	630,150	NIL
X-Ray	25,181	15	377,715	NIL
Car/Motor Cycle / Cycle Stand			1,630,000	NIL
Income Tax on Car/Motor Cycle / Cycle Stand			163,000	NIL
<b>Total</b>			<b>4,591,434</b>	

## Annexure-E

### Para 3.4.2.8

S. No	Medicines Name	MSD Supply	Bal	Rate Contract Supply	Bal	Price/ Unit	Amount (Rs)
1	Syp Amoxicillin 250mg	5676	5676	8501	2011	60	510060
2	Inj Dobutamine	900	700	720	670	194	139680
3	ORS	54900	31052	20000	20000	9.39	187800
4	Inj Lignocain 2%	6650	6650	10000	9850	10.18	101800
5	Inj Hydrocortisone 250mg	40250	30815	13000	8252	81.47	1059110
6	Insuline 70/30	6446	4133	800	800	187	149600
7	5% D/Water 1000ml	6000	6425	12000	12000	68	816000
8	Cap Amoxicillin 500mg	40000	30684	280000	26176 0	3.89	1089200
9	Inj Amikacin	8350	4205	8500	8500	27.5	233750
10	Tab Escitalopram 10mg	23598	2078	2000	1718	41.89	83780
11	Nilstate Oral Drops	16100	11890	5000	5000	40	200000
12	Inj Diclofenac Sodium 75mg	74400	2670	220000	22000 0	17.22	3788400
13	Tab Amlodipine 5mg	115900	21400	12000	11760	3.42	41040
14	Tab Albendazole	114100	38450	6500	6500	7.5	48750
15	Tab Ibuprofen 400mg	789450	43111 0	150000	15000 0	1.85	277500
16	Tab Glibenclamide	35600	22530	111480	11148 0	1.15	128202
17	Syp Cotrimoxazole DS	38500	35770	7000	5978	31	217000
18	Syp Paracetamol	72160	69160	28000	12763	37.2	1041600
19	Tab Diclofenac Sodium 50mg	266300	00	1450000	96502 0	3.75	543750
20	Cap Tranexamic Acid 500mg	36300	16300	80000	80000	10.2	816000
21	Tab Cotrimoxazole	103600	87600	50000	44000	1.58	79000
22	Cap Ferrous+ Folic Acid	106400	10640 0	380000	19884 4	.55	589000
23	Tab Drotavirin	144100	14410 0	100000	57060	2.02	202000
24	Cap Omeprazole 20mg	3000	3000	500000	22824 0	3.38	1690000
25	Syp Salbutamol	15200	5050	8000	8000	38.36	306880
<b>Total</b>			<b>14339902</b>				

**Annexure-F****Para 3.4.2.13**

<b>Sr. No.</b>	<b>Name of Medicine</b>	<b>Rate Contract Qty</b>	<b>MSD Qty</b>	<b>Rate</b>	<b>Total Amount</b>
1	Tab Metomide	20000	11400	0.76	15200
2	Tab.Citrazine	30000	25200	2.9	87000
3	Tab.Albendazole	5000	5700	7.5	37500
4	Cap. Fefol	100000	22800	1.55	155000
5	Tab Amlodapine	10000	30800	3.42	34200
6	Tab.Diclofenic	200000	56000	3.75	750000
7	Tab.Brufen 400mg	100000	138750	1.85	185000
8	Tab Glibnaclomide	100000	8100	1.15	115000
9	Cap.Omeprazole	200000	16600	12	240000
10	Cap Tranzamine	10000	7900	31.4	314000
11	Tab Metformine	20000	11400	1.42	28400
12	Syp Paracetamole	2000	19300	31	62000
13	Syp Salbutamole	1000	3400	38.4	38400
14	Syp Citrazine	2000	1200	30	60000
15	Syp Amoxcile	6000	1100	60	360000
16	Nystatin Drops	500	4200	40	20000
17	Cap Amoxcile	50000	10000	3.89	194500
18	Syp Septran	500	5400	31	15500
19	Syp Metomide	2000	7700	22.2	44400
20	Tab Septran	5000	8000	1.58	7900
21	Inj Tranzamine	1000	3400	10.2	10200
22	Inj Diclofenec	20000	17100	13.1	262000
23	Inj Hydrocatazone	2000	6800	81.5	163000
	<b>Total</b>				<b>3199200</b>

