



**AUDIT REPORT
ON THE ACCOUNTS OF
TEHSIL MUNICIPAL ADMINISTRATIONS
IN DISTRICT BUNER**

KHYBER PAKHTUNKHWA

AUDIT YEAR 2016-17

AUDITOR GENERAL OF PAKISTAN

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ABBREVIATION AND ACRONYMS

AIR	Audit & Inspection Report
CMD	Chief Minister's Directives
CPWA	Central Public Works Accounts Code
DAC	Departmental Accounts Committee
DDO	Drawing and Disbursing Officer
GFR	General Financial Rules
MB	Measurement Book
NC	Neighborhood Council
NIT	Notice Inviting Tender
PAO	Principal Accounting Officer
PAC	Public Accounts Committee
POL	Petrol Oil and Lubricant
RDA	Regional Directorate of Audit
TKP	Tameer Khyber Pakhtunkhwa
TMA	Tehsil Municipal Administration
TMO	Tehsil Municipal Officer
VC	Village Council

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 Tehsil/ Town Municipal Administrations.

The report is based on audit of the accounts of TMAs, in District Buner for the Financial Year 2015-16. The Directorate General of Audit, District Governments, Khyber Pakhtunkhwa, conducted audit on test check basis during 2016-17 with a view to reporting significant findings to the relevant stakeholders. The main body of the Audit Report includes only the systemic issues and audit findings. Relatively less significant issues are listed in the **Annex-1** of the Audit Report. The Audit Observations listed in the **Annex-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 observation 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 in the light of written replies of the Departments. However, in some observations, department did not submit written replies. DAC meetings were not 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 Director General Audit, District Governments, Khyber Pakhtunkhwa, carries out the audit of all Tehsil Municipal Administrations and Town Municipal Administrations. The Regional Directorate of Audit Mardan, on behalf of the DG District Governments Audit, Khyber Pakhtunkhwa carries out the audit of four District Governments, TMAs and VCs/NCs of four Districts i.e. Mardan, Swabi, Malakand and Buner respectively.

The Regional Directorate of Audit Mardan has a human resource of 11 officers and staff with a total of 2761 mandays. The annual budget amounting to Rs 16.856 million was allocated to 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.

Tehsil Municipal Administrations Daggar, Gagra, Mandher and Totali in District Buner perform their functions under Khyber Pakhtunkhwa Local Government Act 2013. Each TMA has one Principal Accounting Officer (PAO) as provided in Rule 8(IP) of the Khyber Pakhtunkhwa Tehsil and Town Municipal Administration Rules of Business 2015. Financial provisions of the Act establish a local fund for each Tehsil and Town Administration for which Annual Budget Statement is authorized by the Tehsil/Town Council in the form of budgetary grants.

a. Scope of Audit

The total expenditure of the Tehsil Municipal Administrations Daggar, Gagra, Mandher and Totali, in District Buner for the Financial Year 2015-16 was Rs 231.500 million. Out of this, RDA Mardan audited an expenditure of Rs 115.750 million which, in terms of percentage, was 50 % of auditable expenditure.

The total receipts of Tehsil Municipal Administrations Daggar, Gagra, Mandher and Totali in District Buner for the Financial Year 2015-16, was Rs 135.097 million. Out of this, RDA Mardan audited receipts of Rs 67.549 million which, in terms of percentage, was 50% of auditable receipts.

The total expenditure and receipts of Tehsil Municipal Administrations Daggar, Gagra, Mandher and Totali in District Buner, for the Financial Year 2015-16 was Rs 366.597 million. Out of this, RDA Mardan audited transactions of Rs 183.299 million which, in terms of percentage, was 50% of auditable amount.

b. Recoveries at the instance of audit

Recovery of Rs 9.021 million was pointed out during the audit. However, no recovery was effected till finalization of this report. Out of the total recoveries, Rs 5.621 million was not in the notice of the executive before audit.

c. Audit Methodology

Audit was conducted after understanding the business processes of TMAs, District Buner 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 field.

d. Audit Impact

Audit pointed out various irregularities of serious nature. Cases related to weak internal control were also pointed out to which management has been sensitized. In certain cases management has taken action which may further be verified. However, no impact was visible as the management failed to reply and the irregularities could not come to the light in the proper forum i.e. DAC.

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 section 37(4) of LGA 2013, is internal audit which was not found in place in the domain of TMAs.

f. Key Audit Findings of the Report

1. Irregularity & Non-compliance of Rs 208.273 million were noticed in thirteen cases.¹
2. Weak Internal Controls of Rs 43.379 million were noticed in nine cases.²

g. Recommendations

- Inquiries/investigations be initiated in the highlighted matters
- Deduction of taxes on contracts needs to be ensured.
- Recoveries of taxes and outstanding amount shall be recovered from the concerned besides action against the person(s) at fault.
- Disciplinary actions need to be taken to stop the practice of violation of the rules and regulations in spending the public money.
- All sectors of TMAs need to strengthen internal controls i.e. financial, operational, administrative controls etc to ensure that reported lapses are preempted and fair value for money is obtained from public spending.

¹ Para: (1.2.1.1 to 1.2.1.6) (1.3.1.1) (1.4.1.1 to 1.4.1.5) & (1.5.1.1)

² Para: (1.2.2.1, 1.2.2.2, 1.2.2.3) (1.4.2.1, 1.4.2.2) & (1.5.2.1, 1.5.2.2, 1.5.2.3 & 1.5.2.4)

SUMMARY TABLES AND CHARTS

I: Audit Work Statistics

(Rs in million)

S. No	Description	No.	Budget
1	Total Entities (PAO)in Audit Jurisdiction	04	366.597
2	Total formations in audit jurisdiction	04	366.597
3	Total Entities (PAO)Audited	04	183.299
4	Total formations Audited	04	183.299
5	Audit and Inspection reports	04	183.299
6	Special Audit Reports	-	-
7	Performance Audit Reports	-	-
8	Other Reports	-	-

II: Audit Observations regarding Financial Management

(Rs in million)

Sr. No.	Description	Amount under audit observation
1	Asset management	-
2	Financial management	208.273
3	Internal controls	43.379
4	Others	-
Total		251.652

III: 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	-	44.134	67.549	71.616	183.299	183.285
2	Amount Placed under Audit Observation /Irregularities of Audit	-	175.298	8.354	68.000	251.652	117.032
3	Recoveries Pointed Out at the instance of Audit	-	5.621	3.400	-	9.021	9.949
4	Recoveries Accepted /Established at the instance of Audit	-	-	-	-	-	1.235
5	Recoveries Realized at the instance of Audit	-	-	-	-	-	-

Note: The outcome figures reported for the year 2014-15 pertain to the Three (03) TMAs audited last year. Since the PAO is the same therefore, these amounts have been included here to show cumulative effect against the PAO.

