



**AUDIT REPORT
ON THE ACCOUNTS OF
TEHSIL MUNICIPAL ADMINISTRATIONS
IN DISTRICT MALAKAND
KHYBER PAKHTUNKHWA**

AUDIT YEAR 2016-17

AUDITOR GENERAL OF PAKISTAN

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ABBREVIATION AND ACRONYMS

ADP	Annual Developmental Programme
AIR	Audit and 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
NIT	Notice Inviting Tender
PAO	Principal Accounting Officer
PAC	Public Accounts Committee
RDA	Regional Directorate of Audit
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 Malakand 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.

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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 Batkhela and Dargai in District Malakand perform their functions under Khyber Pakhtunkhwa Local Government Act 2013. Each TMA has one Principal Accounting Officer (PAO) as provided in Rule 8 (1P) 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 Audited

The total expenditure of the Tehsil Municipal Administrations Batkhela and Dargai, in District Malakand for the Financial Year 2015-16 was Rs 176.676 million. Out of this, RDA Mardan audited an expenditure of Rs 88.338 million which, in terms of percentage, was 50 % of auditable expenditure.

The total receipts of Tehsil Municipal Administrations Batkhela and Dargai, in District Malakand for the Financial Year 2015-16, were Rs 231.892

million. Out of this, RDA Mardan audited receipts of Rs 115.946 million which, in terms of percentage, was 50% of auditable receipts.

The total expenditure and receipts of Tehsil Municipal Administrations Batkhela and Dargai in District Malakand, for the Financial Year 2015-16 was Rs 405.116 million. Out of this, RDA Mardan audited transactions of Rs 243.069 million which, in terms of percentage, was 60% of auditable amount.

The total expenditure and receipts of Tehsil Municipal Administrations Batkhela and Dargai, in District Malakand, for the Financial Year 2015-16 were Rs 408.568 million. Out of this, RDA Mardan audited the expenditure and receipts of Rs 204.284 million.

b. Recoveries at the instance of audit

Recovery of Rs 17.976 million was pointed out during the audit. However, no recoveries were affected till the finalization of this report. Out of the total recoveries, Rs 13.637 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 Malakand 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. In cases of recovery management has issued orders for recovery.

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

- i. Irregularity & Non-compliance of Rs 55.253 million were noticed in fourteen cases.¹
- ii. Weak Internal Control of Rs 11.833 million were noticed in two cases.²

g. Recommendations

- i. Recoveries/deduction of taxes and outstanding amount shall be recovered from the concerned contractors/ person(s) at fault.
- ii. Disciplinary actions need to be taken to stop the practice of violation of the rules and regulations in spending the public money.
- iii. The savings needs to be surrendered well in time.
- iv. Strenuous efforts need to be made by the department to recover long outstanding dues on account of water charges/ Government revenue.

¹ Para: 1.2.1.1 to 1.2.1.5 & Para 1.3.1.1 to 1.3.1.9

² Para: 1.2.2.1 & 1.2.2.2

SUMMARY TABLES AND CHARTS

I: Audit Work Statistics

(Rs in million)

S. No	Description	No.	Budget
1	Total Entities (PAO)in Audit Jurisdiction	01	408.568
2	Total formations in audit jurisdiction	02	408.568
3	Total Entities (PAO)Audited	01	204.284
4	Total formations Audited	02	204.284
5	Audit and Inspection reports	02	204.284
6	Special Audit Reports	-	-
7	Performance Audit Reports	-	-
8	Other Reports	-	-

II: Audit observations classified by Categories

(Rs in million)

Sr. No.	Description	Amount under audit observation
1	Asset management	-
2	Financial management	55.253
3	Internal controls	11.833
4	Others	-
Total		67.086

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	-	123.015	76.784	4.485	204.284	249.66
2	Amount Placed under Audit Observation /Irregularities of Audit	-	41.212	25.874	-	67.086	69.802
3	Recoveries Pointed Out at the instance of Audit	-	7.766	10.210	-	17.976	39.74
4	Recoveries Accepted /Established at the instance of Audit	-	7.213	6.115	-	13.328	4.914
5	Recoveries Realized at the instance of Audit	-	-	-	-	-	-