**Annexure-G****Para-7.4.4.1**

<b>Sr. No.</b>	<b>Description (Object Code)</b>	<b>Cheque No.</b>	<b>Cheque Date</b>	<b>Name of Payee</b>	<b>Net Amount</b>
1	Purchase of medicines	664998	31-May-17	Glaxosmithkline Pakistan Limited	7,200
2		376647	22-Jun-17	Attiq Medical Store	317,288
3		664957	16-May-17	Bosch Pharmaceuticals (Pvt) Ltd	2,355,986
4		664238	21-Mar-17	MS Novariis pharma Karachi	102,799
5		747487	16-Jun-17	Amson Vaccines & Pharma (Pvt) Ltd	929,390
6	Others	376620	22-Jun-17	Bhutta & Sons	13,305
7		376643	22-Jun-17	Tanveer A. Butt	6,800
8		376661	22-Jun-17	Income Tax Department	84,337
9	Advertising	376088	20-Jun-17	HA Advertiser	3,995
10	Rep of Transport	664294	18-Apr-17	M/S wheel Dina	2,142
11	Rep of Transport	664295	18-Apr-17	M/S Faisal Khan Dina	1,405
12	P/o P & M	376601	21-Jun-17	Iman Group	3,868,988
13	P/o P & M	376603	21-Jun-17	Iman Group	3,389,243
14	Printing and publication	489755		Mazhar Publicity	17,172
15	Purchase of Medicines	747444	8-Jun-17	Attiq Medical Store	3,435,456
16		376645	22-Jun-17	Income Tax Department	803,290
17		376039	16-Jun-17	Income Tax Department	1,127,401
					<b>16,466,197</b>

**Annexure-H****Para-7.4.4.3**

<b>Name of Formation</b>	<b>Description</b>	<b>Amount</b>
CH khewra	Overpayment on A/C of Other Allowance	516,286
..do..	Overpayments on accounts of Adhoc Allowance 2010 @ 50%	61,320
RHC Lillah	Overpayments on accounts of HRA & CA	81,816
..do..	Overpayment of Other Allowance	1,066,000
THQ PDK	Non. recovery of Liquidated Damages	11,827
RHC Dina	Unauthorized payment Adhoc Relief Allowance 50% 2010	122,640
..do..	Irregular Payment of 5% of House Rent	61,533
..do..	Non-recovery of Additional Penal Rent	20,424
RHC Khalass Pur	Unauthorized payment Adhoc Relief Allowance 50% 2010	87,879

<b>Name of Formation</b>	<b>Description</b>	<b>Amount</b>
DHQ Jhelum	Over payment due to non-deduction of Discount on LP-	86,696
..do..	Irregular and unjustified payment of Pathologist share to M.S	479,368
..do..	Unauthorized Drawl of Adhoc Relief Allowance 2010	2,378,130
..do..	Overpayment on accounts of HRA, CA and 5% HR	588,654
THQ Sohawa	Un authorized drawl of Adhoc Relief Allowance by Doctors	167,905
..do..	Un authorized drawl of allowances	885,986
RHC Domaili	Irregular drawl of Adhoc Relief Allowances	603,442
RHC Domaili	Overpayment on accounts of Government Accommodation	303,725
THQ PD Khan	Non Deduction of Income Tax– Rs 382,501	382,501
..do..	Non. forfeited of Performance Security	165,392
RHC Dina	Non-deposit of Cost of Sample Medicines for DTL	52,112
..do..	Non deduction of HRA, Conveyance and 5% of House Rent	107,943
DHQ Jhelum	Non-recovery of receipt of Cycle stand and income tax	845,644
..do..	Non-recovery of Additional Penal Rent	104,544
..do..	Non-deposit of Cost of Sample Medicines for DTL	543,346
..do..	Non-deposit of LD from suppliers of Medicine	966,478
THQ Sohawa	Non recovery of HRA, CA and 5% maintenance charges	51,468
..do..	Non imposition of penalty	29,292
..do..	Non deposit of Income Tax & GST-	952,014
RHC Domaili	Non deduction of Conveyance Allowance and HRA	124,222
DHQ Jhelum	Non deduction of GST and Income tax	123,840
..do...	Non-recovery of conveyance allowance	25,119
..do...	Loss to Government	10,000
..do...	Overpayment on accounts of GST	13,968
E&EDCJhelum	Irregular receipt of Lab Share	42,905
...do....	Non Deduction of Conveyance Allowance during leave	35000
RHC Jalal Pur	Non-recovery of CA, Dress and Mess Allowance	22,540
	<b>Total</b>	<b>12,121,959</b>

