

**AUDIT SUMMARY**

**SECTION-I**  
**[PREVIOUS AUDIT INFORMATION]**

<b>Period of Audit</b>	<b>NO OF OUTSTANDING PARAS</b>	<b>Amount in Rs</b>
2011-12	20	
<b>DETAILS OF OUTSTANDING PARAS</b>		
<b>Para No.</b>	<b>TITLE</b>	<b>Status</b>
1	IMPROPER INVESTMENT OF BALANCE FUNDS OF RS. 25,809,155/-	Settled SDAC Meeting, dated 04-04-2013
2	IRREGULAR EXTENTION OF CONTRACT OF CYCLE STAND OF RS. 1,411,572/- & NON DEDUCTION OF ADVANCE TAX FROM THE CANTEEN CONTRACTER OF RS. 84,694/-	Settled SDAC Meeting, dated 14-11-2012
3	IRREGULAR EXPENDITURE OF CONTRACT OF COLLEGE CANTEEN OF RS.675,000/- & NON DEDUCTION OF ADVANCE TAX FROM THE CANTEEN CONTRACTOR OF RS.400,500/-	PENDING
4	IRREGULAR EXPENDITURE OF RS. 1,687,500/- ON PURCHASE OF COMPUTERS WITHOUT DEDUCTING INCOME TAX OF RS. 59,063/-	Settled SDAC Meeting, dated 14-11-2012
5	UNAUTHORIZED COLLECTION OF FUNDS AMOUNTING TO RS.3,743,876/- & IRREGULAR EXPENDITURE OF RS.22,510/-	PENDING
6	IRREGULAR PAYMENT OF RS.6,661,842/- (5,257,984+1,403,858) ON ACCOUNT OF THE STAFF RECRUITED ON CONTRACT & DAILY WAGES BASIS.	PENDING
7	IRREGULAR PAYMENTS WITHOUT DEDUCTING INCOME TAX.RECOVERY OF RS.34376/-	Settled SDAC Meeting, dated 30-04-2013
8	EXPENDITURE INCURRED OVER AND ABOVE THE BUDGET ALLOCATION OF RS.929,866/	Settled SDAC Meeting, dated 30-04-2013
9	LAPSE OF BUDGET ALLOCATION AMOUNTING TO RS.15,124,839/- REGULARIZATION THEREOF.	Settled SDAC Meeting, dated 30-04-2013
10	UN APPROVED FINANCIAL STATEMENT	Settled SDAC Meeting, dated 30-04-2013
11	PHYSICAL VERIFICATION OF STORE AND STOCKS NOT CONDUCTED UNDER THE PERIOD OF AUDIT.	Settled SDAC Meeting, dated 30-04-2013
12	NON-AUCTION OF DISCARDED NEWSPAPERS AMOUNTING TO RS.8000/- PER YEAR (APPROXIMATLY)	Settled SDAC Meeting, dated 30-04-2013
13	BLOCKAGE OF STUDENT FUNDS AMOUNTING TO RS.25,809,155/-	Settled SDAC Meeting, dated 30-04-2013
14	NON-DEDUCTION OF PROFESSIONAL TAX	Settled SDAC Meeting,

	FROM THE CONTRACTORS/SUPPLIERS AMOUNTING TO RS.8000/-	dated 30-04-2013
15	NONE INSTALLATION OF ELECTRICITY & GAS METERS BY THE CONTRACTORS.	Settled SDAC Meeting, dated 30-04-2013
16	LOSS OF RS.18,437/- DUE TO UNDUE FAVOUR TO THE CNTRACTOR OF CANTEEN.	Settled SDAC Meeting, dated 30-04-2013
17	NON FORFITURE OF SECURITY OF RS.10,000/-	Settled SDAC Meeting, dated 30-04-2013
18	DEFECTIVE EXECUTION AS WELL AS EXTENTION OF THE CONTRACT .	Settled SDAC Meeting, dated 30-04-2013
19	IRREGULAR EXPENDITURE OF RS.176,320/- &LESS DEDUCTION OF INCOME TAX @3.5% INSTEAD OF 6% AMOUNTING TO RS.4,408/- ON ACCOUNTING OF PRINTING.	Settled SDAC Meeting, dated 30-04-2013
20	LESS PAYMENT OF STAMP DUTY OF RS.8,00/-	Settled SDAC Meeting, dated 30-04-2013

TOP PRIORITY  
MOST URGENT



No.SO(Audit)5-144/2014  
GOVERNMENT OF THE PUNJAB  
HIGHER EDUCATION DEPARTMENT

Dated Lahore the 8<sup>th</sup> September.2015

To, ✓

The Principal,  
Govt.Fatima Jinnah College for Women Chuna Mandi, Lahore.