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.	41.925
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.	11.833
5	Recoverable, overpayments, or unauthorized payments of public money.	13.328
6	Non-production of record to Audit	-
7	Others, including cases of accidents, negligence etc.	-
Total		67.086

V: Cost Benefit

(Rs in million)

S. No	Description	Amount
1	Outlays Audited	204.284
2	Expenditure on audit	16.857
3	Recoveries realized at the instance of Audit	0
4	Cost Benefit Ratio	1:0

CHAPTER-1

1.1 Tehsil Municipal Administrations, in District Malakand

1.1.1 Introduction, Functions and powers of Tehsil Municipal Administration:

District Malakand has two tehsils i.e. Batkhela and Dargai. 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 neighborhood councils;
- Prepare financial statements and present them for Audit

1.1.2 Comments on Budget and Accounts (Variance Analysis)

An amount of Rs 304.522 million was allocated as grant in aid by the Provincial Government to Tehsil Municipal Administrations of District Malakand. An amount of Rs 39.167 million was realized from own sources

during the financial year 2015-16. Thus making a total of Rs 343.689 million available with the Tehsil Municipal Administrations Malakand. Out of this an expenditure of Rs 176.676 million was incurred by the Tehsil Municipal Administrations District Malakand, with a savings of Rs 167.013 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	65.182	61.623	(3.559)	2%
Non-salary	50.301	34.322	(15.979)	10%
Development	228.206	80.731	(147.475)	88%
Total	343.689	176.676	(167.013)	

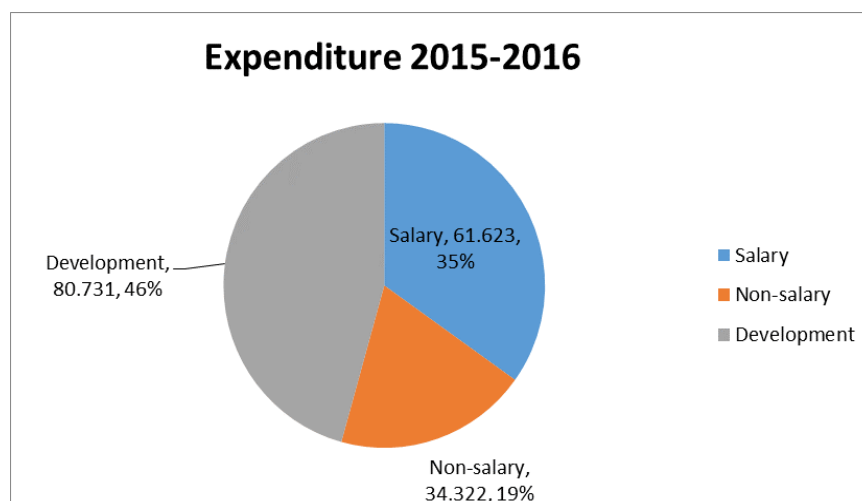
Detail of receipts realized during Financial Year 2015-16

(Rs in million)

2015-16	Provincial Grant in aid	Realization from own sources	Total
Receipts	304.522	39.167	343.689

The huge savings of Rs 167.013 million in all heads of accounts indicate weakness in the capacity of these local institutions to utilize the amounts allocated.

(Rs 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 BATKHELA

1.2 TMA Batkhela

1.2.1 Irregularity & Non-compliance

1.2.1.1 Non recovery of annual tax and NOC fee from petrol pumps - Rs 2.025 million

According to Government of KPK, Local Government Department Letter No. AOII/LCB/2-15/3008 date 07.04.2008 address to TMA Batkhela, annual tax & NOC fee on petrol/ CNG pumps has been fixed as Rs 25,000 & Rs 50,000 respectively. According to Local Council Board Government of Khyber Pakhtunkhwa office memo No. AOII/LCB/6-11/2010 dated 21-04-2011, & instruction of Senior Minister in Minutes of Meeting vide Para No. 05, tax shall be imposed on Petrol/ CNG pumps by all TMAs/ MCs in KPK at the prescribed rate.