## Annexure-I

### Para 8.4.1.3

Name of Medicines	Issued from main store	Received in department	Mis-appropriated	Rate	Amount (Rs)
Canulla No. 24	200	100	100	40	4,000
D/Syringes 10cc	120	100	20	15	300
Canulla No. 24	300	0	300	40	12,000
Canulla No. 24	300	0	300	40	12,000
Canulla No.22	300	0	300	40	12,000
Inj. Ringer Lactate 1000ml	500	0	500	47	23,500
Inj. Metro Nidazol 100ml	300	0	300	49.69	14,907
Inj.Dexa 1ml	100	0	100	47.5	4,750
Inj. Calamox 1.2gm	450	0	450	125	56,250
D/Syringes 05cc	1000	0	1000	10	10,000
Inj. Calamox 1.2gm	200	0	200	125	25,000
D/ syringes 05 ml	1500	1000	500	10	5,000
D/Syringes 05cc	500	0	500	10	5,000
	<b>Total</b>				<b>184,707</b>

## Annexure-J

### Para 8.4.3.12

Sr. No.	Description of Assets	Date of Receipt	Qty	Estimated Cost Per unit (Rs)	Amount (Rs)
1	Operation light ceiling type	24-06-16	01	200,000	200,000
2	Mobile light LED type	24-06-16	01	200,000	200,000
3	Autopsy set	24-06-16	02	100,000	200,000
4	Defibrillator	18-07-16	01	200,000	200,000
5	Incubator	24-06-16	01	100,000	100,000
6	Suction Unit	18-07-16	01	200,000	200,000
7	Tracheotomy Set	24-06-16	02	100,000	200,000
8	CPAP	24-06-16	01	200,000	200,000
9	Water bath 20 Litre	24-06-16	01	10,000	10,000
10	Oven Electric Heating	24-06-16	03	50,000	150,000
11	Fractured Bed Pan	24-06-16	10	50,000	500,000
12	Examination Light	24-06-16	01	200,000	200,000
13	Cardic Monitor	18-07-16	02	100,000	200,000
	<b>Total</b>				<b>2,560,000</b>

## Annexure-K

### Para 10.4.2.2

Sr. No.	Post Nomenclature	Employee Name	Per month Salary (Rs)	Amount (Rs)
1	Drug Inspector	Gulraiz Tahir	58,434	350,604
2	Drug Inspector	Syed Imama Hussain	64,803	388,818
3	Drug Inspector	Rana Abdul Mateen	79,002	474,012
4	Drug Inspector	M. Shahid Zafar	76,681	460,086
5	Pharmacist	Aamir Shahzad Sadozai	78,965	473,790
6	Drug Inspector	Rahim Ahmed Khan	71,681	430,086
7	Hospital Pharmacist	Afza Nazir	61,682	370,092
8	Drug Inspector	Imran Sarfraz	86,325	517,950
9	Medical Officer	Shahid Nabi	78,408	470,448
10	WMO	Dr. Amana Mehar	88,408	530,448
11	WMO	Rozina Shahadat Khan	98,445	590,670
12	MO	Dr. Israr Ahmad	79,945	479,670
13	Assistant Director	Khalida Nasim	130,069	780,414
14	Statistical Officer	Nazia Munir	44,188	265,128
15	APMO	Atif Hanif	102,623	615,738
16	Lab Attendant	Jahanzeb Shah	21,559	129,354
17	Tracer	Abid Mehmood	28,493	170,958
18	Khalasi	Kamran Habib	21,830	130,980
19	Health Educator	Tahira Marium	95,368	572,208
20	APMO	Niem ullah Khan	103,173	619,038
21	Sr. Technician	Khalid Latif	44,406	266,436
22	Jr. Technician	M. Afzal	32,927	197,562
23	Sr. Technician	Abdul Ghafoor	49,831	298,986
24	Technician	Ghulam Rasool	42,370	254,220
24	Mechanic	M. Amer	33,946	203,676
26	Technician	Sultan Mehmood	34,065	204,390
27	Technician	Imran Mehmood	34,065	204,390
28	Medical Technologist	Saeed ur Rehman	92,014	552,084
29	Projectionist	Shahid Bukhtair Lone	38,303	229,818
30	2956- Sanitary Petrol	2956 @ 18303	54,103,668	324,622,008
	<b>Total</b>			<b>335,854,062</b>