IV: Irregularities pointed out**(Rs in million)**

S. No	Description	Amount under Audit observation
1	Violation of rules and regulations and principle of propriety and probity.	208.273
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.	43.379
5	Recoveries and overpayments, representing cases of established overpayment or misappropriation of public monies.	-
6	Non-production of record to Audit	-
7	Others, including cases of accidents, negligence etc.	-
Total		251.652

V: Cost Benefit**(Rs in million)**

S. No	Description	Amount
1	Outlays Audited	183.299
2	Expenditure on audit	0.389
3	Recoveries realized at the instance of Audit	0
4	Cost Benefit Ratio	1:0

CHAPTER-1

1.1 Tehsil Municipal Administrations, in District Buner

Introduction, Functions and powers of Tehsil Municipal Administration:

District Buner has four tehsils i.e. Gagra (Swari), Daggar, Mandher and Totalai. Each Tehsil is managed by a Tehsil Municipal Officer. Each Tehsil has its own Tehsil Officers (Finance), Tehsil Officers (Infrastructure) and Tehsil Officers (Regulation). The functions and powers of Tehsil Municipal Administration shall be to-

- Monitor and supervise the performance of functionaries of Government offices located in the Tehsil and prepare spatial plans for the Tehsil including plans for land use and zoning and disseminate these plans for public enquiry;
- Execute and manage development plans for improvement of municipal services and infrastructure;
- Exercise control over land-use, land-subdivision, land development and enforce municipal laws, rules and bye-laws and prevent and remove encroachments;
- Regulate affixing of sign-boards and advertisements;
- Prepare budget, long term and annual municipal development programmes;
- Collect taxes, fines and penalties and organize sports, cultural, recreational events, fairs and shows; organize cattle fairs and cattle markets, co-ordinate and support municipal functions amongst village and neighbourhood councils;
- Prepare financial statements and present them for Audit

1.1.2 Comments on Budget and Accounts (Variance Analysis)

An amount of Rs 149.287 million was allocated as grant in aid by the Provincial Government to Tehsil Municipal Administrations of District Buner. An amount of Rs 135.097 million was realized from own sources during the

financial year 2015-16. Thus making a total of Rs 284.384 million available with the Tehsil Municipal Administrations Buner. Out of this an expenditure of Rs 231.500 million was incurred by the Tehsil Municipal Administrations District Buner, with a savings of Rs 52.884 million during Financial Years 2015-16. Detail is given below:

Detail of budget and expenditure during Financial Year 2015-16

(Rs in million)

Head	Budget	Expenditure	Excess (Saving)	% age (Saving)
Salary	39.584	32.058	-7.526	19.01%
Non-salary	56.871	36.990	-19.881	34.95%
Development	187.929	162.452	-25.477	13.55%
Total	284.384	231.500	-52.884	

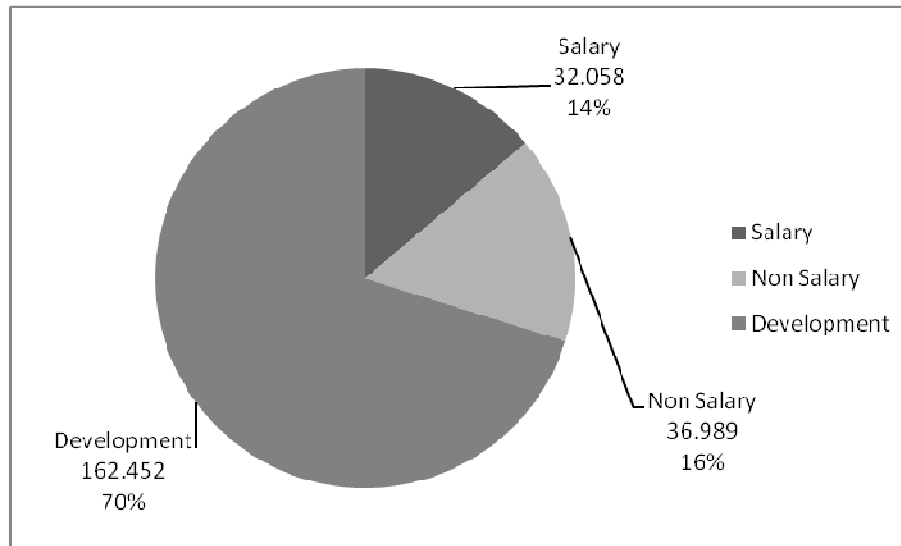
Detail of receipts realized during Financial Year 2015-16

(Rs in million)

2015-16	Provincial Grant in aid	Realization from own sources	Total
Receipts	149.287	135.097	284.384

The savings of Rs 52.884 indicates weakness in the capacity of these local institutions to utilize the allocated budget.

EXPENDITURE 2015-16 (Rupees in million)



1.1.3 Brief comments on the status of compliance with PAC Directives

The Audit Reports pertaining to Financial Years 2009-10 to 2014-15 on accounts of Tehsil Municipal Administration/Municipal Committees have not been discussed in PAC/ZAC. The Provincial Assembly Khyber Pakhtunkhwa has returned the Audit Reports during February, 2017 with the remarks that the same may be examined by respective Accounts Committees as provided under Khyber Pakhtunkhwa Local Government Act, 2013.

1.2 TEHSIL MUNICIPAL ADMINISTRATION GAGRA

1.2.1 Irregularity & Non-compliance

1.2.1.1 Blockage of government money due to non execution of works –Rs 2.500 million

According to Para 12 of GFR Vol-I, a controlling officer must see not only that the total expenditure is kept within the limits of the authorized appropriation but also that the funds allotted to spending units are expended in the public interest and upon objects for which the money was provided. According to work order the completion date for completion of schemes was 28.02.2016

District Council Buner tendered various schemes under CMD 2014-15 in PK-78 on 05.05.2015 and 18.08.2015. The schemes were awarded to the contractors in May & August 2015. Relevant files and funds were transferred to Tehsil Municipal Administration Gagra, Buner on 13.10.2015. Progress report for the month of June 2016 revealed that the following 02 works have not yet been started besides the fact that completion date for these works was 28.02.2016.

#	Name of Scheme	E/Cost (Rs)	Status
1	WSS Kuz Shamnal	1,000,000	Not started
2	Const. of Gagra Qilla Road	1,500,000	Not started
Total		2,500,000	

Delay in works execution occurred due to weak internal control, which resulted in deprivation of public from the benefits of the schemes and loss to Government.

The irregularity was pointed out to the management in January 2017, management stated that due to site dispute the schemes were not completed. No evidences of dispute on site and efforts of local administration were shown to audit. The work was also required to have been tendered after proper clearance of site dispute. Request for convening DAC meeting was made on 13-03-2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends justification in the matter and action against the person(s) at fault

AIR Para No. 02 (2015-16)

1.2.1.2 Unauthorized award of contract of transformers repair -Rs 4.00 million

According to Government of Khyber Pakhtunkhwa, Local Government & Rural Developmental Department, Peshawar letter No. 24-05-2016, PESCO will carry out repair of transformers in their approved workshops.