Subject:- SUPPLYING OF SIX COPIES OF WORKING PAPERS OF ALL PENDING  
AUDIT,ADVANCE,MEFDAC PARAS ACCORDING TO AUDIT &  
INSPECTION REPORT FOR THE YEAR 2012-2014

Kindly refer to the subject noted above.

It is to inform you that audit of your college was conducted by the Audit Department and According to Audit & Inspection Report for the year 2012-2014, the position of all pending audit,advance,meffdac and draft paras is as under:-

Sr.No.	Year	All pending audit, advance,meffdac and draft paras.
01	2006-2010	12
02	2010-2011	06
03	2011-2012	03
04	2012-2014	12 advance paras 03 ordinary paras

It is requested to send six copies of working papers of above mentioned audit,advance,meffdac paras to the Higher Education Department immediately so that DAC/SDAC meeting may be arranged at the earliest.

SECTION OFFICER (AUDIT)

No.& Date Even.

A copy is forwarded for information and n/a to:-

1. P.S to Secretary, Govt. of the Punjab, Higher Education Department.
2. The Director Public Instruction(Colleges)Punjab, Lahore with the request to issue directions to the concerned Principal to send six copies of working papers of above mentioned audit, advance, meffdac paras immediately.
3. The Director of Education Colleges Lahore Division Lahore for similar action.
4. The Deputy Director Colleges Lahore for similar action.

SECTION OFFICER (AUDIT)

Mr. Sami Ullah Khan  
look into the matter  
& send working papers.

Principal  
11-8-15

**AUDIT INSPECTION REPORT [2012-2014]**

**PRINCIPAL GOVT FATIMA JINNAHA COLLEGE (W)  
CHUNA MANDI, LAHORE**

Govt. of the Punjab Education Department

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## SECTION-II [CURRENT AUDIT INFORMATION]

### 2. AUDIT TEAM INFORMATION

Sr No	Role	Name	Designation	Cell No	Email
1	Audit Supervisor				
2	Team Leader	Ch. Muhammad Ashraf	Audit Officer	03006660598	
3	Team Member	Allah Rakha Iqqbal.	Senior Auditor		

### 3. DDOs INFORMATION

Sr No	Designation	Name	Office Address	Location/	Phone No	Fax No	Email
1	Principal, Govt. Fatima Jinnah college (W) Choona Mandi, Lahore	Mrs. Shahnaz Kasur	Choona Lahore	Mandi,	04237661185	-	

**4. SUMMARY OF OBSERVATIONS**

O/S No	Subject	Amount involved (Rs)	Status after discussion	Para No of AIR
1	IRREGULAR WITHDRAWL OF FUNDS WITHOUT DRAWING AND DISBURSING AUTHORITY	00	Pending	2
2	IRREGULAR EXPENDITURE WITHOUT PRE-AUDITING OF CLAIMS	00	Pending	4
3	IRREGULAR EXPENDITURE WITHOUT APPROVAL OF BUDGET STATEMENT	00	Pending	1
4	IRREGULAR EXPENDITURE ON ACCOUNT OF CONTINGENT CHARGES WITHOUT SANCTION OF BOARD-RS.4542017/-	4542017	Pending	3
5	NON FRAMING OF ACT, STATUTES AND RULES OF INSTITUTION	00	Pending	5
6	IRREGULAR HIRING OF STAFF ON DAILY WAGES AND EXPENDITURE OF RS.2,461,080/-	2461080	Pending	6
7	IRREGULAR EXPENDITURE ON ACCOUNT OF AWARDED INCREMENT TO EMPLOYEES APPOINTED ON FIXED PAY PACKAGE-RS.304090/-	304090	Pending	7
8	LESS DEDUCTION OF INCOME TAX RS.93678	93678	Pending	8
9	NON FORFEITURE OF SECURITY-RS.73000/-	73000	Pending	11
10	NON DEDUCTION OF LD CHARGES ON ACCOUNT OF LATE SUPPLY OF FURNITURE	9533	Pending	13
11	NON SHIFTING OF BALANCE LYING IN HABIB BANK ACCOUNT-RS.28634/-	28634	Pending	14
12	IRREGULAR PURCHASE OF GENERATOR FOR RS.1,684,800/- AND RECOVERY OF LD CHARGES RS.67392/-	1684800	Pending	10
13	IRREGULAR EXTENSION OF CONTRACT OF CYCLE STAND OF RS.2,964,302/-	2964302	Pending	9
14	PHYSICAL VERIFICATION OF STORE NOT CARRIED OUT	00	Pending	15
15	IRREGULAR EXPENDITURE OF INCURRED IN EXCESS OF BUDGET GRANT- Rs.420,895/-	420985	Pending	12
	<b>Total Rs.</b>	<b>12,582,119</b>		