## Annexure-L

### Para 10.4.2.7

Sr. No.	Name of Medicine	Rate in 2016-17	Rate in 2015-16	Excess Rate	Qty Purchase	Amount Paid	Over Payment
1	Ceftriaxone 500 mg inj	79	21.48	57.52	112,000	8,848,000	6,442,240
2	Diclofenic sodium 75 mg inj	17.22	5.9	11.32	31,200	537,264	353,184
3	Diclofenac Sodium	3.75	0.38	3.37	492,000	1,845,000	1,658,040
4	Omeprazole 20 mg cap	9.29	0.91	8.38	53,500	497,015	448,330
5	Ciprofloxacin 500 mg tab	10	3.69	6.31	179,300	1,793,000	1,131,383



6	Silver Sulphadiazine cream	135.5	51.9	83.6	3,280	444,440	274,208
7	Tranexamic Acid 250 mg inj	32.98	12.39	20.59	3,550	117,079	73,095
8	Dextrose saline	58.6	44	14.6	2,250	131,850	32,850
9	Ringer lactate 1000 ml	47.43	40.83	6.6	35,800	1,697,994	236,280
10	Povidon Lodine lotion	286.85	165	121.85	3,280	940,868	399,668
11	Ibuprofen 400mg tab	1.85	1.5	0.35	158,000	292,300	55,300
12	Tranexamic Acid 500 mg capsul	10.2	6.75	3.45	31,600	322,320	109,020
13	Multivitamine Syp	46	41.65	4.35	1,000	46,000	4,350
14	Paracetamol 500 mg tab	0.75	0.549	0.201	96,300	72,225	19,356
	<b>Total:-</b>					<b>17,585,355</b>	<b>11,237,304</b>

## Annexure-M

### Para 13.4.2.6

Sr. #	Name of Medicine	Rate in 2016-17	Rate in 2015-16	Excess Rate	Qty Purchase	Overpayment
1	Ceftriaxone 500 mg inj	79	21.48	57.52	45000	2,588,400
2	Diclofenic sodium 75 mg inj	17.22	5.9	11.32	80,000	905,600
3	Diclofenac Sodium	3.75	0.38	3.37	2,495,500	8,409,835
4	Omeprazole 20 mg cap	9.29	0.91	8.38	170,000	1,424,600
5	Ciprofloxacin 500 mg tab	10	3.69	6.31	730,000	4,606,300
6	Silver Sulphadiazine cream	135.5	51.9	83.6	1,000	83,600
7	Tranexamic Acid 250 mg inj	32.98	12.39	20.59	20,000	411,800
8	Dextrose saline	58.6	44	14.6	26,000	379,600
9	Mecobalamine tab	4.58	0.69	3.89	200,000	778,000
10	Ringer lactate 1000 ml	47.43	40.83	6.6	20,000	132,000
11	Povidon Lodine lotion	286.85	165	121.85	2225	271,116
12	Ibuprofen 400mg tab	1.85	1.5	0.35	100,000	35,000
13	Tranexamic Acid 500 mg capsul	10.2	6.75	3.45	50,000	172,500
14	Amicacin 250 mg inj	27.5	22	5.5	6,000	33,000
15	Multivitamine Syp	46	41.65	4.35	5,000	21,750
16	Paracetamol 500 mg tab	0.75	0.549	0.201	600,000	120,600
17	Black silk 30 mm 1/0 1/0	54.16	52.5	1.66	8225	13,654
	<b>Total:-</b>					<b>20,387,355</b>

## Annexure-N

### Para 13.4.2.9

Sr. No	Name of Formations	Items Purchased	PDP No.	Total Exp.	Income Tax	GST	Total
1	DHQ Hospital	Purchase of medicine	10	45.175	2.936		2.936
2	DHQ Hospital	Arrear of auction amount and Income Tax	11	10.250	0.317		0.317
3	DHQ Hospital	GST on electricity blls	16	11.310	0	3.506	3.506
4	RHC More Khunda	Less deduction I.T on repair bills	08	4.332	0.129	0	0.129