According to Chapter-III, Para "D" of Pakistan Water and Power Development Authority (WAPDA) for Fixed Assets, damaged transformers are received at WAPDA's Transformer Reclamation Workshops for repair. The value of serviceable and/or reusable parts of the damaged transformers will be credited to the Accounting Unit where the transformer originally came from. The repaired transformers will be sent back to the Regional Stores at standardized prices derived from the Computerized Store Inventory System (CSIS).

Tehsil Municipal Officer Gagra, Buner awarded the contract of repair of transformers in PK-78 to contractor on approved cost of Rs 4,000,000 for the Financial Years 2015-16. The transformers were the WAPDA's assets and repair of the said was the responsibility of WAPDA. Hence, its repair in private workshops through contractor was unauthorized. Moreover, repair of transformers was not verified from the WAPDA authority, hence chance of double drawl on the same repair cannot be ruled out.

Furthermore, Payment was made on non schedule items, however, Market Rate Analysis thereof was not available on record

Award of contract of repair of transformers and expenditure thereon occurred due to weak internal control which resulted in unauthorized expenditure.

The irregularity was pointed out to the management in January 2017, management stated that detail reply would be furnished after scrutiny of record. No reply was submitted till finalization of this report. Request for convening DAC meeting was made on 13-03-2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends inquiry for fixing responsibility and action against the person(s) at fault.

AIR Para No. 08 (2015-16)

1.2.1.3 Less execution of items of works than BOQ –Rs 10.069 million

Para 220 and 221 of CPWA Code, the Sub Divisional Officer, before making payments to the contractors is required to compare the quantities in the bills and see that all the rates are correctly entered and that all the calculations have been checked arithmetically

Tehsil Municipal Officer Gagra Buner, awarded schemes to various contractors with different estimated costs. The contractors offered less/below rates to complete the same schemes within the offered cost (BOQ). All the contractors were required to have completed the same works according to BOQ and other specification based on the approved costs of the schemes.

However, the contractors did not execute the works according to the BOQ/specification within their offered rates/costs. Audit holds that less execution of work than BOQ was irregular and needs justification. Detail at annexure-2

Less execution of works than BOQ occurred due to weak internal controls, which caused in violation of rules.

The irregularity was pointed out to the management in January 2017, management stated that detail reply would be furnished after scrutiny of record. No reply was submitted till finalization of this report. Request for convening

DAC meeting was made on 13-03-2017, however meeting of DAC could not be convened till finalization of this report.

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

AIR Para No. 09 (2015-16)

1.2.1.4 Irregular/Doubtful execution of scheme worth –Rs 1.00 million

Para 178(iii) of GFR Vol-I states that no work should be commenced or liability incurred in connection with it until administrative approval and sanction has been obtained from the competent authority, a properly detailed design and estimate has been sanctioned and funds to cover the charge have been provided by the competent authority.

District Council, Buner approved a scheme “Improvement/BTR of Dehrai Road” under CMD fund 2015-16 and tendered on 05.05.2015. Later on the fund was transferred from District Council Dagger to Tehsil Municipal Office Gagra Buner on 13.10.2015.

TMO Gagra tendered the scheme on 28.12.2015, but not awarded to any contractor for unknown reasons. Similarly, re-tendered on 27.04.2016 as “Construction of Road Dehrai” and awarded to a contractor. The contractor had shown executed the same scheme as PCC Road instead of BTR without approval of the competent authority.

Execution of unapproved scheme was due to weak internal controls which caused in irregular expenditure.

The irregularity was pointed out to the management in January 2017, Management stated that detail reply would be furnished after scrutiny of record. No reply was submitted till finalization of this report. Request for convening DAC meeting was made on 13-03-2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends justification/inquiry in the matter and action against the person(s) at fault.

AIR Para No. 11 (2015-16)

1.2.1.5 Irregular expenditure without proper agreements –Rs 78.528 million

According to Para 2.4 of B&R Department Code, no work shall be started without administrative approval, technical sanction and allotment of funds

According to Para 89 (c) of CPWD “ where work or the supply of material to be given out on contract, the agreement with the contractor selected must be in writing and should be precisely and diffidently expressed, it should state the quantity and quality of the work to be done, the specifications to be complied with, the time within which the work is to be completed, the conditions to be observed, the security to be lodged, and the terms upon which the payments will be made and penalties exacted, with any provision necessary for safeguarding the property entrusted to the contractor”.

Tehsil Municipal Officer Gagra, Buner executed various developmental schemes without executing proper agreements with the contractors. A simple stated agreement was made on stamp paper without mentioning important clauses of the standard agreement and the contractors were left at their liberty without any penal clause etc. Detail at annexure-3

Irregular expenditure without executing proper agreements was due to weak internal controls, which resulted in violation of rules.

The irregularity was pointed out to the management in January 2017, Management stated that detail reply would be furnished after scrutiny of record. No reply was submitted till finalization of this report. Request for convening DAC meeting was made on 13-03-2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends inquiry/clarification in the matter and action against the person(s) at fault.

AIR Para No. 12 (2015-16)

1.2.1.6 Loss to Government due to non-recovery of annual & registration fee from petrol pumps – Rs 3.400 million

According to Para 26 of GFR Vol-I, it is the duty of departmental controlling officer to see that all sums due to government are regularly and promptly assessed, realized and duly credited in the public account.

According to Local Government Department Khyber Pakhtunkhwa letter NO.AO/LCB/2 15, 2008 dated 16.04.2008, NOC fee Rs 50,000 and annual fee Rs 25,000 to be collected from the petrol pumps and CNG stations.

TMO Gagra, Buner, did not recover annual & registration fee from 17 petrol pumps in the jurisdiction of TMA Gagra from 2010-11 to 2015-16, which caused in loss of Rs 3,400,000. The amount remained outstanding for which the local office did not take any initiatives. Detail given below:

S. No	Year	No of pumps	NOC fee (Rs)	Annual fee (Rs)	Sub Total (Rs)	Total (Rs)
1	2010-11	17	50,000	25,000	75,000	1,275,000
2	2011-12	17	-	25,000	25,000	425,000
3	2012-13	17	-	25,000	25,000	425,000
4	2013-14	17	-	25,000	25,000	425,000
5	2014-15	17	-	25,000	25,000	425,000
6	2015-16	17	-	25,000	25,000	425,000
Total						3,400,000

Non recovery of NOC and annual fee was due to weak internal control, which resulted in loss to government.

The irregularity was pointed out to the management in January 2017, management stated that detail reply would be furnished after scrutiny of record. No reply was submitted till finalization of this report. Request for convening

DAC meeting was made on 13-03-2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends recovery of NOC and registration fee from the concerned and action against the person(s) at fault.