Tehsil Municipal Officer, Batkhela did not realize Rs 2,025,000 on account of NOC fee and Annual tax from the owners of 27 Petrol/ CNG Pumps situated at the approach Roads under the jurisdiction of TMA Batkhela during 2015-16. Detail is given at annexure-2.

Audit observed that non-collection of tax from the owner of petrol pumps occurred due to lack of interest of the controlling officer towards generation of revenue which resulted in loss to the Council.

The irregularity was pointed out to the management in March 2017, management stated that notices have already been issued to the owners of the concerned petrol/ CNG pumps and outcome would be shown to audit in due course of time. However, no progress was shown to audit till date. Request for convening DAC meeting was made on 03-03-2017, 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. 02 (2015-16)

1.2.1.2 Non-recovery of outstanding water charges amounting to Rs 4.339 million

According to Local Council Board Government of Khyber Pakhtunkhwa office memo No. AOII/LCB/6-11/2010 dated 21-04-20211, & instructions of Senior Minister in Minutes of Meeting vide Para No. 01, the water rate shall be recovered at the revised rate i.e. from Rs 120 to Rs 150 per month by Category A TMAs in KPK. According to Para 8 and 26 of the General Financial Rules Volume-I, each administrative department to see that the dues of the government are correctly and promptly assessed, collected and paid into Government Treasury.

Tehsil Municipal Officer, Batkhela did not recover Rs 4,338,720 on account of water charges from 2248 consumers accumulated upto 30.06.2016. Abstract is given below and detail is attached at annexure-3.

Total arrear as on 30-06-2015	Rs 3,990,290
Recoverable for 2015-16	<u>Rs 4,046,400</u>
Total recoverable till June, 2016	Rs 8,036,690
Recovered during 2015-16	<u>Rs 3,697,970</u>
Outstanding as on 30.06.2016	Rs 4,338,720

Audit observed that non recovery of water charges occurred due to weak internal control, which resulted in loss to government.

The irregularity was pointed out to the management in March 2017, management stated that efforts are being made to recover the outstanding dues. However, no progress was shown to audit. Request for convening DAC meeting was made on 03-03-2017, 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. 04 (2015-16)

1.2.1.3 Non recovery of penalty on a/c of late deposit of monthly installments- Rs 1.164 million

According to Para 6 of the Model Terms & Conditions for the contracts notified by the Government of Khyber Pakhtunkhwa Local Government Department vide No. AO-II/LCB/6-11/2015 dated 01/06/2015, 2% penalty per day for late deposit of monthly installment shall be recovered.

Tehsil Municipal Officer, Batkhela did not impose, recover Rs 1,163,739 on account of 2% penalty per day for late deposit of monthly installments from the contractor of “General Bus Stand Batkhela” during 2015-16. Detail is given at annexure-4.

Audit observed that non imposition of penalty occurred due to weak internal controls and deviation from Model Terms & Conditions, which resulted in loss to Government

The irregularity was pointed out to the management in March 2017, management stated that the contractor has deposited the principal amount during financial year 2015-16. Reply was not tenable as the contractor did deposit the monthly installments on due dates and the management also issued notice to the concerned contractor in this regard. Request for convening DAC meeting was made on 03-03-2017, however meeting of DAC could not be convened till finalization of this report.

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

AIR Para No. 10 (2015-16)

1.2.1.4 Loss due non-recovery of lease money – Rs 1.011 million

According to Government of KP, Local Council Board, Peshawar letter No. AO-II/LCB/9-31/2010 dated 24-04-2010 and Agreement executed with the contractor, the contract of “Malakand Inn Hotel” was awarded on annual rent of Rs 168,500 w.e.f 01-07-2010 to 30-06-2015. According to Government of KP, Local Council Board, Peshawar letter No. AOV/LCB/4-1/98 dated 11-06-1999

vide instruction No. 5, rent shall be fixed at the prevailing market rate with 10% annual increase or 25% increase after every 3 years.