5.	EDOH	Purchase of medicine	03	7.835	0.352	0	0.352
6	RHC Buckeki	Differnet material	06	0.663	0.029	0	0.029
7	THQ Sanglahill	Purchase of medicine	01	3.914	0.159	0	0.159
8	THQ Sanglahill	Purchase of miss. Item	17	0	0.107	0	0.107
9	THQ Shahkot	Purchase of medicine	06	2.292	0.148	0	0.148
10.	DOH	Purchase of misc. items	08	16.822	0.757	3.196	3.953
11.	RHC Rehanwala		05	0.852	0.117	0.031	0.149
12.	THQ Shahkot	Purchase of store items	06	2.292	0.148	0	0.148
<b>Total:-</b>				<b>105.737</b>	<b>5.199</b>	<b>6.733</b>	<b>11.933</b>

### Annexure-O

#### Para 15.4.1.1

Ch No. /Date	Item of work	(Rs)
446970 / 01-03-2017	Chips grinding labour room, repair of I bath room & envelops	353,530
700115 / 26-04-2017	Curtains dental office	32,000
	Paint material etc	49,980
	80" pipe for water supply	80,480
	Sanitary material	20,419
	White wash emergency	89,100
	Piling in emergency	79,200
	Indicator flexes	40,200
	Electric material	2,040
	Electric material	49,286
	Repair of wash room sanitary material , photocopy repair chips grinding labour room,	308,254
	Operation theater light repair	29,000
	Monitors room piling and paint	45,000
	Temperature device	6,600
	Monitor room furniture	56,100
	Repair of wash room OPD	34,650
700125 / 27-04-2017	Repair of Generator	809,850
700126 /27-04-2017	Repair of Generator	689,391
	Bath room fittings & pipe	46,600
	Chairs and tables	49,360
	Bathroom Baisin set	49,350
	Electric material & telephone set	32,933
	20 fans rewinding	30,400
	Exhaust fan temperature meter	29,100
	Air curtain	49,000
	Air curtain	49,000
	Payment was drawn in the name of stretcher barriers but the names of individuals given in the acquaintance roll were not appointed in the hospital and they do not receive any amount,	117,000

	bogus name and thumb impression were affixed	
	Payment was drawn in the name of accountant no work was done, work was splitted into small bills quotations were not signed by any official supplier. No item received no stock entry or issue was recorded	800,000
	Payment was drawn for aluminum windows but no work was done	140,000
	Payment was drawn for salary of computer operators but no payment was not paid to employees	209,625
	drawn on accounts of other items flexes basket stand wooden box but no item was actually received in the hospital	203,060
	Drawn out of health council funds on accounts of repair of water supply line where as no work was done in the hospital	250,000
		<b>4,830,508</b>

### Annexure-P

#### Para-16.4.2.8

Sr.	Formation	PDP #	Description	Amount (Rs)
1	THQ Gujar Khan	9	Printing of Out Door Tickets	337,500
2	RHC Daultala	9	Purchase of M&E	293,179
3	THQ Kahuta	11	Printing	319,940
4	THQ Kahuta	11	Surgical Gloves	308,900
5	THQ Kahuta	11	Instrumental Dis-infectant	200,000
6	THQ Kahuta	11	Cotton, Bandage, Crape Bandage	294,150
7	THQ Kahuta	11	Instument and store items	258,490
8	RHC KhaybaneSir Syed	5	Purchase of Medicines	146,302
9	THQ Hospital Murree	5	Cotton, cover, draw sheet, bed sheet, pillow, blanket & equipment	833,800
10	THQ Hospital Murree	8	LP medicines	330,837
11	RH C Bagga Sheikhan	1	Equipments etc.	1,250,419
12	DO (H) Rawalpindi	4	Equipemnts etc.	227,445
13	RHC Lehtrar	1	Medicines	174,865
14	THQ Kotli Sattian	1 & 2	Equipments etc.	5,313,135
				<b>10,288,962</b>

### Annexure-Q

#### Para-16.4.2.9

Date	Petrol	Diesel	Delta Methrine	Delta Methrine 5%	Temi Phas	Temi Liquid
<b>A) Rawal Town Team</b>						
10.04.2017	25	100	0	195 KG	225 KG	20 liters
20.05.2017	6	30	1000 ml			
26.05.2017	6	30				
02.06.2017	20					
07.06.2017			1000 ml			
17.06.2017	20	100				
24.06.2017			1000			
<b>Total</b>	<b>77</b>	<b>260</b>	<b>3000 ml</b>	<b>195 KG</b>	<b>225 KG</b>	<b>20 liters</b>

