



**AUDIT REPORT  
ON THE ACCOUNTS OF  
ASSISTANT DIRECTOR LOCAL  
GOVERNMENT, ELECTION & RURAL  
DEVELOPMENT DEPARTMENT AND  
SELECTED VILLAGE COUNCILS /  
NEIGHBORHOOD COUNCILS  
CITY DISTRICT PESHAWAR**

**KHYBER PAKHTUNKHWA**

**AUDIT YEAR 2016-17**

**AUDITOR GENERAL OF PAKISTAN**

## TABLE OF CONTENTS

|  |      |
|--|------|
| ABBREVIATIONS AND ACRONYMS .....   | i    |
| Preface.....   | iii  |
| EXECUTIVE SUMMARY .....  | iv   |
| SUMMARY TABLES AND CHARTS.....   | viii |
| Table 1: Audit Work Statistics .....   | viii |
| Table 2: Audit Observations classified by Categories .....                   | viii |
| Table 3: Outcome Statistics .....  | ix   |
| Table 4: Irregularities pointed out .....                                    | x    |
| Table 5: Cost Benefit .....  | x    |
| CHAPTER-1 .....  | 1    |
| 1.1 Assistant Director LGE&RDD and VCs & NCs, City District Peshawar .....   | 1    |
| 1.1.1 Introduction.....  | 1    |
| 1.1.2 Comments on Budget and Accounts (Variance Analysis) .....              | 1    |
| 1.1.3 Brief comments on the status of compliance with PAC Directives .....   | 2    |
| 1.2 Audit Paras AD LGE&RDD & VCs/NCs Peshawar .....                          | 3    |
| 1.2.1 Irregularity/non compliance.....                                       | 3    |
| 1.2.2 Internal Control Weaknesses .....                                      | 14   |
| ANNEXURES .....  | 21   |
| Annexure-2 MFDAC Para's.....   | 21   |
| Annexure-2 Overpayment due to allowing wrong rate than approved in BOQ ..... | 23   |
| Annexure-3 Overpayment due to allowing wrong rate than approved in BOQ ..... | 24   |
| Annexure-4 Overpayment due to allowing excess quantities in thickness.....   | 25   |
| Annexure-5 Loss due to ignoring lowest bidder .....                          | 26   |

## **ABBREVIATIONS AND ACRONYMS**

|        |   |
|--------|---|
| AD     | Assistant Director                                  |
| ADP    | Annual Development Programme                        |
| AIR    | Audit and Inspection Report                         |
| B&R    | Building and Roads                                  |
| BOQ    | Bill of Quantities                                  |
| CDR    | Call Deposit Receipts                               |
| DAC    | Departmental Accounts Committee                     |
| DC     | Deputy Commissioner                                 |
| DDO    | Drawing & Disbursing Officer                        |
| DG     | Director General                                    |
| GFR    | General Financial Rules                             |
| GI     | Galvanized Iron                                     |
| GT     | Grand Trunk   |
| HRA    | House Rent Allowance                                |
| KPPRA  | Khyber Pakhtunkhwa Procurement Regulatory Authority |
| LCB    | Local Council Board                                 |
| LGA    | Local Government Act                                |
| LG&RDD | Local Government and Rural Development Department   |
| MB     | Measurement Book                                    |
| MFDAC  | Memorandum for Department Accounts Committee        |
| MRS    | Market Rate System                                  |
| NIT    | Notice Inviting Tender                              |
| PAC    | Public Accounts Committee                           |
| PAO    | Principal Accounting Officer                        |
| PC-I   | Planning Commission Proforma-I                      |
| PCC    | Plain Cement Concrete                               |
| PEC    | Pakistan Engineering Council                        |
| PK     | Province Khyber Pakhtunkhwa                         |
| RCC    | Reinforced Cement Concrete                          |
| RDA    | Regional Directorate of Audit                       |
| SDO    | Sub Divisional Officer                              |

|     |                       |
|-----|-----------------------|
| TS  | Technical Sanction    |
| VCs | Village Councils      |
| NCs | Neighborhood Councils |

## **Preface**

Articles 169 and 170 of the Constitution of the Islamic Republic of Pakistan, 1973 read with Sections-8 and 12 of the Auditor-General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 and Section 37 of Khyber Pakhtunkhwa Local Government Act 2013 require the Auditor-General of Pakistan to conduct audit of the receipts and expenditure of Local Fund of Assistant Director Local Government and Village Councils/Neighborhood Councils.

The report is based on audit of the accounts of Assistant Director LGE&RDD, Peshawar and 35 selected VCs/NCs of City District Peshawar for the Financial Year 2015-16. The Directorate General of Audit, District Governments, Khyber Pakhtunkhwa conducted audit on test check basis during 2015-16, with a view to reporting significant findings to the relevant stakeholders. The main body of the Audit Report includes the systemic issues and significant audit findings. Relatively less significant issues are listed in the Annexure-1 of the Audit Report. The audit observations listed in the Annexure-1 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 observations will be brought to the notice of Public Accounts Committee through the next year's audit report.

Audit findings indicate the need for adherence to the regularity framework besides instituting and strengthening internal controls to avoid recurrence of similar violations and irregularities.

The observations included in this report have been finalized without written replies of the department. DAC meetings could not be convened despite repeated requests.

The Audit report is submitted to the Governor of Khyber Pakhtunkhwa in pursuance of Article 171 of the Constitution of the Islamic Republic of Pakistan, 1973 read with Section 37 of Khyber Pakhtunkhwa Local Government Act, 2013 to be laid before appropriate legislative forum.

Islamabad  
Dated:

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

## **EXECUTIVE SUMMARY**

The Directorate General Audit, District Governments, Khyber Pakhtunkhwa, Peshawar carries out audit of Assistant Director Local Government Election & Rural Development Department and Village Councils/Neighborhood Councils. The Regional Directorate of Audit Peshawar, on behalf of the DG District Governments Audit, Khyber Pakhtunkhwa carries out audit of Assistant Directors Local Government Election & Rural Development Department and Village Councils/Neighborhood Councils of three Districts, i.e. District Peshawar, Nowshera and Peshawar respectively.

The Regional Directorate of Audit Peshawar has a human resource of 10 officers and staff with a total of 3000 mandays. The annual budget amounting to Rs 16.877 million was allocated to the RDA during financial year 2016-17. The directorate is mandated to conduct regularity (financial attest audit and compliance with authority audit) and performance audit of programmes and projects. Accordingly, Regional Director Audit Peshawar carried out audit of the accounts of Assistant Director Local Government Election & Rural Development Department Peshawar and 35 Village Councils/Neighborhood Councils for the Financial Year 2015-16 and the findings were included in the Audit Report.

Assistant Director LGE&RDD and VCs/NCs of District Peshawar perform their functions under Khyber Pakhtunkhwa Local Government Act, 2013 Deputy Commissioner in a district is the Principal Accounting Officer (PAO) for the salary and non-salary budget of office of the AD LGE&RDD and VCs/NCs while AD LGE&RDD is the Principal Accounting Officer for the developmental budget of VCs and NCs according to the Rules of Business of the AD LGE&RDD and VCs/NCs. According to Section 35 of Khyber Pakhtunkhwa Local Government Act, 2013 the annual budget statement for these local bodies is approved by simple majority of the total membership of the respective councils and the schedule of authorized expenditure is authenticated by respective Nazim.