Tehsil Municipal Officer, Batkhela awarded the contract of Malakand Inn Hotel to M/S Muhammad Akram Government contractor through open auction on annual rent of Rs 168,500 for a period of 15 years commenced from July, 2010. However, the contractor deposited only Rs 405,500 on account of security deposit as required under the contractor agreement and since then the management failed to recover the annual rent amounting to Rs 1,011,000 from the concerned contractor for the period from 07/2010 to 06/2016. The local office neither initiated any solid efforts to recover the long outstanding dues from the contractor nor terminated the lease to take over the possession of the premises by forfeiting the security deposit of the default contractor as required under Clause 3 of the contract agreement. Moreover, defective agreement was executed with the contractor as having no clause of 10% annual increase or 25% after every 3 years in violation of instructions of the Provincial Government.

Audit observed that non-recovery of rent occurred due to weak internal and administrative control which resulted in loss to the 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 03-03-2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends vacation along with recovery of outstanding rent and its open auction through competitive bid on prevailing market rates besides action against the person(s) at fault.

AIR Para No. 13 (2015-16)

1.2.1.5 Irregular award of contract of repair of transformers -Rs 4.945 million

According to Government of KP, Local Government & Rural Developmental Department, Peshawar letter No. 24-05-2016, PESCO will carry out repair of transformers in their approved workshops. As per NIT conditions, the contractor shall be register with the Energy & Power Department KP in Class-E.

Tehsil Municipal Officer, Batkhela awarded the contract of repair of transformers in PK-99 to M/S Bahri Karam Government contractors on approved cost of Rs 4,945,000 for the Financial Years 2015-16 and the contractor was paid Rs 3,055,000 upto June, 2016. Audit observed that:

1. The PESCO workshop was available in Batkhela and the repair was required to be carried out there instead of repair in private workshop through contractor.
2. The contractor was not register with Energy and Power Department KPK as required in tender notice.
3. The repair was not verified from the concerned PESCO Sub-Division as mentioned in NIT.
4. Market rate analysis was not available on record as required in case of payment for non-schedule items of work.

Audit observed that irregular award of contract of repair of transformers and expenditure thereon occurred due to weak internal control which resulted in irregular expenditure.

The irregularity was pointed out to the management in March 2017, management stated that this office was declared as executing agency and the scheme was executed accordingly. Reply was not tenable as the repair was the responsibility of WAPADA. Moreover, the staff of TMA has no capacity/ technical expertise to carry out such repair. Request for convening DAC meeting

was made on 03-03-2017, 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. 20 (2015-16)

1.2.2 Internal Control Weaknesses

1.2.2.1 Irregular expenditure without Technical Sanction – Rs 6.974 million

According to Para 32 of CPWA Code, no work shall be executed without Administrative Approval /Technical Sanction and Budget allotment.

Tehsil Municipal Officer, Batkhela paid Rs 4,828,804 on execution of four (04) developmental schemes during 2015-16 against the estimated cost of Rs 10,166,000. Despite incurrence of expenditure of more than 68% of the total Approved cost, the schemes were not technical sanctioned by the competent authority. Detail is given below:

S. No.	Name of scheme	E/ Cost (Rs)	Expenditure (Rs)
1.	Repair of Transformers at PK-99	5,000,000	2,749,500
2.	Construction of R/Wall at Village Sher Khana	1,500,000	989,944
3.	Pavement of Street at Qaid Abad	1,100,000	1,089,360
4.	Const: of R/Wall at Sarkaway Road U/C Agra	2,566,000	2,145,396
Total		10,166,000	6,974,200

Audit observed that execution of scheme without Technical Sanction occurred due to non-compliance with rules which resulted in irregular expenditure.

The irregularity was pointed out to the management in March 2017, management stated that the matter will be investigated and detail reply will be submitted to audit later on. However, no progress was shown to audit. Request for convening DAC meeting was made on 03-03-2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends regularization of expenditure by obtaining technical sanctions from the competent authority and action against the person(s) at fault.