AIR Para No. 15 (2015-16)

1.2.2 Internal Control Weaknesses

1.2.2.1 Loss to government due to non adjustment of income tax –Rs 1.425 million

According to Finance Department Khyber Pakhtunkhwa letter NO.SO(Dev-II) FD/12-6/12-13 dated 20.06.2013, the CSR includes Income Tax which is in built in the item rates and the same rates are paid without adjustment of the non-deductible Income Tax in the tax exempted areas resulting overpayment by the amount equal to deductible Income Tax.

Tehsil Municipal Officer Gagra, Buner awarded the schemes under CMD fund for Financial Year 2015-16 in PK-78 at Market Scheduled Rates (MRS). The rates were included 7.5% income tax. Adjustments of such tax was required from the bills of the contractors, which was not causing loss to government Rs 1,425,000 as per detail given at annexure-4

Non adjustment of income tax was due to violation of rules, which resulted in loss to the Government.

The irregularity was pointed out to the management in January 2017, management stated that adjustment would be made in final bills as the schemes are in progress. Request for convening DAC meeting was made on 13-03-2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends recovery of income tax amount from the contractors and action against the person(s) at fault.

AIR Para No. 03 (2015-16)

1.2.2.2 Excess payment than BOQ –Rs 1.874 million

According to Chapter III, Procurement of Works and Non Consulting Services, Rule 3(c) sub rule (i) of KPPRA Procurement Rules 2014, a procurement entity shall only engage in alternate method by direct contracting,

where civil works are to be contracted and are a **natural extension** of an earlier or ongoing job and it can be ascertained that the engagement **of the same contractor** will be more economical and will ensure compatibility of results in terms of quality of works subject to limitation of repeat or variation order.

TMO Gagra, Buner awarded 07 schemes worth Rs 17,347,000 to various contractors at below costs worth Rs 13,112,464 with total saving of Rs 4,234,536. Out of the saving an amount of Rs 1,873,849 was shown utilized in the same schemes. Audit observed the following discrepancies:

1. The amount was utilized in the same schemes by increasing the scope of work instead of natural extensions in the same schemes. Hence, utilization of saving amount in the schemes without natural extensions was unauthorized.
2. Approval of the competent authority was not available regarding the utilization of savings in the same schemes by increasing the scope of work.
3. No agreements were executed with the contractors for execution of these schemes. Detail at annexure-5

The irregularities occurred due to deviation from KPPRA Procurement Rules, 2014 and weak internal controls, which caused in unauthorized utilization of saving and irregular award of works.

The irregularity was pointed out to the management in January 2017, management stated that detail reply would be furnished after scrutiny of record. No reply was submitted till finalization of this report. Request for convening DAC meeting was made on 13-03-2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends justification/inquiry in the matter and action against the person(s) at fault.

AIR Para No. 10 (2015-16)

1.2.2.3 Non acquisition of land for construction of slaughter house worth –Rs 8.949 million

According to Para 12 of GFR Vol-I, a controlling officer must see not only that the total expenditure is kept within the limits of the authorized appropriation but also that the funds allotted to spending units are expended in the public interest and upon objects for which the money was provided.

Tehsil Municipal Officer, Gagra Buner paid Rs 8,948,915 to Deputy Commissioner Buner in the month of April 2016 on account of acquisition of land for slaughter house. However, the land was not acquired till date of audit (January, 2017). The local office did not take any initiatives in the matter.

Irregularity occurred due to weak internal controls, which resulted in loss to government.

The irregularity was pointed out to the management in January 2017, management stated that matter is under process. No progress was shown till finalization of this report. Request for convening DAC meeting was made on 13-03-2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends justification in the matter besides action against the person(s) at fault.

AIR Para No. 18 (2015-16)

1.3 TEHSIL MUNICIPAL ADMINISTRATION MANDHER

1.3.1 Irregularity & Non-compliance

1.3.1.1 Blockage of government money due to non utilization of fund –Rs 22.604 million

According to Para 12 of GFR Vol-I, a controlling officer must see not only that the total expenditure is kept within the limits of the authorized appropriation but also that the funds allotted to spending units are expended in the public interest and upon objects for which the money was provided. According to work order the completion date for completion of schemes was 28.02.2016

Tehsil Municipal Officer Mandher did not utilize developmental fund amounting to Rs 22,604,000 which was released under Annual Developmental Programm 2015-16 for execution of developmental schemes in the jurisdiction of TMA Mandanr. The fund remained unspent and the local office did not take any initiatives for tender and advertisement of the schemes during the year. Detail is given below:

(Rs in million)		
#	Name of Scheme	E/Cost
1	1 st Quarter (July-Sep. 2015)	11.302
2	2 nd Quarter (Oct-Dec. 2015)	11.302
Total		22.604

Non utilization of fund was due to weak internal control, which resulted in blockage of government money.

The irregularity was pointed out to the management in February 2017, management stated that detail reply would be furnished after scrutiny of record. No reply was given till finalization of this report. Request for convening DAC meeting was made on 13-03-2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends justification in the matter and action against the person(s) at fault.

AIR Para No. 04 (2015-16)

1.4 TEHSIL MUNICIPAL ADMINISTRATION DAGGAR

1.4.1 Irregularity & Non-compliance

1.4.1.1 Blockage of government money due to non surrender of fund – Rs 42.30 million

According to Para 12 of GFR Vol-I, a controlling officer must see not only that the total expenditure is kept within the limits of the authorized appropriation but also that the funds allotted to spending units are expended in the public interest and upon objects for which the money was provided. According to work order the completion date for completion of schemes was 28.02.2016

An amount of Rs 42,300,000 was released under TKP in preceding year and during FY 2012-13 for execution of 82 developmental schemes in District Buner. During audit of TMA Daggar, it was noticed that an amount of Rs 3,601,990 was lying as saving in PLA of the local office after completion of the schemes and retirement of all liabilities. The local office was required to have surrendered the saving in time which was not done. Detail is given below:

(Rs in million)

#	Name of Scheme	E/Cost	Nos of schemes
1	TKP	6.00	25
2	TKP	19.0	29
3	TKP	17.30	28
Total		42.3	82

Non surrender of saving occurred due to weak internal control, which resulted in blockage of government money.

The irregularity was pointed out to the management in February 2017, management stated that detail reply would be furnished after scrutiny of record. No reply was given till finalization of this report. Request for convening DAC meeting was made on 13-03-2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends surrendering the saving/justification and action against the person(s) at fault.

1.4.1.2 Irregular/unauthentic repair of Transformers -Rs 4.500 million

According to para 10 (i) of General Financial Rules Volume, every public officer is expected to exercise the same vigilance in respect of expenditure incurred from public moneys, as a person of ordinary prudence would exercise in respect of expenditure of his own money.