### a. Scope of Audit

The total expenditure of the 346 village Councils/Neighborhood Councils in District Peshawar for the financial year 2015-16 was Rs. 180.463 million. Out of this, the RDA Peshawar audited an expenditure of Rs.18.046 million which, in terms of %age was 10 % auditable expenditure. Detail is given below:

#### **Detail of Village Councils/Neighborhood Councils audited**

| S.# | Tehsil/<br>Town | Total No. of<br>Village<br>Councils/<br>Neighborhood<br>Councils | Audited<br>Last<br>year | Audited<br>This<br>year | Name of Village<br>Councils/Neighborhood Councils   |
|-----|-----------------|--|-------------------------|-------------------------|---|
| 1   | Town 1          | 86   |                         | 2                       | Terahi Bala, Terahi Payan   |
| 2   | Town 2          | 115  |                         | 8                       | Daag, Shahi Bala, Kamboh Sarbulandpura, Paharipura, Ternab, Main Matra, Afghan Colony, Din Bahar Colony   |
| 3   | Town 3          | 66   |                         | 11                      | Bruj Nasir Khan, Shagai Hindkayan II-316, Regi Lalma, Shahi Payan, Shagai Hindkayan I-315, Darmangai-312, Tehkal Payan 106, Palosai Talarzai, Nothia Qadeem, Tehkal Bala, |
| 4   | Town 4          | 79   |                         | 14                      | Sherkera, Adezai, Maryamzai, Mashogagar, Deha Bahadur, Maroof Zai, Shaheen Muslim Town, Aba Khel, Morazai, Suliman Khel, Khulizai, Olizai, Khorkhori, Mushtarzai,         |

The total expenditure of the Assistant Director Local Government Election & Rural Development Department and 35 Village Councils/ Neighborhood Councils in District Peshawar for the Financial Year 2015-16 under the jurisdiction of RDA was 319.327 million. Out of this, RDA Peshawar audited an expenditure of Rs 191.596 million which, in terms of percentage, was 60% of auditable expenditure.

The receipts of 35 Village/Neighborhood Councils in District Peshawar for the Financial Year 2015-16, were Rs 0.034 million. Out of this, RDA

Peshawar audited receipts of Rs 0.034 million which, in terms of percentage, was 100% of auditable receipts.

The total expenditure and receipts of Assistant Director Local Government Election & Rural Development Department and 35 Village/neighborhood Councils, District Peshawar, for the Financial Year 2015-16 were Rs. 319.861 million. Out of this, RDA Peshawar audited the expenditure and receipts of Rs. 191.916 million.

**b. Recoveries at the instance of audit**

Recoveries of Rs 35.366 million were pointed out during the audit. However, no recovery was effected till finalization of this report. **Out of the total recoveries, Rs 18.12 million was not in the notice of the executive before audit.**

**c. Audit Methodology**

Audit was conducted after understanding the business processes of AD LGE&RDD and Village Councils/Neighborhood Councils in District Peshawar with respect to their functions, control structure, prioritization of risk areas by determining their significance and key controls. This helped auditors in understanding the systems, procedures, environment, and the audited entity before starting the audit. Audit used desk audit techniques for analysis of compiled data and review of actual vouchers called for during scrutiny and substantive testing in the Regional Directorate of Audit Peshawar.

**d. Audit Impact**

Audit pointed out various irregularities of serious nature to the management. The audit observations were not discussed in DAC meetings and the PAC meeting on previous reports has also not been convened due to which no impact of audit has been reported.

**e. Comments on Internal Control and Internal Audit department**

The purpose of internal control system is to ensure effective operation of an organization. It consists of measures employed by the management to achieve



objectives, safeguard assets, ensure accuracy, timeliness and reliability of financial and accounting information for decision making.

Another basic component of Internal Control, as envisaged under Para 37 (4) of LGA 2013, is Internal Audit which was not found in place in the domain of Assistant Director Local Government Election & Rural Development Department and Village Councils/Neighborhood Councils.

**f. Key Audit Findings**

- i. Irregularity/non compliance was noticed in 9 cases - Rs 18.148 million<sup>1</sup>.
- ii. Internal Control weaknesses were noticed in 4 cases - Rs 68.285 million<sup>2</sup>.

**g. Recommendations**

- i. Inquiries need to be conducted for irregular payments and non compliance of rules.
- ii. All sectors of Assistant Director Local Government Election & Rural Development Department and UCs need to strengthen internal controls i.e. financial, managerial, operational, and administrative and accounting controls etc. to ensure that reported lapses are preempted and fair value for money is obtained from public spending.

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<sup>1</sup> Paras 1.2.1.1, 1.2.1.2, 1.2.1.3, 1.2.1.4, 1.2.1.5, 1.2.1.6, 1.2.1.7, 1.2.1.8, 1.2.1.9

<sup>2</sup> Paras 1.2.2.1, 1.2.2.2, 1.2.2.3, 1.2.2.4

## SUMMARY TABLES AND CHARTS

**Table 1: Audit Work Statistics**

**(Rs in million)**

| S. No | Description                               | No. | Budget  |
|-------|---|-----|---------|
| 1     | Total Entities(PAO) in Audit Jurisdiction | 02  | 319.861 |
| 2     | Total formations in audit jurisdiction    | 346 | 319.861 |
| 3     | Total Entities Audited                    | 02  | 191.916 |
| 4     | Total formations Audited                  | 35  | 191.916 |
| 5     | Audit and Inspection reports              | 01  | 191.916 |
| 6     | Special Audit Reports                     | -   | -       |
| 7     | Performance Audit Reports                 | -   | -       |
| 8     | Other Reports                             | -   | -       |

**Table 2: Audit Observations classified by Categories**

**(Rs in million)**

| Sr. No.      | Description   | Amount under audit observation |
|--------------|---|--------------------------------|
| 1            | Un sound Asset management                               | -                              |
| 2            | Weak Financial management                               | 18.148                         |
| 3            | Weak Internal controls relating to Financial Management | 68.285                         |
| 4            | Others  | 0                              |
| <b>Total</b> |   | <b>86.433</b>                  |

**Table 3: Outcome Statistics****(Rs in million)**

| S# | Description  | Expenditure on Acquiring Physical Assets (Procurement) | Civil Works | Receipts | Others  | Total for year (2015-16) | Total for the year (2014-15) |
|----|--|--|-------------|----------|---------|--------------------------|------------------------------|
| 1. | Outlays Audited  | -  | 265.245     | 0.034    | 54.582  | 319.861                  | 151.121                      |
| 2. | Amount Placed under Audit Observation /Irregularities of Audit | -  | 118.529     | 5.102    | 688.675 | 68.285                   | 14.671                       |
| 3. | Recoveries Pointed Out at the instance of Audit                | -  | 30.500      | 5.102    | -       | 35.366                   | 2.13                         |
| 4. | Recoveries Accepted /Established at the instance of Audit      | -  | -           | -        | -       | -                        | -                            |
| 5. | Recoveries Realized at the instance of Audit                   | -  | -           | -        | -       | -                        | -                            |

Note: The outcome figures reported for the year 2014-15 pertain to the Union Councils audited last year. Since the PAO is the same therefore, these amounts have been included here to show cumulative effect against the PAO.