**Summary of Paras in AIR**

<b>Description</b>	<b>No</b>	<b>Amount Involved</b>
Total no. of Para's	15	12,582,119
Total no. of Advance Para's	12	12,543,952
Total no. of Ordinary Para's	03	38,167
No. of Para's settled	Nil	
<b>Total Paras in AIR</b>	<b>15</b>	<b>12,582,119</b>



## PART I [PARAS OF SERIOUS NATURE]

### 5. SUMMARY OF ADVANCE PARAS

Para No	Title of Para	Amount involved (Rs)
1	IRREGULAR EXPENDITURE WITHOUT APPROVAL OF BUDGET STATEMENT	00
2	IRREGULAR WITHDRAWL OF FUNDS WITHOUT DRAWING AND DISBURSING AUTHORITY	00
3	IRREGULAR EXPENDITURE ON ACCOUNT OF CONTINGENT CHARGES WITHOUT SANCTION OF BOARD-RS.4542017/-	4542017
4	IRREGULAR EXPENDITURE WITHOUT PRE-AUDITING OF CLAIMS	00
5	NON FRAMING OF ACT, STATUTES AND RULES OF INSTITUTION	00
6	IRREGULAR HIRING OF STAFF ON DAILY WAGES AND EXPENDITURE OF RS.2,461,080/-	2461080
7	IRREGULAR EXPENDITURE ON ACCOUNT OF AWARDED INCREMENT TO EMPLOYEES APPOINTED ON FIXED PAY PACKAGE-RS.304090/-	304090
8	LESS DEDUCTION OF INCOME TAX RS.93678	93678
9	IRREGULAR EXTENSION OF CONTRACT OF CYCLE STAND OF RS.2,964,302/-	2964302
10	IRREGULAR PURCHASE OF GENERATOR FOR RS.1,684,800/- AND RECOVERY OF LD CHARGES RS.67392/-	1684800
11	NON FORFEITURE OF SECURITY-RS.73000/-	73000
12	IRREGULAR EXPENDITURE OF INCURRED IN EXCESS OF BUDGET GRANT- Rs.420,895/-	420985
	<b>Total Rs.</b>	<b>12,543,952</b>

**Para No.02**

**OS. No.01**

**IRREGULAR WITHDRAWAL OF FUNDS WITHOUT DRAWING AND DISBURSING AUTHORITY-RS.198,428,486/-**

Section 11 (4) of the Ordinance under which college was given autonomy, describes that the Board Funds shall be utilized by the Board in connection with its functions under this Ordinance, including the payment of salaries and other remunerations of the Principal and the staff of the institution and of officers and servants appointed under this Ordinance.

The notification made by the Government of the Punjab Education Department vide no.SO (BOARDS) 2-4/97 dated 21-7-1997 describes that the Government College (w) Choona Mandi, Lahore has been given status of an "Institution" for the purposes of Ordinance and the provisions of the said Ordinance shall apply to the said college with immediate effect.

It was observed during audit of the Principal Government Fatima Jinnaha college (W), Lahore for the period 2012-2014 that the Principal exercised powers of Drawing and Disbursing Officer and withdrawal funds from the treasury and Board Fund to the stated extent during the year 2012-13 for Rs.93308305/- and 2013-14 for Rs.105120181/-. The DDO powers rests with the Board of Governors and were not delegated to the Principal. The withdrawal of funds for expenditure without having DDO powers was irregular.

When pointed out in May, 2015 it was replied by the department that no separate order of DDO Powers of a permanent Principal are required. The reply was not tenable as all the powers rest with the Board according to above mentioned provisions of Ordinance. The DDO Powers were required to be delegated after autonomy of the Institution.