Date	Petrol	Diesel	Delta Methrine	Delta Methrine 5%	Temi Phas	Temi Liquid
Rate	Rs 73/lt	Rs 80/lt	1600/ 1.5liter	Rs1000/KG	Rs 1000/KG	Rs800/liter
Amount	5,621	20,800	3,200,000	195,000	225,000	1600
Grand Total of Rawal Town Team				3,648,021		
B) Potohar Town Team						
Date	Petrol	Diesel	Delta Methrine	Delta Methrine 5%	Temi Phas	Temi Liquid
17.04.17 to 15.07.17	85	280	3310	160KG	2500	0
Rate	Rs 73/lt	Rs 80/lt	1600/ 1.5liter	Rs1000/KG	Rs 1000/KG	Rs800/liter
Amount	6,205	22,400	3,560,666	160,000	250,000	0
Grand Total of Potohar Town Team				3,999,271		
(A+B) Grand Total of Both Town				7,647,292		

### Annexure-R

#### Para-16.4.4.2

Sr.	Formation	PDP #	Description	Amount (Rs)
1	THQ Hospital Gujar Khan	8	CA during leave period	30,000
2	THQ Hospital Kahuta	5	CA during leave period	220,416
3	RHC Khayban-e-Sir Syed	1	CA	105,155
4	RHC Khayban-e-Sir Syed	7	Dress and Mess allowance	48,100
5	THQ Murree	2	Dress, Mess and CA	169,900
6	THQ Hospital Gujar Khan	5	CA and 5% of basic pay	81,096
7	RHC Mandra	6	5% of basic pay	96,393
8	RHC Chautra	4	Social Security Benefit	41,256
9	RHC Chautra	4	CA	22,583
10	CEO Health		Health Risk Allowance	63,000
11	RHC Daultala Gujar Khan	1	Wrong fixation	163,200
12	THQ Murree		Ramzan Ijaz	200,000
13	THQ Hospital Murree	4	Unjustified payment	1,415,521
14	THQ Hospital Kahuta		Social Security Benefit	195,522
				<b>2,852,172</b>

## Annexure-S

### Para 18.4.1.1

#### Medicines at higher rates

Sr. No	Name of Medicine	Rate in 2016-17	Rate in 2015-16	Excess Rate	Qty Purchase	Overpayment
1	Ceftriaxone 500 mg inj	79	21.48	57.52	50000	2,876,000
2	Diclofenic sodium 75 mg inj	17.22	5.9	11.32	110,000	1,245,200
3	Diclofenac Sodium	3.75	0.38	3.37	800,000	2,696,000
4	Omeprazole 20 mg cap	9.29	0.91	8.38	300,000	2,514,000
5	Amoxixilline+ clavunic Acid 250 mg syp	100	72.75	27.25	10,000	272,500
6	Merionidazole 500 mg inj	49.69	32.7	16.99	35,000	594,650
7	Ferrous salt + folic Acid	1.55	0.4	1.15	120,000	138,000
8	Tranexamic Acid 250 mg inj	32.98	12.39	20.59	20,000	411,800
9	Ringer lactate 1000 ml	47.43	40.83	6.6	25,000	165,000
10	Pyovidon Lodine lotion	286.85	165	121.85	3000	365,550
11	Amoxicilline 250 mg syp	60	55.75	4.25	50,000	212,500
12	Amicacin 250 mg inj	27.5	22	5.5	20,000	110,000
13	Paracetamol 500 mg tab	0.75	0.549	0.201	100,000	20,100
Total:						11,621,300

## Annexure-T

### Para 18.4.1.8

Name of Medicince	Supplier	Mfg date	Exp date	Inv & date	shelf life	Qty	Rate	Less Shelf Life (%)	Amount	penalty
Inj 5% D/W 1000 ml	Shahzaib Pharmaceutical	7-16	7-19	1-4-2017	75.0	565	67	10	37855	3786
Cotton Bandges	Cotton Craft	11-15	10-18	24-8-2016	75.0	20286	399	10	8094114	809411
Syp Amoxil 250	Galxo SmithKline	12-16	12-19		82.95	2800	82.95	2.05	232260	4761
Insolin R	Novo Nordisk	6-16	11-18	9/1/2017	72.4	431	609	12.60	262479	33072
Tab Arthemater	Sammi	11-16	10-18	1-3-2017	83.3	1528	320	1.70	488960	8312
Inj Ceftrizone	Galxo SmithKline	12-16	11-21	31-8-17	79	29457	175	6	5154975	309299
Total									14270643	1168641