Tehsil Municipal Officer Daggar awarded contract of repair of transformers having estimated cost of Rs 4,500,000 out of minorities fund for the Financial Years 2015-16. The expenditure from Government fund on repair of transformers was irregular as the transformers were WAPDA's property. Audit also observed the following irregularities

1. The items used in the repair were Non Scheduled Items and Market Rate Analysis thereof was not made.
2. Exact locations of the transformers were not mentioned in the PC-I and MB.
3. The repair was not verified from the WAPDA, therefore, chances of double drawal on the same works by either side cannot be ruled out.
4. Available record was silent regarding the old replaced parts.

Irregularities occurred due to non observance of financial rules which resulted in violation of rules and may result in loss to Government.

The irregularity was pointed out to the management in February 2017, management stated that detail reply would be furnished after scrutiny of record. No reply was submitted till finalization of this report. Request for convening DAC meeting was made on 13-03-2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends probe into the matter and to fix responsibility on the person(s) at fault.

AIR Para No. 05 (2015-16)

**1.4.1.3 Non-imposition of penalty for late completion of works
–Rs 1.370 million**

According to clause 2 of the standard contract agreement, penalty of 1% per day and up to maximum of 10% of the bid cost may be imposed for delay in completion of work.

TMO Daggar, Buner awarded 12 works to contractors, which were required to be completed on work order date. However, the same works were in progress till date of audit (February 2017). The local office was required to take initiatives to speed up the works besides imposing penalty of Rs 1,370,000 @ 10% on bid cost of the works, which was not done. Detail at annexure-6

Delay in works execution and non-imposition of penalty occurred due to weak internal control, which resulted in deprivation of public from the benefits of the schemes and loss to Government.

The irregularity was pointed out to the management in February 2017, management stated that detail reply would be furnished after scrutiny of record. No reply was submitted till finalization of this report. Request for convening DAC meeting was made on 13-03-2017, however meeting of DAC could not be convened till finalization of this report.

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

AIR Para No. 07 (2015-16)

1.4.1.4 Irregular expenditure without proper agreements –Rs 32.089 million

According to Para 2.4 of B&R Department Code, no work shall be started without administrative approval, technical sanction and allotment of funds

According to Para 89 (c) of CPWD “ where work or the supply of material to be given out on contract, the agreement with the contractor selected must be in writing and should be precisely and diffidently expressed, it should state the quantity and quality of the work to be done, the specifications to be complied with, the time within which the work is to be completed, the conditions to be observed, the security to be lodged, and the terms upon which the payments will be made and penalties exacted, with any provision necessary for safeguarding the property entrusted to the contractor”.

Tehsil Municipal Officer Daggur, Buner executed various developmental schemes without executing proper agreements with the contractors. A simple agreement was made on stamp paper without mentioning important clauses of the standard agreement and the contractors were left at their liberty without any penal clause etc. Detail at annexure-7

Irregular expenditure without executing proper agreements was due to weak internal controls, which resulted in violation of rules.

The irregularity was pointed out to the management in February 2017, Management stated that detail reply would be furnished after scrutiny of record. No reply was submitted till finalization of this report. Request for convening DAC meeting was made on 13-03-2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends inquiry/clarification and action against the person(s) at fault.

AIR Para No. 11 (2015-16)

1.4.1.5 Loss to Government due to non recovery of annual fee & registration fee from petrol pumps – Rs 3.400 million

According to Para 26 of GFR Vol-I, it is the duty of departmental controlling officer to see that all sums due to government are regularly and promptly assessed, realized and duly credited in the public account.

According to Local Government Department Khyber Pakhtunkhwa letter NO.AO/LCB/2 15, 2008 dated 16.04.2008, NOC fee Rs 50,000 and annual fee Rs 25,000 to be collected from the petrol pumps and CNG stations.

TMO Daggar, Buner, did not recover NOC and annual fee from 17 petrol pumps in the jurisdiction of TMA Daggar from 2010-11 to 2015-16, which caused in loss of Rs. 3,400,000. The amount remained outstanding for which the local office did not take any initiatives. Detail at annexure-8

Non recovery of NOC and annual fee was due to weak internal control, which resulted in loss government.

The irregularity was pointed out to the management in February 2017, Management stated that noticed have already been served to the owners of the pumps. Progress would be shown. No progress was shown till finalization of this report. Request for convening DAC meeting was made on 13-03-2017, 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. 12 (2015-16)

1.4.2 Internal Control Weaknesses

1.4.2.1 Loss to government due to non adjustment of income tax –Rs 1.682 million

According to Finance Department Khyber Pakhtunkhwa letter NO.SO(Dev-II) FD/12-6/12-13 dated 20.06.2013, the CSR includes Income Tax which is in built in the item rates and the same rates are paid without adjustment of the non-deductible Income Tax in the tax exempted areas resulting overpayment by the amount equal to deductible Income Tax.

Tehsil Municipal Officer Daggar, Buner awarded the schemes under CMD fund for Financial Year 2015-16 in PK-78 at Market Scheduled Rates (MRS). The rates were included 7.5% income tax. Adjustments of such tax was required in the bills of the contractors as they belong to the tax exempted area and do not pay income tax on the contract while estimate was prepared on MRS and payment was made accordingly, which caused in loss to government Rs 1,681,940

Income tax was not adjusted due to violation of rules, which resulted in loss to the Government.

The irregularity was pointed out to the management in February 2017, management stated that the schemes are in progress and the adjustment would be made accordingly in the bills. No documentary proofs produced for adjustment of income tax. Request for convening DAC meeting was made on 13-03-2017, however meeting of DAC could not be convened till finalization of this report.

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

AIR Para No. 04 (2015-16)

**1.4.2.2 Unauthentic expenditure on account of water supply schemes
–Rs 10.000 million**

**Unjustified payment on account of labour charges and excess
quantity than actual –Rs 7.526 million**

Para 220 and 221 of CPWA Code, the Sub Divisional Officer, before making payments to the contractors is required to compare the quantities in the bills and see that all the rates are correctly entered and that all the calculations have been checked arithmetically

Tehsil Municipal Officer Daggar, Buner awarded Improve /Rehib / Extension of water supply schemes in PK-78 under CMD 2014-15 and FMD 2013-14 with estimated cost of Rs 10,000,000. The contractor was issued the work order for providing and laying of HDPE Pipes of 20mm, 25mm and 32mm dia from the water sources of PHE department Buner. Audit observed the following discrepancies.