**Table 4: Irregularities pointed out**

| <b>(Rs in million)</b> |  |                                       |
|------------------------|--|---------------------------------------|
| <b>S. No</b>           | <b>Description</b>   | <b>Amount under Audit observation</b> |
| 1                      | Violation of rules and regulations and principle of propriety and probity.   | 18.148                                |
| 2                      | Reported cases of fraud, embezzlement, theft, misappropriations and misuse of public funds.  | -                                     |
| 3                      | Accounting Errors (accounting policy departure from NAM, 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. | -                                     |
| 4                      | Quantification of weaknesses of internal controls system.  | 68.285                                |
| 5                      | Recoverable, overpayments, or unauthorized payments of public money.   | -                                     |
| 6                      | Non-production of record to Audit  | 0                                     |
| 7                      | Others, including cases of accidents, negligence etc.  | -                                     |
| <b>Total</b>           |  | <b>86.433</b>                         |

**Table 5: Cost Benefit**

| <b>(Rs in million)</b> |  |               |
|------------------------|--|---------------|
| <b>S. No</b>           | <b>Description</b>                           | <b>Amount</b> |
| 1                      | Outlays Audited (Item 1 of Table 3)          | 191.916       |
| 2                      | Expenditure on audit                         | 0.480         |
| 3                      | Recoveries realized at the instance of Audit | 0.00          |
| 4                      | Cost Benefit Ratio                           | 1:0           |

## CHAPTER-1

### 1.1 Assistant Director Local Government Election & Rural Development Department and VCs & NCs, City District Peshawar

#### 1.1.1 Introduction

City District Peshawar has four towns i.e. Town I, II, III & IV. There is an Assistant Director Local Government Election & Rural Development Department and 346 VCs & NCs. Each VC/NC has a Secretary. Assistant Director Local Government Election & Rural Development Department is Drawing and Disbursing Officer (DDO) for his office and PAO for Village Councils/Neighborhood Councils of City District Peshawar. (Function of ADLG and VC/NCs placed here)

#### 1.1.2 Comments on Budget and Accounts (Variance Analysis)

An amount of Rs1,439.863 million was allocated as budget by the Provincial Government to Assistant Director Local Government Election & Rural Development Department and 346 Village Councils/Neighborhood Councils of District Peshawar. Receipts of Rs 0.034 million was realized during the financial year 2015-16. Thus making a total of Rs Rs1,439.897 at the disposal of local councils, against which an expenditure of Rs 319.327 million was incurred by Assistant Director Local Government Election & Rural Development Department and 346 Village Councils/Neighborhood Councils of District Peshawar, with a savings of Rs 1,120.536 million during Financial Year 2015-16. Detail is given below:

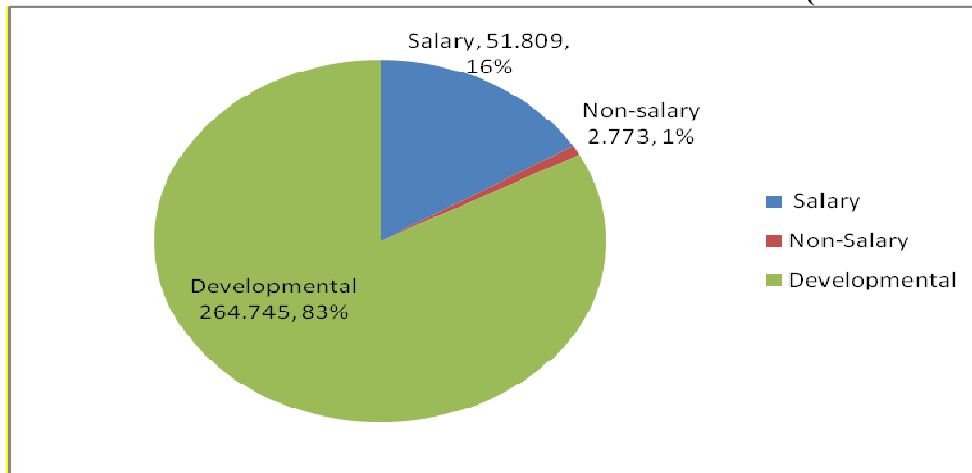
(Rs in million)

| 2015-16       | Budget (Rs)      | Expenditure (Rs) | Excess / Savings (Rs) | %age         |
|---------------|------------------|------------------|-----------------------|--------------|
| Salary        | 139.631          | 65.124           | 79.289                | 54           |
| Non-Salary    | 4.782            |                  |                       |              |
| Developmental | 1,295.45         | 254.203          | 1,041.247             | 80           |
| <b>Total</b>  | <b>1,439.863</b> | <b>319.327</b>   | <b>1,120.536</b>      | <b>77.82</b> |
| Receipts      | 0.034            | 0.034            | 0                     | 100          |

The huge savings of Rs1,120.536 million in developmental budget that comes to 77.82% indicate weakness in the capacity of these local institutions to utilize in time the funds allocated for the developmental activities in 346 Village Councils/Neighborhood Councils of City District Peshawar.

### EXPENDITURE 2015-16

(Rs in million)



#### 1.1.3 Brief comments on the status of compliance with PAC Directives (As per ADLG Kohat Report)

The Public Accounts Committee of the Provincial Assembly has returned the audit reports vide their letter No.PA/P.K/PAC/Gen: Distt: Govt:/17/7935-38 dated 23.02.2017 for the years 2009-10 to 2012-13 with remarks to be examine by District Accounts Committee. However, according to Section 8, Sub-section (g) of Khyber Pakhtunkhwa District Government Rules of Business 2015, the Deputy Commissioner shall perform as Principal Accounting Officer of district government and shall be responsible to the District Accounts Committee as well as the PAC of the Provincial Assembly.

**1.2 Audit Paras AD LGE&RDD &Village Councils /Neighborhood Councils Peshawar**

**1.2.1 Irregularity/non compliance**

**1.2.1.1 Overpayment due to higher rate than approved in BOQ – 1.018 million**

Para 2.58 of B&R Code, payment should be made for quantities and rates mentioned in the Bill of Quantity/ Technical Sanction.

Assistant Director Local Government Election & Rural Development Department, Peshawar overpaid Rs 1,018,107 in various works due to higher rate than approved in Bill of Quantity (BOQ) during 2015-16. The overpayment resulted in loss to public exchequer as per detail in annex-2

The overpayment occurred due to negligence of concerned staff

The irregularity was pointed out to the management in May 2017, but no reply was submitted. Request for convening DAC meeting was made in July 2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends recovery and action against the person(s) at fault.

**AIR Para No. 353/2015-16**

**1.2.1.2 Overpayment due to execution of item of work other than approved in BOQ – Rs. 2.149 million**

Para 2.58 of B&R Code, payment should be made for quantities and rates mentioned in the Bill of Quantity/ Technical Sanction.

