



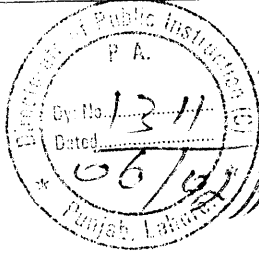
**DIRECTOR GENERAL AUDIT
PUNJAB**

6th Floor, AG Punjab Complex, Lahore
Phone No: 042-99210147 Fax No: 042-9210166

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by no. 139-B3
9/2/15

AD.Pi (C)
Dir. (Acad)
Dir. (Admin)
Dir. (Ext)
Dir. (Gen)
AD (Gen)

**AUDIT INSPECTION REPORT
[2012-14]**

✓ BAMS
9/2/15
S/S

DIRECTORATE OF PUBLIC INSTRUCTION (COLLEGE) PUNJAB, LAHORE

HIGHER EDUCATION DEPARTMENT

No. DGA/DAP/CO-09

Dt. 22/01/2015

OK

9/2

To

The D.Pi (Colleges)
Lahore

B-3



**DIRECTOR GENERAL AUDIT
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I. EXECUTIVE SUMMARY SHEET			
Audit Team Information			
Audit Team Leader	Samson Johnson, Audit Officer		
Team Member	Fazal Ashraf, Asstt. Audit Officer		
Supervising Officer	Dilshad Raza, Deputy Director		
Entity Basic Information			
Name of Formation Audited	DIRECTORATE OF PUBLIC INSTRUCTION (COLLEGE), LAHORE		
Name of Ministry/Department	HIGHER EDUCATION		
Principal Accounting Officer	Secretary Higher Education		
DDO/s	Dr. Jaleel Tariq, DPI		
Last Audit Year	2011-12		
Current Audit Period	2012-14		
Financial Information			
Total Budget allocated for Financial Year(2012-13 and 2013-2014)	Rs.63,235,000	Rs.64,110,000 (Total: 127,345,000)	
Total Expenditure Incurred in Financial Year(-2012-13 and 2013-2014)	Rs.60,459,666	Rs.61,972,863 (Total: 122,432,529)	
Total Revenue estimates for Financial Year (2012-13 and 2013-2014)	Not estimated		
Total Revenue collected in Financial Year (2012-13 and 2013-2014)	-		
Audit Execution Details			
Planned Audit Execution Dates	05.01.2015	To	09.01.2015
Actual Audit Dates	05.01.2015	To	09.01.2015
Total Working Days	05		
Total Expenditure Audited	Rs.14,508,688		
Total Revenue Audited	-		
Total Vouchers Audited	157		
Audit Observation Details			
Total Observations Issued during audit	13		
Observation settled after discussion	Nil		
Audit Paras Details			
Total No of Paras issued	13		
No of Advance paras	02		
No of Ordinary Paras	11		
Recovery Details			
Total Amount of Recovery Pointed out	Rs.95,193		
Amount Recovered during Audit	-		

(Samson Johnson)
Audit Officer
Director General Audit, Punjab



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10. DETAILS OF ADVANCE PARAS ON DEVIATION FORM

Para No	01
O/S No	02

Non utilization of Revenue grant (Laps to government) Rs. 10,031,000

As per Government of the Punjab, Higher Education Department order No.SO(Dev-I)8-51/2013 (Pb), dated 14th May, 2014 release an amount of Rs. 15.00 million during the financial year 2013-14 for execution of the following scheme.

Rule 2.33 of PFR vol-1 requires that every government servant will be held personally responsible for any loss sustained by government through fraud or negligence on his part, and that he will 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 audit of Directorate of Public Institution (Colleges), Lahore for the year 2012-14, scrutiny of Revenue Grant sanctioned Rs. 15.00 million for the financial year 2012-14, vide Higher Education Department order No. SO(Dev-I)8-51/2013 (Pb), dated 14th May, 2014 for execution of scheme. Out of total allocation only Rs. 4,969,129 were incurred against allocation of Rs. 10.908 under the head A09601-Plant & Machinery-Detail of unspent amount is given below:

ADP No.	Name of Scheme	Object codes from where surrender are to be taken	Surrender of funds	Object codes whom funds are to be provided	Provision of funds	Not utilized amount
243	Rehabilitation and provision of equipments to DPI (Colleges), Lahore	A06470- Others	15.00	A09501- Transport A09601- Plant & Machinery A09701- Furniture & Fixture	1.850 Not utilized 10.908 (utilized 4.969) 2.242	1.850 5.939 2.242
						10.031

Non utilization of revenue grant may be justified and irregularity may also be got regularized by the competent authority under report to audit.



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13. DETAILS OF ORDINARY PARAS ON DEVIATION FORM

Para No	03
O/S No	01

Overpayment on account of Conveyance Allowance drawn against designated vehicle Rs. 22,440

Under Rule 2.31(a) of Punjab Financial Rule Vol-1, a drawer of bill for pay, allowances, contingent and other expenses will be held responsible for any over charges, fraud and misappropriation.

During audit of Directorate of Public Institution (Colleges), Lahore for the year 2012-14, scrutiny of pay roll of gazette staff revealed that Mr. Abdul Latif Usmani, Ex-Director was posted in this office and availed designated vehicle for the period of his posting. The conveyance allowance was not admissible to him against designated vehicle. Recovery has been calculated below needs to be recovered from the officer.

Sr. No.	Month	Rate	Amount Recoverable
01	07/2012 to 11/2012	2,480	12,400
02	12/2012	2,480+7,560 Adj CA	10,040
		Total	22,440

Audit recommends recovery for overpayment and stopping of such instances in future by strengthening internal controls.