**ACTION RECOMMENDED**

The department is required to regularized the expenditure incurred irregularly using DDO Powers by the Principal.

**Para No.03**

**OS. No.04**

**IRREGULAR EXPENDITURE ON ACCOUNT OF CONTINGENT CHARGES  
WITHOUT SANCTION OF BOARD-RS.4542017/-**

Section 4 of the Ordinance under which college was given autonomy, describes that Board fund shall be utilized by the Board in connection with its functions under this Ordinance, including the payment of salaries and other remunerations of the Principal and the staff of the institution and of officers and servants appointed under this Ordinance.

The notification made by the Government of the Punjab Education Department vide no.SO (BOARDS) 2-4/97 dated 21-7-1997 describes that the Government College (w) Choon Mandi, Lahore has been given status of an "Institution" for the purposes of Ordinance and the provisions of the said Ordinance shall apply to the said college with immediate effect.

It was observed during audit of the Principal Government Fatima Jinnaha college (W), Lahore for the period 2012-2014 that according to the Ordinance and the Regulations all the powers to incur expenditure rest with the Board of Governors which were not delegated to the Principal but expenditure to the stated extent was incurred on account of purchase of different articles under different heads of account while sanction to incur expenditure was not obtained from the Board of Governors. The expenditure so incurred detailed below was irregular.

Year	Head of account	Amount
2012-2013	A03-Operating expenses	2219099
2013-2014	//	2322918
	Total Rs.	4542017

When pointed out in May, 2015 it was replied by the department that the Principal of the college is competent to incur the expenditures. The reply was not tenable as all the financial powers rest with the Board and were not delegated to the principal. The incurring of expenditure without having financial powers was irregular.

**ACTION RECOMMENDED**

The department is required to get the expenditure regularize from the competent authority.

**Para No.04**

**OS. No.02**

**IRREGULAR EXPENDITURE WITHOUT PRE-AUDITING OF CLAIMS**

It was observed during audit of the Principal Government Fatima Jinnaha college (W), Lahore for the period 2012-2014 that expenditure to the stated extent as per expenditure statement under different heads of accounts was incurred without pre-auditing of claims by an authorized officer. The college had not established mechanism of pre-auditing after getting autonomy and all the payments are being made without its audit. The expenditure so incurred was held irregular.

2012-2013 Rs.93308305/-

2013-2014 Rs.105120181/-

When pointed out in May, 2015 it was replied by the department that pre-audit of the college accounts has been conducted by a Bursar nominated by the Principal every year. The reply was not tenable as no pre-audit of claims was carried out. The pre-audit of claims was required to be carried out by an Audit officer/Budget and Finance officer appointed for the purposes. No such officer was appointed in college so for and funds are being drawn without pre-audit of claims which were irregular.

**ACTION RECOMMENDED**

The department is required get the expenditure regularized from the government.

<b>Para No.05</b>
<b>OS. No.05</b>

#### **NON FRAMING OF ACT, STATUTES AND RULES OF INSTITUTION**

The Government of the Punjab Higher Education Department vide letter no.SO(Audit)4-36/2010 dated 15-9-2011 written to the Principal on the direction of the PAC-1 to formulate Statutes, Service rules, pay and allowances rules, works rules, purchase rules and financial rules etc,

It was observed during audit of the Principal Government Fatima Jinnaha college (W), Lahore for the period 2012-2014 that the college was given autonomous status from July 1997 but still neither Act, Statutes and rules were framed so far and the college was being run without any financial direction. The PAC-1 also directed in this regard in its meeting held on 15-8-2011 but no compliance of PAC directive was made so far. The business of the college is being run without any rules.

When pointed out in May, 2015 it was replied by the department that Rules/Regulations framed by Government of Punjab, Higher Education Department in 2006 & 2008 are available in the college office. The reply was not tenable as the above mentioned letter of Punjab Higher Education Department indicates that no rule, Statutes were framed so far.

#### **ACTION RECOMMENDED**

The department is required to look into the matter and made compliance of Ordinance and government instructions.

<b>Para No.06</b>
<b>OS. No.06</b>

**IRREGULAR HIRING OF STAFF ON DAILY WAGES AND EXPENDITURE OF  
RS.2,461,080/-**

Rule 2.10(a) (1) of PFR Vol 1 provides that same vigilance should be exercised in respect of expenditure incurred from Government revenue as a person of ordinary prudence would exercise in respect of the expenditure of its own money.