Assistant Director Local Government Election & Rural Development Department, Peshawar overpaid Rs 2,148,657 due to execution of item of PCC 1:4:8 instead of PCC 1:6:12 as approved in PC-1/bill of quantity (BOQ) in various works in District ADP during 2015-16. The overpayment resulted in loss to public exchequer besides undue favour to contractors as per detail in annex-3.

It was noticed that the local office only focused on payment of higher rate to contractor and not ensured quality work as in the scheme of UC 28 Hazarkhwani II, PCC 1:6:12 was paid where the contractor quoted rate for Rs 3000/M3 for PCC 1:6:12 and ignored the approved rate in BOQ of Rs 2000/M3 for PCC 1:4:8.

Some of the schemes in which PCC 1:6:12 was executed in the same financial year and in the same District of Peshawar (Town –I) out of District ADP 2015-16, as detailed below:

| Work # | Scheme Name                                     | Rate paid of PCC 1:6:12 | Qty Paid       | Total Payment |
|--------|---|-------------------------|----------------|---------------|
| 09     | Const of Street, drain etc at UC 11 Muslim Town | 1579.06                 | 52.50          | 82900         |
| 21     | UC Ward 23 WazirBagh                            | 2000                    | 50.14          | 100282        |
| 18     | UC 20 Yakatoot –I                               | 296245                  | 92.89          | 275181        |
|        |   |                         | <b>Total :</b> | <b>458363</b> |

The overpayment occurred due to negligence of concerned staff

The irregularity was pointed out to the management in May 2017, but no reply was submitted. Request for convening DAC meeting was made in July 2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends immediate recovery besides fixing responsibility on person(s) at fault.

**AIR Para No. 355/2015-16**



**1.2.1.3 Overpayment due to excess Quantity in thickness in PCC 1:2:4  
- Rs 1.146 million**

Para 2.58 of B&R Code, payment should be made for quantities and rates mentioned in the Bill of Quantity/ Technical Sanction.

Assistant Director Local Government Election & Rural Development Department, Peshawar overpaid Rs 1,145,876 in various works due to excess quantity in thickness for 4” instead of 3” in the item of PCC 1:2:4 during 2015-16. The excess quantity of 1” (One inch) thickness resulted in overpayment of Rs 1,145,876 which caused loss to public exchequer as per detail in annex-4.

The overpayment occurred due to extending undue favour to contractor

The irregularity was pointed out to the management in May 2017, but no reply was submitted. Request for convening DAC meeting was made in July 2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends recovery of overpayment besides fixing responsibility on person(s) at fault.

**AIR Para No. 357/2015-16**

**1.2.1.4 Loss due to defective PC-1/BOQ and irregular execution of work – Rs. 1.599 million**

According to Para 41(1) of Khyber Pakhtunkhwa Local Government Act 2013, every official or servant of a Local Council, every member of a Local Council, and every person charged with the administration and management of the property of a Local Council shall be personally responsible for any loss or waste, financial or otherwise, of any property belonging to a Local Council.

Assistant Director Local Government Election & Rural Development Department, Peshawar awarded the work “Construction of Street, drain, culvert and pressure pump at UC 58 Shaikhan” with a bid cost of Rs 1,599,999.55 to Wama Construction Company during 2015-16. Audit observed that the local office executed the work of Tube well Boring for pressure pump irregularly because the tube well borehole was made with 12’ i/d and the PVC pipe was installed for 6’ i/d for working pressure of 2’ i/d, thus the PC-1/BOQ was not according to the mark and standard and declared defective. As for 6’ i/d the

borehole was required for 8” with the maximum gap of 2’. But in the instant case the difference and distance between bore hole and PVC Pipe was 6’ which could not be justified. Moreover the large size of 12’ borehole was paid at higher rates which resulted in loss to public exchequer unnecessarily. The audit also observed that only 50% items of PC-1/BOQ were executed and the remaining items were ignored.

The irregularity was occurred due to negligence of management;

The irregularity was pointed out to the management in May 2017, but no reply was submitted. Request for convening DAC meeting was made in July 2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends recovery of loss and detail inquiry to verify the depth, payment of shrouding materials and gap of 6’ in bore hole and PVC Pipe of the scheme.

**AIR Para No. 358/2015-16**

**1.2.1.5 Loss due to weak tender process & ignoring lowest bidders – Rs 1.055 million.**

Para 2.65 of Building and Roads Department Code provides that the lowest rate quoted by contractor must be accepted.

Assistant Director Local Government Election & Rural Development Department, Peshawar failed to award contract to lowest bidders in most of the schemes during 2015-16. Resultantly the public exchequer was put to a loss of Rs 1054736. Detail of some of schemes is given in annex-5.

The audit also observed the following:

1. All CDRs deposited with tender documents were not properly verified. As the E-Tender Form was not properly filled in to fill the Number of CDR, Date, amount, Bank Name and Branch Number etc, neither by the contractors declared successful bidders nor by those whose tenders were turned down on the pretext of non depositing the CDR with lowest rates or by non depositing the additional security after a very short period whose CDRs were temporarily shown forfeited but not

deposited in Government Treasury and mere the next lowest bidder with comparatively higher rates were obliged. Moreover, the Computer Pass Word was not provided to audit to access the relevant side to verify the E-tender process. Hence the matter needs detail inquiry.

2. All the tender documents received were not entered in the Diary Register of the Department prior to entering in the Tender Register which made the fairness of process dubious.
3. Original Newspapers were not available in the files to authenticate the healthy competition and to ensure that the newspapers were on the recommended Media List and according to Information Act 2013 procedure.
4. Most of the tender form opened was not signed by the Senior & Junior Assistant Directors LG &RDD and courier envelopes number and date were not clear and seemed fake which needs detail investigation.

Loss occurred due to extending undue favor to contractors

The irregularity was pointed out to the management in May 2017, but no reply was submitted. Request for convening DAC meeting was made in July 2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends immediate detail inquiry besides fixing responsibility on person(s) at fault.

**AIR Para No. 360/2015-16**

**1.2.1.6 Unauthorized execution of work – Rs 1.216 million**

Para 4.5(5) of B&R Department Code states that every officer making or ordering payment on behalf of Government should satisfy himself that the work has been actually done in accordance with the bill submitted for payment. He should inspect personally all the most important works before authorizing final payment, and should check the measurements made by his subordinates.

Assistant Director Local Government Election & Rural Development Department, Peshawar awarded the work “Construction of streets, drains, side walls and sanitation etc at UC 54 Mathani” under District ADP with a bid cost of Rs 1,698,198.87 to M/S Peshawar Construction and Pipe Company during 2015-16. Audit observed that the PC-1/Bill of Quantity (BOQ) were violated and charged with unauthorized Clause –12, as almost the total work was executed for Rs 1,216,237 with non BOQ items, thus healthy competition was not ensured to favour the choice contractor.

The irregularity was occurred due to extending undue favor to contractor.

The irregularity was pointed out to the management in May 2017, but no reply was submitted. Request for convening DAC meeting was made in July 2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends recovery of payment for non-BOQ items and detail inquiry besides fixing responsibility on person(s) at fault.