1. PHE Buner was requested for grant of NOC for extension of pipe line from different sources of PHE department. PHE department granted NOC without specifying the sources in PK-78.
2. The local office issued work orders to contractors without carrying out any feasibility for identification of the sources.
3. Sources were also not specified in MB.
4. Record show that pipe was distributed among the beneficiaries of the area as evident from the acknowledgment of the beneficiaries. There was a difference of quantity as per beneficiaries list and MB which caused in loss of Rs 2,190,295 as per detail at annexure-9
5. Similarly, the pipe was distributed among the beneficiaries however, contractor was paid full rate instead of adjusting the labour rate. This caused in unjustified payment of Rs 5,335,390 which require justification. Detail at annexure-10

Irregularities occurred due to weak internal controls, which caused in loss to Government.

The irregularity was pointed out to the management in February 2017, management stated that detail reply would be furnished after scrutiny of record. No reply was submitted till finalization of this report. Request for convening DAC meeting was made on 13-03-2017, 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. 06 (2015-16)

1.5 TEHSIL MUNICIPAL ADMINISTRATION TOTALAI

1.5.1 Irregularity & Non-compliance

1.5.1.1 Unauthorized release of additional security -Rs 2.513 million

According to clause 17-A of the contract agreement, the security deposit or the balance of the securities due to the contractor will not be refunded to him until three months after the work shall have been certified as completed by the engineer in charge.

TMO Totalai released additional security for Rs 2,513,747 to the contractors before the completion of schemes during financial year 2015-16. Audit holds that release of additional security before completion of the works was unauthorized which needs justification. Detail given below:

S#	Name of scheme	Additional security deposited (Rs)	Date of release of security	Date completion of work
1	Construction of road towards Jando Boko Road U/C Totalai	1,150,000	2/2016	17.10.2016
2	Construction of street, pavement, drain at U/C Totalai	258,915	16.2.2015	30.9.2015
3	Construction of road from Gul Habib house towards Yar Muhammad Korona	1,104,832	30.08.2016	17.10.2016
	Total	2,513,747		

Early release of security was due to weak internal control favoring the contractors which resulted in violation of rules.

The irregularity was pointed out to the management in March 2017, management did not respond to the audit observation. Request for convening DAC meeting was made on 13-03-2017, however meeting of DAC could not be convened till finalization of this report.

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

AIR Para No. 07 (2015-16)

1.5.2 Internal Control Weaknesses

1.5.2.1 Unjustified balance of Developmental Fund in PLA -Rs 4.266 million

Treasury Rule 290 provides that no money shall be drawn from the treasury unless it is required for immediate disbursement. It is not permissible to draw money from the treasury in anticipation of demands or to prevent the lapse of budget grants.

TMA Totalai's Personal Ledger Account reflected a closing balance of Rs 4,266,602 under the head CMD, TKP, TDC and District ADP since financial year 2011-12 but the local office failed to clarify status of the balance amount whether it was saving or otherwise. Detail at annexure-11

Unjustified balance of the fund occurred due to weak financial control which resulted in blockage of Government fund.

The irregularity was pointed out to the management in March 2017, management did not respond to the audit observation. Request for convening DAC meeting was made on 27-03-2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends that the balance of the fund in PLA needs clarification and justification.

AIR Para No. 08 (2015-16)

1.5.2.2 Non deposit of income Tax into Government treasury-Rs 1.554 million

Para 26 of General Financial Rules Volume I requires that it is the duty of the Departmental Controlling Officer to see that all sums due to Government are regularly and promptly assessed, realized and duly credited in the Public Account.

TMO Totalai deducted 7.5% Income Tax for Rs 1,553,917 from the contractors, belong to taxable zone, during financial year 2015-16 but failed to transfer the same into Income Tax department. Detail is as under:

Name of scheme	Name contractor	Payment (Rs)	Income Tax @ 7.5% (Rs)
Construction of road from Palo Dhand Janak Maira towards Mistri Khan Dhand Road U/C Totalai	Sajjad Muhammad	9,119,501	683,963
Construction of road towards Jando Boko Road U/C Totalai	Zahir Shah	10,900,000	817,500
Remaining work of water supply scheme Sero Kalan	Sajjad Muhammad	699,386	52,454
Total		20,718,887	1,553,917

Non deposit of income tax occurred due to weak financial control which resulted in loss to Government

The irregularity was pointed out to the management in March 2017, management did not respond to the audit observation. Request for convening DAC meeting was made on 27-03-2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends deposit of the tax into Government treasury.

AIR No. 09 (2015-16)

1.5.2.3 Non surrender of saving under CMD and PADP fund-Rs 4.701 million

According to para 95 of GFR, all anticipated savings should be surrendered to Government immediately.

TMO Totalai was granted developmental fund for different schemes under the Chief Minister Directives and Provincial ADP fund. The schemes were awarded at lower rates than the estimated costs resulting in saving of Rs 4,701,770. The saved amount was required to be surrendered to the Provincial Government which was not done. Detail at annexure-12

Non surrendering of saved amount was due to weak financial control which resulted in blockage of public money.

The irregularity was pointed out to the management in March 2017, management did not respond to the audit observation. Request for convening DAC meeting was made on 27-03-2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends surrender the savings to the Provincial Government and action against the person(s) at fault.

AIR Para No. 11 (2015-16)

1.5.2.4 Loss to Government due to non-adjustment of income tax -Rs 1.401 million

According to Finance Department of KP's Notification No.SO (Dev-II)FD/12-6/2014-16 dated 05.01.2015 of , while preparing cost estimates of development projects, which fall in the tax exempted areas such as PATA, shall frame the same on MRS but with 7% less cost to defray the amount added in rate analysis of all works/supply to meet withholding tax.

Tehsil Municipal Officer Totalai paid Rs 18,676,518 to various contractors for execution of developmental schemes during 2015-16. The local office was required to prepare cost estimates with less cost of 7.5% Income Tax to defray the amount included in the rates which was not done. Thus, overpayment of Rs 1,400,739 was made to the contractors which caused in loss to government

Audit observed that non deduction of Income Tax occurred due to weak internal control, which resulted in loss to Government.

The irregularity was pointed out to the management in March 2017, management did not respond to the audit observation. Request for convening DAC meeting was made on 27-03-2017, however meeting of DAC could not be convened till finalization of this report.