The daily wages appointments were allowed only to the Irrigation & Power, Communication & Works, Housing, Urban Development & Public Health Engineering Department only for a project life or to the end of a financial year whichever is earlier as laid under the notification issued vide No.ROT (Tech)F.D 2.2/2001 dated 01.09.2005.

While recruiting the daily wages employees the procedure mentioned under serial No.2 of the notification should be followed but if the auditee wanted to frame its own rules of appointment of daily wages employees, they should be get approved from the Chief Minister of the Punjab as mentioned under part A of that Para.

It was observed during audit of the Principal Government Fatima Jinnaha college (W), Lahore for the period 2012-2014 that

1. The teaching / non teaching staff was recruited without any lawful authority and paid an amount of Rs.1438725/- under head of account A01273- Honoraria during 2012-13 and Rs.1022355/- during 2013-14 irregularly by misinterpreting the notification mentioned above.
2. Separate rules & procedure of appointment of daily wages employees were not get approved from the Chief Minister in Violation of above mentioned notification.

When pointed out in May, 2015 it was replied by the department that the staff on daily wages are hired on very nominal remunerations against temporary vacant posts. The expenditure incurred on remunerations are met out by the college out of its own sources with approval of the Finance and BOG. The reply was not tenable as neither any orders of the Finance department nor BOG were shown to audit. The expenditure ignoring government instructions/rule was irregular.

**ACTION RECOMMENDED**

The department is required to get the expenditure regularized from the competent authority.

<b>Para No.07</b>
<b>OS. No.07</b>

**IRREGULAR EXPENDITURE ON ACCOUNT OF AWARDING INCREMENT TO EMPLOYEES APPOINTED ON FIXED PAY PACKAGE-RS.304090/-**

Rule 2.10(a) (1) of PFR Vol 1 provides that same vigilance should be exercised in respect of expenditure incurred from Government revenue as a person of ordinary prudence would exercise in respect of the expenditure of its own money.

It was observed during audit of the Principal Government Fatima Jinnaha college (W), Lahore for the period 2012-2014 that annual increment was allowed to the staff appointed on contract basis on fixed pay package while condition of annual increment was not provided in their appointment letters. The award of increment while it was not agreed at the time of appointment and also not approved by the authority, was irregular and resulted into excess payment to the stated extent detailed in annex.

When pointed out in May, 2015 it was replied by the department that fixed pay package with annual increments discussed in detail in Finance & Development and Board of Governors meeting & has been approved. The reply was not tenable as the award of increment was against the terms of appointment and no approval of the Board was obtained. The increment of Rs.600/- allowed had no rate in Basic Pay Scales for BS-17.

**ACTION RECOMMENDED**

The department is required to affect recovery from the concerned.

<b>Para No.08</b>
<b>OS. No.08</b>

**LESS DEDUCTION OF INCOME TAX RS.93678 /-**

As laid down under section 153 (i) of income tax ordinance 2001. Income tax was required to be deducted at source from the payments 01-07-2013 to 30-06-2014 purchase @ 4 % and payments of repair/service rendered @ 6.5 % .

It was observed during audit of the Principal Government Fatima Jinnaha college (W), Lahore for the period 2012-2014 that income tax to the stated extent detailed below was less deducted while making payment to the contractors. This resulted into loss to the government revenues.

Name of article purchased	Date of purchase	Total amount of bill	Income tax due	Deducted	Amount less deducted
Purchase of computers		1998750	79950	69956	9994
White Board	1-10-2013	79840	3194	2794	400
Furniture	12-11-2013	1238040	49522	43331	6191
Notice board	10/2013	47970	1919	1679	240
Stool	23-1-2014	119160	4766	4171	595
Auction of canteen	12-7-2013	1350000	87750	81000	670
Cycle stand	13-14	1552730	100927	93161	7766
Generator	9-12-2013	1684800	67392	00	67392
Sports material	8-1-14	85950	3438	3008	430
				<b>Total Rs.</b>	<b>93678</b>



When pointed out in May, 2015 it was replied by the department that the case of less deduction of Income Tax will be checked thoroughly and if recovery therein it will be recovered from the concerned firm and deposited into government treasury.

**ACTION RECOMMENDED**

The department is required to affect recovery from the concerned firm and deposited into treasury.