**AIR Para No. 361/2015-16**

**1.2.1.7 Irregular/Unauthorized repair of civil work and purchases in Deputy Commissioner Bungalow – Rs 5.00 million.**

Para 4.5(5) of B&R Department Code states that every officer making or ordering payment on behalf of Government should satisfy himself that the work has been actually done in accordance with the bill submitted for payment. He should inspect personally all the most important works before authorizing final payment, and should check the measurements made by his subordinates.

Assistant Director Local Government Election & Rural Development Department, Peshawar incurred expenditure of Rs 4,988,677 in Deputy Commissioner Peshawar Bungalow out of District ADP through the work awarded to M/S Shah & Sons in the name of “Special repair/purchases of office equipments/other items for DC Camp Office Peshawar” with estimated cost of Rs 5.00 million and bid cost of Rs 4,998,614 during 2015-16. Audit held the repair and purchases irregular and unauthorized due to the following observations:

1. The bungalow of deputy commissioner is the property of Provincial Government and it was the responsibility of “C&W building division Government of Khyber Pakhtunkhwa.
2. Approval from Provincial Finance Department was not available on record.
3. According to Delegation of Powers the powers of Executive Engineer under the head “Repair” is only Rs 200,000 but in the instant case a BPS-17 officer (SDO) executed the work but no sanction from Technical Engineer Technical in Local Government Department was obtained. Moreover some items were executed under clause 12 and sanction of the higher authority was also not obtained.
4. The purchase of ACs, Furniture and other items for the existing building was unauthorized and unjustified.
5. All purchases were made uneconomical and some items were made unnecessary e.g, double bed etc and therefore needs detail inquiry for clarification.
6. It is worth mentioning here that such like repairs and purchases were made in the span of 2009 to 2015 in the same office. However, neither

stock entries of previous purchases nor physical inspection reports were available.

7. House Rent Allowance and Conveyance Allowances needs to be recovered from employees residing in quarters within the premises of Deputy Commissioner's Camp Office.

The irregularity occurred due to weak financial controls.

The irregularity was pointed out to the management in May 2017, but no reply was submitted. Request for convening DAC meeting was made in July 2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends immediate detail inquiry besides fixing responsibility on person(s) at fault.

**AP 363/2015-16**

**1.2.1.8 Loss due to Irregular Purchase – Rs. 1.602 million (precise the para)**

Para 4.5(5) of B&R Department Code states that every officer making or ordering payment on behalf of Government should satisfy himself that the work has been actually done in accordance with the bill submitted for payment. He should inspect personally all the most important works before authorizing final payment, and should check the measurements made by his subordinates.

Assistant Director Local Government Election & Rural Development Department, Peshawar purchased furniture, equipments and other dinner & tea sets for Rs 1,601,900 out of District ADP in the work of "Special Repair of District Council Secretariat" which was awarded to M/S Shah & Sons with estimated cost of Rs 10.00 million and bid cost of Rs 9,999,535 during 2015-16. However, jurisdiction of the office of AD LG & RDD was not specified and the purchases were made to TMA -1 and other offices. The audit held the process and procedure of the purchase irregular and uneconomical which caused loss to public exchequer as detailed below:

| S#           | Name of Item                         | Qty No | Rate Rs | Amount Rs      |
|--------------|--------------------------------------|--------|---------|----------------|
| 1            | Conference Room Table with 20 chairs | -      | 600000  | 600000         |
| 2            | Visiting Chairs                      | 37     | 6500    | 240500         |
| 3            | Sofa Set double caution              | 21     | 6000    | 126000         |
| 4            | Revolving Chairs                     | 5      | 25000   | 125000         |
| 5            | Office Book Shelf                    | 4      | 15000   | 60000          |
| 6            | Chairs                               | 5      | 25000   | 175000         |
| 7            | Air Conditioned 1.5 Ton              | 3      | 83800   | 251400         |
| 8            | Visiting Chairs                      | 4      | 6000    | 24000          |
| <b>Total</b> |                                      |        |         | <b>1601900</b> |

The audit also observed the following:

1. All previous stores/stock of the office were neither entered in stock nor shown auctioned.
2. Location of installation of newly purchased equipments was not known.
4. No proper specification of equipment was given in the tender and PC-1.  
The loss was occurred due to negligence from the management.

The irregularity was pointed out to the management in May 2017, but no reply was submitted. Request for convening DAC meeting was made in July 2017, however meeting of DAC could not be convened till finalization of this report.

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

**AIR Para No. 365/2015-16**

#### **1.2.1.9 Irregular tender process of -Rs 2.000 million**

##### **Overpayment to contractor- Rs. 1.486 million**

Para 4.5(5) of B&R Department Code states that every officer making or ordering payment on behalf of Government should satisfy himself that the work has been actually done in accordance with the bill submitted for payment. He should inspect personally all the most important works before authorizing final payment, and should check the measurements made by his subordinates.

Assistant Director Local Government Election & Rural Development Department, Peshawar Paid Rs 1,900,001 in final Running bill for Construction of Streets, Drains, Side Walls Sanitation etc at Union Council No.2, Khalisa II, Peshawar during 2015-16, against an estimated cost of Rs 2 million.

The following irregularities were noticed.

1. Rates on tender forms were not entered in words and figures and bids were offered by (As per BOQ).
2. Site Plan of the scheme was missing
3. The bid of Rs.1,800,000 offered by Falak Construction Company was rejected with the remarks that the CDR was not attached. However, photocopy of the CDR copy attached by the bidder and available on record. Similarly bid of Rs. 1540,000 offered by Shahzada was rejected with remarks “No Electronic No.”. Therefore a loss of Rs. 100,000 was sustained due to rejection of bid offered by Falak construction Company.
4. The bids of the contractor were not received through registered mail violating KPPRA rules.
5. The work order was issued on 28/03/2016, while the contract was signed on 20/4/2016(contract date).
6. The contractor was required to deduct 12150 old bricks @ 2 amounting to Rs. 24,300, which was not also deducted
7. The contractors executed only two items while as per BOQ 13 items were required to execute.
8. Overpayment of Rs. 1,362,662 on execution of excess quantity details are as under:

| S No         | Item Name   | Quantity Paid (M3) | Quantity Required as per PC-I (M3) | Difference (M3) | Rate (Rs.) | Overpayment (Rs) |
|--------------|-------------|--------------------|------------------------------------|-----------------|------------|------------------|
| 1            | PCC (1:4:8) | 174.97             | 37.37                              | 137.60          | 5800       | 798,080          |
| 2            | PCC 1:2:4   | 132.55             | 55.21                              | 77.34           | 7300       | 564,582          |
| <b>Total</b> |             |                    |                                    |                 |            | <b>1,362,662</b> |

The total overpayment comes to Rs 1,486,300 (100,000+24300+1,362,662).

The irregularity and overpayment were occurred due to extending undue favor to contractors.



The irregularity was pointed out to the management in May 2017, but no reply was submitted. Request for convening DAC meeting was made in July 2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends immediate detail inquiry besides fixing responsibility on person(s) at fault.