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

AIR Para No. 13 (2015-16)

ANNEXURE

Annexure-1

MFDAC Paras

#	AIRNo.	Gagra	Rs (M)
1	33	Non-imposition of penalty due to non completion of works	0.893
2	36	Loss to government due to award of work at higher rate	0.189
3	37	Non deposit of stamp duty & Professional Tax	0.615
4	38	Loss to government due to manipulation in measurement book	0.753
5	39	Overpayment due to non deduction of voids	0.116
6	45	Loss to Government due to non-deposit of 3% RTA share	0.097
7	46	Loss due to less recovery on account of departmental collection of GBS	0.592
8	48	Irregular disbursement on account of pay and allowances (noted for future compliance by the Department)	13.300
9	49	Non recovery of loan from District Council Buner	0.956
10	51	Unauthorized wave off of penalty	0.294
Mandher			
11	52	Non-transfer of 2 % Pool fund to LCB	0.446
12	53	Irregular disbursement on account of pay and allowances (noted for future compliance by the Department)	4.367
13	54	Loss due to non achievement of target receipts of bus stand	0.854
14	56	Non transfer of 3% RTA share of GBS income	0.065
15	57	Loss to Government due to non recovery of NOC and annual fee from petrol pumps	0.750
Daggar			
16	58	Less transfer of 2 % Pool fund and employees' Pension contribution	0.696
17	59	Irregular disbursement on account of pay and allowances (noted for future compliance by the Department)	13.529
18	65	Loss to government due to less execution of items of work	0.585
19	66	Loss to Government due to non-deposit of 3% RTA share of GBS income	0.053
20	67	Excess payment than BOQ	0.645

Totalai			
21	70	Non imposition of 2% penalty on late payment of Installment	0.505
22	71	Non-deposit of 3% RTA share	0.063
23	72	Non-recovery of annual license fee from petrol & CNG stations	-
24	73	Illegal retention of Government taxes	0.271
25	74	Irregular Cash payment of Salaries and Pensions (noted for future compliance by the Department)	4.910
26	75	Loss due to irregular award of work	0.112
27	79	Non-imposition of penalty for late completion	0.850
28	81	Overpayment on account of non-deduction pipes from PCC	0.029
Total			46.534

Annexure-2

Para No. 1.2.1.3

Loss to government due to less execution of items of work

Name of scheme	Item of work	Qty as per BOQ (M, M² & M³)	Qty executed (M, M² & M³)	Less execution (M, M² & M³)	Rate (Rs)	Amount (Rs)
Suspension bridge tala batara	S/F wire roof 1/2" dia	360.00	-	360.00	240.0	86,400
	S/F wire roof 1/3" dia	410.00	-	410.00	200.0	82,000
	RR M Dry	16.00	-	16.00	2,500.0	40,000
Pavement of street/drain shalbandi	Excavation	22.65	-	22.65	100.0	2,265
	PCC 1:3:6 50%	101.93	13.16	88.77	2,800.0	248,556
	Structural back filling	226.50	-	226.50	143.0	32,390
WSS kulyari Gagra	PCC 1:3:6 50%	18.12	-	18.12	2,990.0	54,179
Kacha road/culvertsat kalpani chashma	Exavation in drain ordinary soil	7,650.06	-	7,650.06	205.0	1,568,262
	Exavation in drain hard soil	2,185.73	-	2,185.73	250.0	546,433
	PCC 1:4:8	2.80	-	2.80	4,500.0	12,600
	RCC 1:2:4	6.37	-	6.37	8,000.0	50,960
	Steel	0.83	-	0.83	114,585.4	94,648
construction of Sunigram road	Formation of embankment from borrowed	1681.1		1,681.10	400	672,440
	PCC 1:3:6	198.4		198.40	3900	773,760
	RRM Dry	666.52	104.00	562.52	2000	1,125,040
	RCC 1:2:4	9.17		9.17	7000	64,190
	Steel	1.07		1.07	110000	117,700
	PCC 1:3:6	280	21.00	259.00	4700	1,217,300
	PCC 1:4:8	760	301.83	458.17	3100	1,420,327
	PCC 1:2:4	1140	801.88	338.12	5500	1,859,660
Total						10,069,109

Annexure-3
Para No. 1.2.1.5

Irregular expenditure without proper agreements

(Rs in million)

Package	Estimated Cost (Rs)	Expenditure up to 06/16
PFC Award 2014-15 June 2016 TMA Gagra PF-78 BUNER.	9.497	4.947
District ADP 2014-15 up to June 2016 TMA Gagra PF-78	5.400	3.782
CMD 2014-15 PK-78 Total Allocated Fund TMA Gagra June 2016	18.500	13.481
CMD 2014-15 Sardar Soran sing TMA Gagra up to June 2016	10.060	3.060
Municipal Road in urban areas 2016 PF-78	104.510	53.258
CMD 2014-15 PK-78 Total Allocated Fund TMA Gagra June 2016	4.000	-
CMD 2015-16 PK-78 Total Allocated Fund TMA Gagra June 2016	19.000	-
Tobacco Development Cess 2014-15 PK-78 (June 2016)	10.973	-
Chief Minister Directives 2015-16 (June 2016)	9.890	-
Total	191.830	78.528

Annexure-4**Para No. 1.2.2.1****Loss to government due to non adjustment of income tax**

#	Name of Scheme	Estimated Cost (Rs)	IT (7.5%) (Rs)
1	PCC road Village Dehrai UC Norizai (ADP No. 756)	2,000,000	150,000
2	Left Over portion (2 nd Phase) Pani road Kulyarai UC Dewana Baba	2,000,000	150,000
3	Construction of Improvemnet of Shreen Korona UC Gagra	2,000,000	150,000
4	PCC road Jung Maira Sher Akbar Khan UC Gagra	2,000,000	150,000
5	PCC road Jung Maira Said Hakeem Shah Korona UC Gagra	2,000,000	150,000
6	Construction of Dand Maradu to Ghanjshal Sar UC Gulbandai	2,000,000	150,000
7	Construction of Rasta to Koz teraj UC Sori	500,000	37,500
8	Left over portion of Mirgalai Road UC Sori	500,000	37,500
9	Sanitation of Sangara Muslim Khan UC Shalbandai	1,000,000	75,000
10	Construction of road Inzergai Ladwan UC Gagra	1,000,000	75,000
11	Maintenance and Repair of Transformers PK-78	4,000,000	300,000
Total		19,000,000	1,425,000

Annexure-5**Para 1.2.2.2****Excess payment than BOQ**

#.	Name of scheme	Est. cost (Rs)	BOQ Amount (Rs)	Paid amount (Rs)	Excess (Rs)
1	Pavement of streets UC Gagra	2,000,000	1,560,242	1,779,497	219,255
2	PCC Road Nara Gutta Mirdara	2,000,000	1,757,381	2,000,000	242,619
3	PCC Road Fany kulyari Dewana baba	3,500,000	2,897,328	3,331,927	434,599
4	Construction of Alami banda road	4,000,000	2,407,669	2,828,498	420,829
5	Pavement of streets near iftikhar house UC Rega	841,000	840,256	921,404	81,148
6	PCC Road dehrai norzi	2,000,000	1,997,710	2,227,394	229,684
7	Construction of Machi road	3,006,000	1,651,878	1,897,593	245,715
Total		17,347,000	13,112,464	14,986,313	1,873,849

Annexure-6**Para1.4.1.3****Non-imposition of penalty for late completion of works**