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Para No	05
O/S No	08

Irregular Expenditure incurred on purchase of computer stationery/stationery worth Rs.546,876

As per rule 15.21 2 (iii) of P.F.R vol-I, certificate of quality and quantity are furnished by the passing and receiving Government servants before payment is made except where the contrary is allowed by the rules regulating purchase of store.

During audit of Directorate of Public Institution (Colleges), Lahore for the year 2012-14, it was observed that following purchases were made under the head Computer stationery/stationery but record revealed that quality/quantity certificates were not found attached with the paid bills. The above rules were not observed by the department hence expenditure incurred irregular needs justification.

Cheque No.	Head/object	Particulars	Amount Incurred
2210509 18.06.13	A03955-Computer Stationery	Computer papers	70,644
2151258 30.04.13	-do-	Tonners for printers	83,520
2152568 22.04.13	-do-	Computer papers	96,646
2046771 17.12.12	-do-	Computer papers	98,646
2083920 21.01.13	A03901-Stationery	Photo state papers	99,586
2079046 12.02.13	-do-	-do-	97,533
	Total:		546,575

Audit desired that irregularity may be got condoned by the competent authority under intimation to audit.



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Para No	07
O/S No	09

Excess drawl of POL than entitlement, recovery thereof Rs.19,933

As per letter of MTO (S&GAD) AT-II, dated 22.09.1999 (Motor Transport Pool) has enhanced the monthly ceiling of POL limits for official use of vehicle.

During audit of Directorate of Public Institution (Colleges), Lahore for the year 2012-14, scrutiny of POL vouchers revealed that excess POL drawn by the officers in contravention of above instructions/rule. In the light of above letter, POL drawn excess than the prescribed limit needs to be justified and got recovered from the person concerned. (detail of vehicle attached):

Sr. No.	Month	Vehicle No.	Due	Drawn	Diff/Rate	Amount Recoverable
1.	07/2012	LEG-1657	125	127.58	2.58	
2.	08/2012	-do-	125	195	70	
3.	11/2012	-do-	125	132	07	
4.	01/2013	-do-	125	145	20	
5.	02/2013	-do-	125	202	77	
6.	03/2013	-do-	125	129.63	4.63	
	Total:				181.21 @Rs.110/-	19,933

Audit desired that recovery be made and deposited into government treasury under intimation to audit



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Para No	09
O/S No	04

Non deduction of Income Tax Rs. 47,820

As per rule 153 of Income Tax Ordinance 2001, Income tax is required to be deducted from suppliers of goods and services @ 6% on services and 3.5% on goods

During audit of Directorate of Public Institution (Colleges), Lahore for the year 2012-14, it was observed that following amounts were disbursed to gazed/non gazed staff on account of Honorarium for the period 2012-13 and 2013-14 but income tax @ 6% was not deducted from the concerned.

Sr. No.	Year	Bill Amount	I/tax paid	Income tax due
01	2012-13	101,300	12,120	11,820
	-do-	100,700	300	
02	2013-14	600,000	36,000	36,000
			Total:	47,820

Audit recommends that recovery may be made good from the staff and deposited into government treasury under report to audit.

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Para No	11
O/S No	13

Non obtaining of NOC from government printing press-Rs.147,102

During audit of Directorate of Public Institution (Colleges), Lahore for the year 2012-14, it was observed that huge expenditure was incurred under the head AO 3902-Printing for printing of white file cover, note book and stock file but NOC was not obtained from government printing press.

Sr. No.	Cheque No. and Date	Name of Supplier/firm	Particulars	Amount Incurred
1.	2046771 17.12.12	Lahore Drawing and Stationery Store, 15.11.12	1400 White file cover	24,360
2.	2152568 22.04.13	-do- 28.01.13	-do-	24,360
3.	2180295 12.06.13	-do- 04.06.13	-do-	24,360
4.	-do-	-do- 29.05.13	Note books	24,882
5.	2356653 03.06.14	-do- 23.04.14	1800 White file cover	49,140
	Total:			147,102

Audit recommends that irregularity may be condoned from the higher competent authority under intimation to audit.



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Para No	12
O/S No	05

Actual payee receipts not shown Rs.427,597

Rule 8.4 of PFR vol-1 actual payee receipts should be obtained when make payment to supplier/firm.

During audit of Directorate of Public Institution (Colleges), Lahore for the year 2012-14, scrutiny of paid vouchers revealed that huge amounts were paid to the suppliers/firms but actual payee receipts neither shown to audit nor found attached with the bills. Needful be got done and shown to audit. Detailed is given below.

Sr. No.	Head/object	Name of Supplier/firm	Amount paid
1.	AO-3901-Stationery	M/s Muhammad Traders, Lahore 21.11.12	99,586
2.	-do-	Do- 14.01.13	97,533 ✓
3.	-do-	M/s Lahore drawing and stationery store, Lahore 17.01.13	94,053 ✓
4.	A03970-Others	M/s Friends Trading Company, 08.05.13	24,360 ✓
5.	-do-	Lahore Drawing and Stationery Store, 30.08.12	16,530
6.	A03955-Computer Stationery	Bukhari Business Machine 08.12.12	12,000
7	AO-13001-Transport	Ali Auto Garaj, 18.11.2013	83,535
	Total:		427,597

Compliance may be made and shown to audit.



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**SECTION III
[AUDIT CONCLUSION REPORT]**



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15. TEST AUDIT NOTE

No test audit note was issued to the department during the course of audit.

16. GENERAL REMARKS

Subject to foregoing audit remarks, the maintenance of accounts was found satisfactory.

Seen & discussed

*✓
K. Khan
21/1/2014*

Johnson

Samson Johnson

Audit Officer

O/o DG Audit Punjab Lhr.