**AIR Para No. 371 /2015-16**

## 1.2.2 Internal Control Weaknesses

### 1.2.2.1 Irregular and doubtful Payment to contractor Rs. 6.891 million Overpayment of Rs. 4.311 million

Para 4.5(5) of B&R Department Code states that every officer making or ordering payment on behalf of Government should satisfy himself that the work has been actually done in accordance with the bill submitted for payment. He should inspect personally all the most important works before authorizing final payment, and should check the measurements made by his subordinates.

Assistant Director LGE&RDD, Peshawar paid Rs 6,890,800 to M/S Babar Ali Hazarkhwani Government contractor for “Repair of transformers in U/C Pajaggi, Larama and Gulbela, PK-08 Peshawar” during 2015-16. Audit observed that:

1. Overpayment of Rs 4,311,200 to contractor was made as per detail given below:

| S#                       | Nature of item                 | Approved Qty. as per BOQ & work order | Qty. claimed | Difference  | Rate claimed (Rs) | Total overpayment (Rs) |
|--------------------------|--------------------------------|---------------------------------------|--------------|-------------|-------------------|------------------------|
| 1                        | Rewinding of H/T coils-200 KVA | 20                                    | 56           | 36          | 5,000             | 180,000                |
| 2                        | Rewinding of H/T coils-100 KVA | 30                                    | 68           | 38          | 2,500             | 95,000                 |
| 3                        | Rewinding of L/T coils-20 KVA  | 20                                    | 58           | 38          | 30,000            | 1,140,000              |
| 4                        | Rewinding of L/T coils-100 KVA | 30                                    | 68           | 38          | 25,000            | 950,000                |
| 5                        | S/F of Insulator H.T Bushes    | 58                                    | 89           | 31          | 10,000            | 310,000                |
| 6                        | S/F of oil                     | 58 liters                             | 2785 liters  | 2727 liters | 600               | 1,636,200              |
| <b>Total overpayment</b> |                                |                                       |              |             |                   | <b>4,311,200</b>       |

2. Technical Sanction was obtained by the local office authority from XEN PESCO Khyber Division Peshawar which is a federal Government department which is not authorized to sanction the developmental expenditure of District Government offices.

3. PC-I and proper contractor agreement were not found on the record.
4. No complaint/request from the community of PK-08 Peshawar for rewinding of their transformers was found on the record.
5. Acknowledgment from the community/concerned Nazim, Village Council/Neighborhood Council was not found on the record.
6. Rs 355,540 (6,890,800 x 5%) as cost of 5% old parts was also not recovered from the contractor.

The irregularity occurred due weak internal control from the management.

The irregularity was pointed out to the management in May 2017, but no reply was submitted. Request for convening DAC meeting was made in July 2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends regularization of expenditure and recovery of overpayment and action against the person(s) at fault.

**AIR Para No. 391/2015-16**

**1.2.2.2 Irregular and doubtful expenditure on account of repair of transformers -Rs.47.202 million**

According to the Abridge Condition under the WAPDA Act, 1958, printed on every application form of electricity service connection, before any electrical wiring or energy consuming apparatus is connected to the authorities mains, the same shall be subject to inspection and testing by the authority and the whole of the service line, together with any wire meters and other apparatus installed on the premises of the consumer shall be property of the Authority. Moreover the consumer shall be solely responsible for and shall pay for any loss of or damage to any electric supply lines, main fuses meters and /or other apparatus belonging to the authority on the consumer premises whether caused maliciously or through culpable negligence or default on the part of the consumer or any of his employees or whether arising out, theft or any other cause beyond the control of the authority, always accepting reasonable wear and tear and loss or damages.

Assistant Director LGE&RDD, Peshawar paid Rs 47,202,350 to various contractors for “Repair of transformers” during 2015-16 as per detail given below.

| S#                   | Name of Work   | Name of contractor        | Total amount paid (Rs) |
|----------------------|--|---------------------------|------------------------|
| 1                    | Repair of transformers in different U/Cs of PK-05 Peshawar | M/S Parvez Khan           | 7,268,550              |
| 2                    | Repair of transformers in different U/Cs of PK-05 Peshawar | M/S Parvez Khan           | 3,600,500              |
| 3                    | Repair of transformers in different U/Cs of PK-06 Peshawar | Younas Eng & Elect Works  | 9,944,950              |
| 4                    | Repair of transformers in different U/Cs of PK-08 Peshawar | M/s Fazal Rehman & Sons   | 6,833,600              |
| 5                    | Repair of transformers in different U/Cs of PK-05 Peshawar | M/s Wajid Ali Khan & Sons | 9,609,800              |
| 6                    | Repair of transformers in different U/Cs of PK-06 Peshawar | Younas Eng & Elect Works  | 9,944,950              |
| <b>Total payment</b> |  |                           | <b>47,202,350</b>      |

The following irregularities were noticed:

1. The repair of transformers was the responsibility of PESCO and expenditure incurred by the AD LGE&RDD was irregular.
2. It is astonishing to note that all the installed transformers in a whole PK needed one time repair of HT, LT coils, installation of bushes and transformers oils.
3. No survey report from the local office authority/MPA concerned of the concerned locality was found on the record.
4. Complete record including Running Bills, MBs, proper contractor Agreement and PC-1s were not found on the record.
5. No complaint/request from the community for rewinding of their transformers was found on the record.
6. Rate Analysis of repair of HT, LT coils, installation of bushes and transformers oils were not found on the record.
7. Acknowledgment from the community/concerned Nazim, Village Council/Neighborhood Council was not found on the record.
8. Technical Sanctions were obtained by the local office authority from various XENs of PESCO Divisions Peshawar which is a self entity which

is not authorized to sanction the developmental expenditure of District Government offices.

9. Additional Security @ 8% amounting to Rs622,440 was not deposited by the contractor as the contractor offered 29.26% below of bid cost at serial No.1 of the above table.
10. Rs 2,360,118 (47,202,350 x 5%) as cost of 5% old parts was also not recovered from the contractors.
11. Sales Tax @ 17% amounting to Rs8,024.400 was also not recovered from the contractor as the coils, bushes, oils and other parts of the transformers are Non-scheduled items and were purchased from open market.

The irregularity was occurred due to weak internal control from the management.

The irregularity was pointed out to the management in May 2017, but no reply was submitted. Request for convening DAC meeting was made in July 2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends regularization of expenditure besides recovery of overpayment and inquiry for fixing responsibility on person(s) at fault.

**AIR Para No. 392 /2015-16**

**1.2.2.3 Irregular and unauthorized expenditure-Rs. 9.642 million  
Overpayment to contractor Rs. 0.239 million**

Para 4.5(5) of B&R Department Code states that every officer making or ordering payment on behalf of Government should satisfy himself that the work has been actually done in accordance with the bill submitted for payment. He should inspect personally all the most important works before authorizing final payment, and should check the measurements made by his subordinates.

Assistant Director LGE&RDD, Peshawar paid Rs 5,378,516 vide 1<sup>st</sup> Running bill and Rs 4,263,395 vide 2<sup>nd</sup> running bill to M/s Pir Muhammad Government Contractor under work "Construction of drains etc at Pawakah UC-35 PK-06 Distt. Peshawar". As per BOQ and work order, the contract was

awarded him for Rs9,820,932. During physical verification of the scheme, the contractor completed half of the work and left the work incomplete. The contractor is now submitted his claim for 3<sup>rd</sup> and Final running bill amounting to Rs1,673,637 despite the above-mentioned fact. The local office authority failed to forfeit his security and black list the contractor.