**Para No.09**

**OS. No.13**

**IRREGULAR EXTENSION OF CONTRACT OF CYCLE STAND OF RS.2,964,302/-**

Rule 20 of PPRA provides that the procuring agencies shall use open competitive bidding as the principal method of procurement for the procurement of goods, services and works.

According to contract policy, the contract should be extended with due approval of the Board of Governors.

During scrutiny of auction record of cycle stand of the college, it was observed that the contract of cycle stand was awarded to Mr. Muhammad Akbar for the year 2011-12, which was further extended for the period 2012-13 and 2013-2014. The contract was required to be advertised in press for open competition but it was extended every year adding 10% amount in contract money. without seeking the approval of Board of Governors in violation of contract policy. Moreover the contract amount of Rs.14,11,572/- was required to be collected from the contractor for the year 2012-13 out of which contract amount of Rs. 8,00,000/- was collected on 30-6-12 while remaining contract amount of Rs.6,11,572/- & Income Tax Rs. 84,694/- was deposited on 12-11-2012. The contract money for 2013-14 amounting to Rs.800,000/- and Rs.48000/- Income tax on 2-7-13 and Rs.752730/- on 7-1-14 and Income tax Rs.45164/- on 1-4-14. The contract money was required to be recovered in advance but undue favor was extended to the contractor against the terms and conditions of tender. The award of contract was irregular.

When pointed out in May, 2015 it was replied by the department that amount of contract of cycle stand received in advance in two installments and the contract is extended with recommendation of college Advisory Committee and with the approval of BOG. The reply was not tenable as neither college Advisory Committee nor Board can accord approval against rules although no approval of the Board was obtained. There was no condition of deposit of amount in two installments. The extension of contract was irregular.

**ACTION RECOMMENDED**

The department is required to get the contract regularized.

**Para No.10**

**OS. No.12**

**IRREGULAR PURCHASE OF GENRATOR FOR RS.1,684,800/- AND RECOVERY OF LD CHARGES RS.67392/-**

All bids shall be evaluated in accordance with the evaluation criteria and other terms and conditions set forth in the prescribed bidding documents. Save as provided for in sub-clause (iv) of clause (c) of rule 36 no evaluation criteria shall be used for evaluation of bids that had not been specified in the bidding documents.

It was observed during audit of the Principal Government Fatima Jinnaha college (W), Lahore for the period 2012-2014 that purchase of 60 KVA generator was made on 9-12-2013 for Rs.1684000/- out of student fund. The technical report of tenders, inspection report of equipment and installation/commission report was not available in record. In the absence of said documents, the purchase was irregular as the necessary coddle formalities were not completed. The supply order was issued on 1-10-2013 for supply of equipment within 20 days. According to bill of firm it appears that supply was received on 9-12-2013 which was 40 days late but LD charges @2% per month amounting to Rs.67392/- were not deducted from the bill of firm.

When pointed out in May, 2015 it was replied by the department that technical report is available and LD charges will be recovered from the concerned firm if admissible. The reply was not tenable as technical report was again not produced to audit.

**ACTION RECOMMENDED**

The department is required to regularize the expenditure and recovery of LD charges may be made from the firm.

**Para No.11**

**OS. No.09**

**NON FORFITURE OF SECURITY-RS.73000/-**

According to the Section 2.64 Chapter II of Building and Roads Department Code, the amount of earnest money to be deposited should be sufficient to provide a security against loss in case the contractor fails to start work within the stipulated time after the acceptance of his tender, or until the sum due to him form a sufficient guarantee, as the case may be. Moreover, as per contract agreement, the contractor should start the work within seven days of the receipt of acceptance otherwise his earnest money shall be forfeited.

It was observed during audit of the Principal Government Fatima Jinnaha college (W), Lahore for the period 2012-2014 that Supply order was issued to M/S Sittar Traders for supply of 10 no. Notice Boards vide no.1660/FJCW dt 11-9-2013 @Rs.3978/-. The firm failed to supply the requisit store articles and supply order was issued to the next lowest @Rs.4797/- each. The earnest money of Rs.75000/- supplied with tender by the firm failed to comply with the order, was required to be forfeited but only Rs.2000/- were forfeited after obtaining cheque and CDR was returned. The action of the office was against the rules and the Institution sustained loss of Rs.73000/- which may now be recovered.

When pointed out in May, 2015 it was replied by the department that matter will be taken up with the concerned firm.

**ACTION RECOMMENDED**

The department is required to look into the matter and recovery may be made good.