#	Name of scheme	Work order date	Date of completion	E/cost (Rs)	10% Penalty (Rs)
1	Protection band PK 78	28.04.2014	31.12.2014	1,000,000	100,000
2	Installation of hand pump at Elai	06.06.2014	31.12.2014	600,000	60,000
3	Pavement of street Kot UC Sory	28.04.2014	31.12.2014	500,000	50,000
4	construction of road Miragai UC Sory	13.06.2014	30.06.2015	1,000,000	100,000
5	pavement/culvert GGPS Nagrai	12.08.2014	30.06.2015	500,000	50,000
6	Pavement of street UC Gulbandai	28.04.2014	31.12.2014	500,000	50,000
7	Boring, installation of hand pumps kass koroona	12.08.2014	30.06.2015	300,000	30,000
8	Boring, installation of H. pumps Tarko Ghwndi	12.08.2014	30.06.2015	300,000	30,000
9	Road Main khan , Taqat khan Koroona	28.04.2014	31.12.2014	500,000	50,000
10	PCC Road Langow	12.06.2014	30.06.2015	1,500,000	150,000
11	Imp. Ext. DWSS PK-78	01.06.2015	30.06.2016	5,000,000	500,000
12	Const. of balance work AQ Khan colony	28.04.2014	31.04.2015	2,000,000	200,000
Total					1,370,000

Annexure-7
Para No. 1.4.1.4

Irregular expenditure without proper agreements

#	Name of Programme	Year	Allocation (Rs)	Expenditure (Rs)
1	CMD PK-PK-78	2014-15	10,500,000	10,500,000
2	Finance Minister Directives PK-78	2014-15	5,000,000	2,796,768
3	Chief Minister Directives (Mr. Sardar Soran Singh	2014-15	9,000,000	8,112,815
4	CMD PK-78 Buner AD	2014-15	1,000,000	940,850
5	Reh: of KP Districts ADP NO. 700/140345	2015-16	15,393,000	9,134,541
6	CMD PK-79 & CMD 2014-15 Saving amoun	2015-16	1,965,000	604,097
Total			42,858,000	32,089,071

Annexure-8

Para No. 1.4.1.5

Loss to due to non recovery of registration fee from petrol pumps

S. No	Year	No of pumps	NOC fee (Rs)	Annual fee (Rs)	Sub Total (Rs)	Total (Rs)
1	2010-11	17	50,000	25,000	75,000	1,275,000
2	2011-12	17	-	25,000	25,000	425,000
3	2012-13	17	-	25,000	25,000	425,000
4	2013-14	17	-	25,000	25,000	425,000
5	2014-15	17	-	25,000	25,000	425,000
6	2015-16	17	-	25,000	25,000	425,000
G. Total						3,400,000

Annexure-9

Para No. 1.4.2.2

Un-authentic expenditure on account of water supply schemes

CMD 2013-14					
Description	Qty (M) allowed	Qty (M) distributed	Difference (M)	Rate/M (Rs)	Amount (Rs)
HDPE Pipe 20mm	33527	30905	2622	99.56	261,046
HEPE Pipe 25mm	8382	1280	7102	126.15	895,917
Total					1,156,963

FMD 2014-15					
Description	Qty (M) allowed	Qty (M) distributed	Difference (M)	Rate/M (Rs)	Amount (Rs)
HDPE Pipe 20mm	21476	20318	1158	136.12	157,652
HEPE Pipe 25mm	6491.92	3871	2621	154.93	406,095
HEPE Pipe 32mm	6187.13	3596	2591	181.26	469,585
Total					1,033,332

Annexure-10
Para No.1.4.2.2

Unjustified payment on account of labour charges

CMD 2013-14							
Description	Qty (M)	MRS rate (Rs)	Labour rate (Rs)	Rate required (Rs)	Rate Paid (Rs)	Excess Rate (Rs)	Overpayment (Rs)
HDPE Pipe 20mm	33527	99.56	62.64	36.92	99.56	62.64	2,100,131
HEPE Pipe 25mm	8382	126.15	62.64	63.51	126.15	62.64	525,048
Total							2,625,180
FMD 2014-15							
Description	Qty (M)	MRS rate (Rs)	Labour rate (Rs)	Rate required (Rs)	Rate Paid (Rs)	Excess Rate (Rs)	Overpayment (Rs)
HDPE Pipe 20mm	21476	144.77	88.75	56.02	136.12	80.10	1,720,228
HEPE Pipe 25mm	6491.92	164.78	88.75	76.03	154.93	78.90	512,212
HEPE Pipe 32mm	6187.13	192.79	88.75	104.04	181.26	77.22	477,770
Total							2,710,210
Grand Total							5,335,390

Annexure-11

Para No. 1.5.2.1

Unjustified balance of Developmental Fund in PLA

Name of fund/year	Balance on 30.06.2016 (Rs in million)
CMD 2011-12	251,000
CMD 2011-12	500,536
TKPP 2011-12	10,875
CMD 2011-12	214,975
Tobacco Cess 2011-12	45,984
District ADP	92,394
CMD 2011-12	12,550
TKPP 2012-13	423,248
CMD 2012-13	2,323,572
CMD 2013-14	391,468
Total	4,266,602

Annexure-12

Para No. 1.5.2.3

Non surrender of saving under CMD and PADP fund

S/No:	Name of Scheme:	Estimated Cost (Rs)	Bid cost/payment (Rs)	Saving (Rs)
1	Construction of road from Gul Habib house towards Yar Muhammad Korona Akhun Serai(PADP)	7,233,000	6,161,521	1,071,479
2	Construction of road towards Jando Boko Road U/C Totalai (PADP)	12,292,000	10,900,000	1,392,000
3	Construction of road from Palo Dhand Janak Maira towards Mistri Khan Dhand Road U/C Totalai (PADP)	10,915,000	9,119,501	1,795,499
4	Pcc pavemant from main road towards hujra taj khan shah dham union council amazai.	500,000	478325	21675
5	Pcc pavemant ghazi kot dargalai road.	1,500,000	1,485,862	14,138
6	Pavement of street & construction of cause way in front hujra bhramand said at kalan	500,000	426,770	73,230
7	Reaming work water supply scheme sero kalan.	700,000	699,381	619
8	Remaining water supply scheme at namdar agarai union council koga.	500,000	497,840	2,160
9	Water supply scheme mian dhand union council mahranai (buner).	300,000	241,589	58,411
10	Construction of protection wall at koz kali mada khela khare makhranai .	300,000	224,555	75,445
11	Pavemant of street /drain at Mangal thana.	500,000	488,908	11,092
12	Boring for hand pumps / installation of hand pumps at Totalai And Jangdara.	200,000	190,269	9,731
13	Repair of Gurdwara at Chinglai	1,000,000	957906	42,094
14	Construction of street pavement and Drain at Union Council Totalai	1,000,000	922275	77,725
15	Construction of cause way at ghurgushto phase ii	1,000,000	943528	56,472
Total				4,701,770

