



GOVERNMENT OF THE PUNJAB

TECHNICAL EDUCATION & VOCATIONAL TRAINING AUTHORITY
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Finance & Admin Wing
TEVTA Secretariat

Saturday, November 03, 2007

To,

1. All Zonal Managers.
2. All District Managers
3. All Heads of Institutions.
4. All Assistant Managers (Finance)

Subject: **FINANCIAL IRREGULARITIES**

During the audit of various institutions conducted by this office revealed the serious financial irregularities and lack of financial discipline in Self Finance as well as TSTP courses. All such lapses tantamount to inefficiency as well as misconduct which attract to disciplinary proceedings against the concerned persons.

It is desired that while making payments, the following issues must be attended in accordance with the circulars issued from time to time in true spirit:-

(a) Principals' Remuneration

It has been observed that in few institutions Principals are drawing such amounts in violation of instructions issued from time to time. The said amounts are drawn as principal, as teacher, as industrial training officer as well as administrator of various technologies. This sort of treatment is totally illegal and in violation of standing instructions on the issue.

It is, therefore, directed that any excess payment drawn by any of the Principals must be deposited forthwith, failing which disciplinary action would be taken in addition to legal action under prevailing laws for the time being enforced.

(b) Excess Payment Drawn by Admin/Support Staff

It has been observed that in various institutions, excess amount was withdrawn due to illegal appointment of administrative/support staff beyond the requisite approved strength in violation of circulars issued from time to time. The said irregularities must be attended immediately.

(c) Excess Payment Drawn by Teaching Staff including Principals

The circulars clearly indicate the quantum and prescribed limits which admissible to the teaching staff as well as the principals. These circulars also state that the period assigned to a teacher in self finance classes will not be in any case be more than the period being taken in regular classes.

Heads of institutes are directed not to violate the said circulars.

(d) Non Deposit of Admission / Tuition Fees in Government Treasury

It has been observed that various institutions are not depositing the portion of Government dues out of self finance courses in Government Treasury within 24 hours of its receipt under the financial rules. The gross negligence in these courses entail serious audit objections and the personal responsibility of DDOs.

It is desired that the Principals/DDOs would ensure the deposit of dues well in time in the Government Treasury.

(e) Unauthorized Cash Collection of Fee

Under the rules, cash fee cannot be collected from students without challan form but some of the institutions are still collecting cash fee from the students. In this context, bank authorities may be approached to have a counter on the specific days of admission.

(f) Unauthorized Cash Withdrawals

This office has already circulated that all payments above Rs.5,000/- are to be made through crossed cheque but several institutions have been noticed where cash has been withdrawn from the Government Treasury instead of cheques.

(g) Irregularities in Purchases.

The said practice should be stopped immediately in order to enforce financial discipline. Unauthorized and irregular purchases to avoid tenders in case of purchases of store/ training material, intentional support of indent is observed in few institutions in order to keep the expenditure below Rs.100,000/- to avoid the tender. This practice is not tenable. Supporting of purchases to avoid public tender is a gross negligence which must be avoided. Similarly payment without bills/vouchers should also be avoided. A few irregularities in purchase process are also observed where only administrative approval is sought but independent financial approval is not sought from the concerned quarters. All such purchases are termed as '**Irregular Purchases**' which must be avoided.

(h) Non Deduction of Income Tax

All Government departments, in the capacity of authority to deduct withholding tax, are supposed to deduct withholding tax including income tax while making payments of purchases/supplies in accordance with provision of Income Tax Ordinance and to deposit into Government Treasury within 24 hours.

A few institutions have been noticed where either income tax is not deducted or even after the deduction the same was not deposited into the Government Treasury. This would be treated as personal liability of the DDO. Such irregularity must be avoided.

(i) Payment without Observing Financial Control Procedure

The Financial Control Procedure was circulated for implementation vide letter No.TEVTA/ACC/IC/1-1/1153, dated 2.2.2006 and notification No.TEVTA/GM(F&A)/ Financial Powers/2007, dated 4.4.2007 but the same is not being observed in true spirit as no permission or approval, copy of cheque, copy of co-signatory, statistics of expenditure etc. are not being maintained by the DDOs.

Any violation of such policy will entail to disciplinary action.

(j) Unauthorized Co-Signatories for Bank Accounts

Under TEVTA's notification, co-signatory will only be a senior most member of the institution. However, it has been observed that the Principals/DDOs change such co-signatory without the approval and in violation of the said policy.

This practice must be stopped. In case of problem, the said issue may be referred to this office for advice.

(k) Unauthorized Members of Purchase Committees

The procedure and composition of purchase committees have already been circulated by this office whereby two senior most staff members of the institution must be the members of the respective committees but the same has not been

observed in true spirit and the Principals, on their own, changed and reformed such committees without seeking advice/approval of the Finance Wing.

It is, therefore, desired that such irregularity should be discontinued henceforth.

(l) Expenditure without Budget Approval

It is mandatory under the Self Finance Circular that each institution will get approval of the self finance schemes budget from the Zonal Manager concerned before the start of each year but not later than 31st day of July of the year.

However, it has been observed that various institutions are avoiding such approval on the one pretext or the other which is serious violation of the instructions issued by the Secretariat. The same should be avoided.

(m) Appointment of Teachers without Prior Approval of District Manager

Each Principal/Executive Committee has discretionary powers to have lecturer/trainer on the prescribed rate. However, if any senior professor, professional or expert is available at higher rate, at prescribed rate, he can be engaged without prior approval of the concerned District Manager.

In a few institutions, this channel is being bypassed which invites serious audit observation. All such irregularities if made in any institution must be regularized before next audit.

(n) Monthly Reporting of Self Finance Account

According to the Self Finance Policy, institution wise and consolidated reporting of financial statements of each district after verification will be sent to General Manager (F&A) within 14 days after the date of each month. Similarly, institutes are required to make monthly reporting for accounting purposes but no such regularity reporting system is observed by this office. Consequently, the accounts are neither reconciled nor finalized timely. Such practice must be avoided.

All above irregularities clearly depict lapse of financial/ administrative control over the system which not only invite serious audit observations but also in association of disciplinary proceedings against the concerned quarters. It is, therefore, directed that all such irregularities must be condoned/regularized before 31st |October, 2007 and report to this office. From November 2007, this office will start surprise and regular audit of institutions and in case of any financial irregularity, serious disciplinary action will be taken against the defaulter.

(KHAWAJA ADNAN ZAHIR)
General Manager (F&A)

Copy to:

1. All General Managers.
2. All Deputy General Managers.
3. PS to Chairman TEVTA.
4. PS to Secretary TEVTA.
5. MIS section to place on web.
6. Master file.