**Para No.12**

**OS. No.15**

**IRREGULAR EXPENDITURE OF INCURRED IN EXCESS OF BUDGET GRANT-  
Rs.420,895/-**

Rule 17.15 of PFR Vol-I, requires that expenditure should not in any case exceed the budget allocation under different units of appropriation.

It was observed during audit of Principal Government Fatima Jinnah College (W) Choona Mandi, Lahore for the year 2012-2014 that expenditure was excess incurred than budget allocation. The expenditure without obtaining budget allocation was irregular. The detail is in the attached annexure.

Code	Detail of classification	Budget allocation	Expenditure	Excess
A012-2	Total Other allowance	1050000	1438725	388725
				<b>388725</b>
		<b>2013-14</b>		
A032	Communications	115000	129080	14080
A03807	Travel and transport	150000	168090	18090
				<b>32170</b>
			<b>G.Total Rs.</b>	<b>420895</b>

When pointed out in May, 2015 it was replied by the department that allocation and excess expenditure are approved in the Finance and Development meeting as well as BOG of the college. The reply was not tenable as the approval of the Board was not produced to audit.

**ACTION RECOMMENDED**

The department is required to get the expenditure regularized from the Board.

## **PART-II**

<b>Para No.13</b>
<b>OS. No.10</b>

### **NON DEDUCTION OF LD CHARGES ON ACCOUNT OF LATE SUPPLY OF FURNITURE-RS.9533/-**

It was observed during audit of the Principal Government Fatima Jinnaha college (W), Lahore for the period 2012-2014 that purchase of stool was made during 2013-14 vide supply order dated 29-8-2013 with condition to supply the articles within 30 days ie upto 27-9-2013. The firm supplied store on 23-1-2014 late by 118 days. Liquidated damages @ 2% per month for the period of late supply amounting to Rs.9533/- (119160\*8%) were required to be deducted from the bill of the firm while making payment but same were not deducted.

When pointed out in May, 2015 it was replied by the department that the case will be checked thoroughly and contract the concerned firm and if the recovery therein it will be recovered.

#### **ACTION RECOMMENDED**

The department is required to affect recovery from the concerned and deposited into college account.

<b>Para No.14</b>
<b>OS. No.11</b>

**NON SHIFTING OF BALANCE LYING IN HABIB BANK ACCOUNT-RS.28634/-**

It was observed during audit of the Principal Government Fatima Jinnaha college (W), Lahore for the period 2012-2014 that student fee was being deposited in account no.1809-1 open in Habib Bank. An amount of Rs.9495935/- was transferred to Bank of Punjab leaving a balance of Rs.28634/- in HBL. The whole balance was required to be shifted from HBL as the government instructed to operate bank account in Bank of Punjab and accounts in other commercial banks to be closed. The amount lying in HBL needs to be shifted immediately.

When pointed out in May, 2015 it was replied by the department that the amount lying in HBL will be shifted to Bank of Punjab positively.

**ACTION RECOMMENDED**

The department is required to made compliance of government instructions.

<b>Para No.15</b>
<b>OS. No.14</b>

### **PHYSICAL VERIFICATION OF STORE NOT CARRIED OUT**

Rule 15.16 of PFR VOL-I provides that, physical verification of all stores must be made at least once in every year under rules prescribed by the head of the department, and subject to the condition that the verification is not entrusted to a person-

- i. who is the custodian, the ledger-keeper or the accountant of the stores to be verified, or who is a nominee of, .or is employed under the custodian, the ledger-keeper or the accountant; or
- ii. who is not conversant with the classification, nomenclature and technique of the particular classes of stores to be verified.

The verification must never to left to low-paid subordinates, and, in the case of large and important stores, it should be, as far as possible, entrusted to a responsible Government servant who is independent of the superior Executive Officer Incharge of the stores.

A certificate of verification of stores with its results should be recorded whenever such verification is carried out.

It was observed during audit of Principal Government Fatima Jinnah College (W) Choona Mandi, Lahore for the year 2012-2014 that physical verification of store was not carried out in compliance of rules.

When pointed out in May, 2015 it was replied by the department that physical verification of store are carried out every year but same was not found carried out.

#### **ACTION RECOMMENDED**

The department is required to made compliance of rule.