Moreover, an amount of Rs238,875 was overpaid to contractor against the item “Transportation of earth all type beyond 500 meters upto 8 km” as per detail given below.

| S# | Nature of Item work  | Qty.       | Diff. in Qty | Rate claimed Rs | Amount overpaid (Rs) |
|----|--|------------|--------------|-----------------|----------------------|
| 1  | Transp. of earth for every 25 meters upto 250 meters               | 1432.97 M3 | 582.03 M3    | 130 per M3      | 75,664               |
|    | Tranp.of earth beyond 250 m upto 500 m                             | 2015.00 M3 |              |                 |                      |
| 2  | Transp. of earth for every 25 meters upto 250 meters               | 1432.97 M3 | 280.03 M3    | 160             | 44,805               |
|    | Tranp.of earth for every 100 m extra lead beyond 500 m upto 1,5 km | 1713.00 M3 |              |                 |                      |
| 3  | Transp. of earth for every 25 meters upto 250 meters               | 1432.97 M3 | 592.03 M3    | 200             | 118,406              |
|    | Tranp.of earth for every 100 m extra lead beyond 500 m upto 8 km   | 2025 M3    |              |                 |                      |
|    |  |            |              |                 | <b>238,875</b>       |

The irregularity was occurred due weak internal control from the management.

The irregularity was pointed out to the management in May 2017, but no reply was submitted. Request for convening DAC meeting was made in July 2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends detailed inquiry and recovery of Rs 238,875 besides fixing responsibility on person(s) at fault.

**AIR Para No. 394/2015-16**

#### **1.2.2.4 Irregular appointment of village/neighborhood council Secretaries**

According to Clause-10(3) of Civil Servants Act-1973, a candidate for initial appointment to a post must possess the educational qualification or technical qualifications and experience and except as provided in the rules framed for the purpose of relaxation of age limit, must be within the age limit as laid down for the post.

According to clause-1 & 8 of Finance Deptt. KPK letter No. BO.1/FD/5-8/2015-16/ Economy Measures dated 26.06.2015, there shall be a complete ban on creation of posts and no appointment shall be made against leave vacancies without prior approval of Finance Department.

Assistant Director LGE&RDD, Peshawar appointed 274 village/neighborhood council Secretaries during 2015-16 through NTS. Audit observed that:

1. The local office authority failed to produce NTS 1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> and final tentative test lists to Audit.
2. Observations raised by Scrutiny/Selection Committee upon NTS 1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> and final tentative test lists were also not found on the record.
3. Appointment orders of the selected candidates were signed and issued by Deputy Commissioner Peshawar which was not appointing authority for the said appointment.
4. Certificates and degrees of the appointed secretaries were not verified from the BISE/Universities.
5. Most of the candidates have no certificate in IT and Urdu Inpage.
6. Most of appointed candidates were not belong to the concerned Union Council.
7. Attendance sheets of the candidates were also not available on the record.
8. Appointment were made during ban period.

The irregularity was occurred due weak internal control from the management.

The irregularity was pointed out to the management in May 2017, but no reply was submitted. Request for convening DAC meeting was made in July 2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends immediate detail inquiry besides fixing responsibility on person(s) at fault.

**AIR Para No. 395/2015-16**

**1.2.2.5 Non-deduction of sales tax-Rs. 1.171 million**

According to Section 36 of Sales Tax Act 1990 , sales tax @ 17% shall be recovered for the items supplied.

Assistant Director LGE&RDD, Peshawar paid Rs 6,890,800 to M/S Babar Ali Hazarkhwani Government contractor for “Repair of transformers in U/C Pajaggi, Larama and Gulbela, PK-08 Peshawar” during 2015-16. However, sales tax @ 17% amounting to Rs1,171,436 was not recovered from the contractor as the coils, bushes, oils and other parts of the transformers were purchased form open market.

The irregularity occurred due weak internal control from the management.

The irregularity was pointed out to the management in May 2017, but no reply was submitted. Request for convening DAC meeting was made in July 2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends recovery of sales tax and action against the person(s) at fault.

**AIR Para No. 391/2015-16**



**ANNEXURES**

**Annex-1**

**MFDAC Para's**

**(Rs in million)**

| <b>S. No.</b> | <b>AP No.</b> | <b>Department</b>                     | <b>Caption of the Para</b>   | <b>Amount</b>  |
|---------------|---------------|---------------------------------------|--|----------------|
| <b>1</b>      |               | <b>AD<br/>LG&amp;RDD<br/>Peshawar</b> | <b>Fraudulent award of contracts due to 10% c of PC-1/BOQ and loss to Government.</b>  | <b>0.142</b>   |
| 2             |               | -do                                   | Irregular and Unrealistic Approach in execution of work and overpayment.               | 1.403<br>0.581 |
| 3             |               | -do-                                  | Loss due to defective PC1/BOQ  | 1.612          |
| 4             |               | -do-                                  | Irregular execution of work and overpayment  | 4.921<br>0.505 |
| 5             |               | -do-                                  | Sub Standard execution of work   | 10.00          |
| 6             |               | -do-                                  | Irregular/Unauthorized execution of work due to excess expenditure                     | 1.052          |
| 7             |               | -do-                                  | Loss due to non award of work contracts on MRS – 2016                                  | 0              |
| 8             |               | -do-                                  | Irregular expenditure without Technical Sanction                                       | 14.800         |
| 9             |               | -do-                                  | Irregular execution of Work  | 6.679          |
| 10            |               | -do-                                  | Irregular tender process and overpayment   | 2.000<br>0.438 |
| 11            |               | -do-                                  | Irregular tender process and overpayment to contractor                                 | 2.000<br>0.672 |
| 12            |               | -do-                                  | Irregular payment to contractor in violation of PC-I.                                  | 2.868          |
| 13            |               | -do-                                  | Irregular payment to contractor in violation of PC-I-Rs and not deduction of Sales Tax | 0.345<br>0.291 |
| 14            |               | -do-                                  | Over payment to contractor   | 0.049          |
| 15            |               | -do-                                  | Non-utilization of development funds   | 1,036.598      |
| 16            |               | -do-                                  | Non-imposition of penalty due to delay in execution of work                            | 49.446         |
| 17            |               | -do-                                  | Non-crediting of receipts into Government revenue.                                     | 0.331          |
|               |               |                                       | Irregular tender process and overpayment to contractor                                 | 5.000<br>0.672 |

|  |  |  |   |                  |
|--|--|--|---|------------------|
|  |  |  | Unjustified expenditure on account of POL and repair of vehicles.               | 0.348            |
|  |  |  | Non proper maintenance of Cash Book for receipts and payment                    | 72.532<br>69.307 |
|  |  |  | Suspected misappropriation  | 10.000           |
|  |  |  | Irregular expenditure on Entertainment & Gift                                   | 0.324            |
|  |  |  | Non surrender of savings of developmental schemes.                              | 125.390          |
|  |  |  | Suspected Misappropriation.   | 0.148            |
|  |  |  | Operating of Current Account instead of Profit & Loss Sharing Accounts and loss | 36.263           |
|  |  |  | Non-arranging of proper training for the newly appointed Secretaries VCs / NCs  | 0                |
|  |  |  | Suspected Misappropriation of millions rupees                                   | 0                |
|  |  |  | Irregular and un-authorized expenditure   | 1.885            |
|  |  |  | Irregular appointment of village/ neighborhood council Secretaries              | 0                |
|  |  |  | Irregular appointment of 259 Naib Qasids for Village/Neighborhood council.      | 0                |
|  |  |  | Irregular and un-authorized expenditure   | 13.675           |
|  |  |  | Misappropriation due to less installation of supply items                       | 0.965            |