**6. SIGNATURE BLOCK****SEEN AND DISCUSSION CERTIFICATE**

<b>Audit</b>				
<b>Name</b>	<b>Designation</b>	<b>Authority</b>	<b>Signature</b>	<b>Date</b>
Ch. Muhammad Ashraf	Audit Officer O/o the Director General, Audit Punjab, Lahore.	Deputy Director Audit		
<b>Entity</b>				
<b>Name</b>	<b>Designation</b>	<b>Organizational Role</b>	<b>Signature</b>	<b>Date</b>
Mrs. Nighat Jabeen	Principal Government Fitama Jinnah College (W) Choonah Mandi, Lahore	Drawing and Disbursing Officer		

**6.1. Summary of Recovery**

<b>Sr. No</b>	<b>Para No</b>	<b>Amount Pointed out (Rs)</b>	<b>Amount Recovered (Rs)</b>	<b>Amount Recovered (Rs)</b>	<b>Not</b>
1.	07	304090			304090
2.	08	93678			93678
3.	10	67392			67392
4.	11	73000			73000
5.	13	9533			9533
	<b>Total Rs.</b>	<b>547693</b>			<b>547693</b>

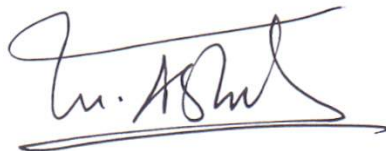
**SECTION III**  
**[AUDIT CONCLUSION REPORT]**

**7. TEST AUDIT NOTE**

No Test Audit Note was issued during the course of audit.

**8. GENERAL REMARKS**

Subject to foregoing paragraphs to the extent of audited record and expenditure, the maintenance of accounts was found satisfactory.



Auditor's Office



**GOVT. FATIMA JINNAH COLLEGE FOR WOMEN, CHUNA MANDI, LAHORE.**

Ref. No. 1589 / FJCW.

Dated: 17-09- /2015

To

**M/S Power Zone Engineering & Services  
G2-Tipu Block, New Garden Town, Lahore.  
0323-4512725, 042-111-111-087**

**SUBJECT: DEPOSIT OF INCOME TAX AMOUNTING TO Rs.67,392/-.**

Please refer to the subject noted above.

It is stated that your company has supplied a 60 KVA Prime Power Generator to this college through Tender dated 18.09.2013.

During the course of Audit of the accounts of this college, the Audit Officer has observed that Income Tax @ Rs.4% amounting to Rs.67,392/- has not been deducted and deposited into Government Treasury.

In this connection, if you have any evidence in this regard please provide a copy of the same to this office for submission to the Audit as your firm has given an undertaking on stamp paper to deposit the Income Tax if at any stage recovery will be pointed out. Otherwise, you are requested to please deposit Income Tax amounting to Rs.67,392/- into Government Treasury and provide the original challan for the settlement of audit observation from the Audit.

Thanking you.

**Principal  
Govt. Fatima Jinnah College for Women  
Chuna Mandi, Lahore**

Received

Shahid Raza  
17-09-2015



Para No.08

OS. No.08

**LESS DEDUCTION OF INCOME TAX RS.93678 /-**

As laid down under section 153 (i) of income tax ordinance 2001. Income tax was required to be deducted at source from the payments 01-07-2013 to 30-06-2014 purchase @ 4 % and payments of repair/service rendered @ 6.5 % .

It was observed during audit of the Principal Government Fatima Jinnaha college (W), Lahore for the period 2012-2014 that income tax to the stated extent detailed below was less deducted while making payment to the contractors. This resulted into loss to the government revenues.

Name of article purchased	Date of purchase	Total amount of bill	Income tax due	Deducted	Amount less deducted
Purchase of computers		1998750	79950	69956	9994
White Board	1-10-2013	79840	3194	2794	400
Furniture	12-11-2013	1238040	49522	43331	6191
Notice board	10/2013	47970	1919	1679	240
Stool	23-1-2014	119160	4766	4171	595
Auction of canteen	12-7-2013	1350000	87750	81000	670
Cycle stand	13-14	1552730	100927	93161	7766
Generator	9-12-2013	1684800	67392	00	67392
Sports material	8-1-14	85950	3438	3008	430
				<b>Total Rs.</b>	<b>93678</b>

When pointed out in May, 2015 it was replied by the department that the case of less deduction of Income Tax will be checked thoroughly and if recovery therein it will be recovered from the concerned firm and deposited into government treasury.

**ACTION RECOMMENDED**

The department is required to affect recovery from the concerned firm and deposited into treasury.