**Annexure-2**

**Para 1.2.2.1**

**Overpayment due to allowing wrong rate than approved in BOQ**

**(Amount in Rs)**

| Name of Schemes  | Name of Item              | Rate Paid | Rate in BOQ | Diff in Rate | Qty M3          | Overpayment      |
|--|---------------------------|-----------|-------------|--------------|-----------------|------------------|
| Repair work at DC Camp Office Pesh   | PCC 1:2:4                 | 7000      | 755         | 6245         | 106.60          | 665,717          |
| Repair work at DC Camp Office Pesh. Actually the marbles include the chemical/polishing cost           | Chemical Marble Polishing | 249.99    | -           | -            | 249             | 62,169           |
| Repair work at DC Camp Office Pesh. The work was given on contract then how could the charges be paid. | Technician etc charges    | 1500      | -           | -            | 10 nos of staff | 15,000           |
| Const of stPavetc at UC 10 Gulbahar  | PCC 1:2:4                 | 12000     | 8000        | 4000         | 41.22           | 164,880          |
| Const of stPavetc at UC TehkalPayan II at Noor Zaman and Shehzad Streets PK 5                          | Shingle Filling           | 521.74    | 331.90      | 189.84       | 152.85          | 29,017           |
| Const of stPavetc at UC 86 Larama  | Dism PCC 1:3:6            | 972       | 640.63      | 331.37       | 56.63           | 18,765           |
|  | Shingle Filling           | 600       | 400         | 200          | 63.42           | 12,684           |
| Const of stPavetc at UC 88 Mathra  | PCC 1:4:8                 | 6500      | 4000        | 2500         | 19.95           | 49,875           |
| <b>Total :</b>   |                           |           |             |              |                 | <b>1,018,107</b> |

**Annexure-3****Para 1.2.2.2****Overpayment due to allowing wrong rate than approved in BOQ**

| <b>Work #</b>    | <b>Scheme Name</b>                                  | <b>Rate paid of PCC 1:4:8</b> | <b>Rate Req to be paid of PCC 1:6:12 approved in PC-1/BOQ</b> | <b>Diff in Rate</b> | <b>Qty Paid</b> | <b>Overpayment</b> |
|------------------|---|-------------------------------|---|---------------------|-----------------|--------------------|
| 07               | Const of Street, drain etc at UC 10 GulBahar        | 8000                          | 10  | 7990                | 66.18           | 528,778            |
| 03               | MahalTerai-I UC-03                                  | 4518.80                       | 3147.60   | 1371.20             | 74.51           | 102,168            |
| 06               | UC 8 Faqir Abad                                     | 4090.01                       | 2851.35   | 1238.66             | 83.40           | 103,304            |
| 12               | UC Ward 14 Lahorai                                  | 3141.10                       | 1864.77   | 1276.77             | 183             | 233,568            |
|                  |   | 5800                          | 2000  | 3800                | 174.97          | 664,886            |
| -                | St Pav, Drain & repair at UC TekhalPayan II         | 5218.16                       | 3703.99   | 1514.17             | 157.62          | 238,663            |
|                  | Const of Street, drain etc at UC 05 Hassan Garhi -I | 4465.54                       | 3110.56   | 1355.08             | 115.54          | 156,566            |
|                  | Const of Street, drain etc at UC 87 Dhag            | 4900                          | 3530  | 1370                | 88.12           | 120,724            |
| <b>Total Rs:</b> |   |                               |   |                     |                 | <b>2,148,657</b>   |

**Annex-4**  
**Para 1.2.2.3**

**Overpayment due to allowing excess quantities in thickness**

| S #               | Name of work   | MB No & Page      | Name of item | Qty Paid | Qty Required | Diff  | Rate    | Overpayment      |
|-------------------|--|-------------------|--------------|----------|--------------|-------|---------|------------------|
| 1                 | Construction of St Pav, drains etc at UC 45 UrmarPayan           | MB 12/Pages 33-36 | PCC 1:2:4    | 138.26   | 104.71       | 33.52 | 9800    | 328,496          |
| 2                 | Construction of St Pav, drains etc at UC 62 AzaKhel Peshawar     | MB 07/16-20       | -do-         | 131.33   | 99.46        | 31.87 | 6500    | 207,155          |
| 3                 | Construction of St Pav, drains etc at UC 92 MeraKachori Peshawar | MB 07/08-12       | -do-         | 114.92   | 87.05        | 27.87 | 8000    | 222,960          |
| 4                 | Construction of St Pav, drains etc at UC 72 Nahaqi               | MB 18/07-8        | -do-         | 87.25    | 66.11        | 21.13 | 5806    | 122,700          |
| 5                 | Construction of St Pav, drains etc at UC 70 PakhaGhulam          | -                 | -do-         | 113.50   | 85.98        | 27.51 | 5737.85 | 157,148          |
| 6                 | Construction of St Pav, drains etc at UC 03 MahalTerai - I       | MB 13/06-10       | -do-         | 74.51    | 56.45        | 18.06 | 5947.77 | 107,417          |
| <b>Total : Rs</b> |  |                   |              |          |              |       |         | <b>1,145,876</b> |

**Annexure-5**  
**Para 1.2.2.5**

**Loss due to ignoring lowest bidder**

| <b>S #</b>        | <b>Name of Scheme</b>   | <b>Highest rate accepted</b> | <b>Lowest rate Rejected</b> | <b>Total Loss</b> |
|-------------------|---|------------------------------|-----------------------------|-------------------|
| 1.                | Const of Streets, drains, side walls, sanitation etc at UC Ward – 80 Regi                   | 1,899,996                    | 1,678,208                   | 221,788           |
| 2.                | Const of Streets, drains, side walls, sanitation etc at UC Ward 03– MahalTerai-I            | 1,732,873                    | 1,515,988                   | 216,885           |
| 3.                | Const of Streets, drains, side walls, sanitation etc at UC Ward – 11 Shaheen Muslim Town -I | 1,600,000                    | 1,479,999                   | 120,000           |
| 4.                | Const of Streets, drains, side walls, sanitation etc at UC Ward – 30 Bhana Mari             | 1,600,000                    | 1,440,009                   | 159,990           |
| 5.                | Const of Streets, drains, side walls, sanitation etc at UC Ward – 58 Sheikhan               | 1,599,969                    | 1,263,897                   | 336,073           |
| <b>Total : Rs</b> |   |                              |                             | <b>1,054,736</b>  |