AIR Para No. 17 (2015-16)

1.2.2.2 Irregular expenditure due to grant of Technical Sanction beyond competency - Rs 4.859million

According to Government of KPK Local Govt: Department Notification No.ACI/LCB/ESTT:/3-5/2005 dated: 22-11-2005, the Engineers (in various scales) can accord Technical Sanction for the amount mentioned below:

1. Engineers in BPS-18 upto Rs 4,000,000
2. Engineers in BPS-17 upto Rs 1,500,000
3. Engineers in BPS-16 upto Rs 500,000
4. Engineers in BPS-11 upto Rs 300,000

Municipal Officer (Infrastructure) Batkhela accorded technical sanctions of three (03) developmental schemes executed during 2015-16 amounting to Rs 4,859,396 for which he was not empowered being in BPS-17. Detail is given below:

S.No.	Name of scheme	Estimated/ Technical cost (Rs)
1.	Const: of Drain & B/Wall at Zafar Park	1,559,396
2.	Improvement of Janazgah at Bakhta	1,700,000
3.	Construction of Janazgah at Alladand	1,600,000
Total		4,859,396

Audit observed that over-exercise of power regarding technical sanction occurred due to weak financial knowledge which resulted in irregular expenditure.

The irregularity was pointed out to the management in March 2017, management stated that clarification in the matter would be obtained from the competent authority. However, no progress was shown to audit till date. Request for convening DAC meeting was made on 03-03-2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends regularization of expenditure from the competent authority and action against the person(s) at fault.

AIR Para No. 06 (2015-16)

1.3 TEHSIL MUNICIPAL ADMINISTRATION DARGAI

1.3 TMA Dargai

1.3.1 Irregularity & Non-compliance

1.3.1.1 Non recovery of long outstanding dues from the local fund Contractors – Rs 8.345 million

According to Para 28 of GFR Vol.-I no amount due to government should be left outstanding without sufficient reason and where any dues appear to be irrecoverable the orders of competent authority for their adjustment must be sought.

Tehsil Municipal Officer Dargai did not recover long outstanding dues amounting to Rs 8,344,711 from the Contractors till the date of Audit (February, 2017). Detail is given below:

S. No	Contract	Contractor's Name	Amount due since	Amount (Rs)
1	Cattle Fair Dargai	Mr. Mir Aslam	1994-95	1,023,000
2	Cattle Fair Dargai	Mr. ZarifGul	1995-96	234,655
3	Bus Stand Dargai	Mr. Imran Khan	2007-08	3,937,540
4	Road Rooler	Mr. Kalimullah	2007-08	33,891
5	Cattle Fair Dargai	Mr. Amir Bacha	2009-10	2,170,000
6	Bus Stand Dargai	Mr. Jawad Khan	2015-16	945,625
Total				8,344,711

Audit observed that non recovery of outstanding dues occurred due to weak financial and internal control which resulted in loss to the Committee.

The irregularity was pointed out to the management in February 2017, management stated that case has already taken up with the District Administration for recovery. However, no progress was shown till date. Request for convening DAC meeting was made on 17-03-2017, however meeting of DAC could not be convened till finalization of this report.

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

AIR Para No. 01 (2015-16)

1.3.1.2 Loss to government due to non-adjustment of income tax - Rs 4.731 million

According to letter No. WHU-II/RTO-PR/2014-15/27 dated 18-07-2015 of Deputy Commissioner (IR) Peshawar income tax @ 7% to be charged from the contractors. Further, According to Government of Khyber Pakhtunkhwa Finance department letter No SO (Dev-ii) FD/12-6/12-13 dated 20-06-2013 income tax as per prevailing rates was built-in in CSR/MRS, therefore non deduction of income tax in tax exempted areas is considered as overpayment.

Tehsil Municipal Officer Dargai paid Rs 63,085,821 to various contractors for execution of various developmental schemes during 2015-16. However, income tax @7.5% amounting to Rs 4,731,437 was not adjusted in the contractor's bills as required under the rules. Detail is given at annexure-5.

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 February 2017, management stated that the tax has been adjusted in the shape of scope of work. Reply was not convincing as instead of adjustment of income tax, payment was made by other way favoring the contractor. Request for convening DAC meeting was made on 17-03-2017, 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. 08 (2015-16)

1.3.1.3 Non-surrendered of savings of completed schemes – Rs 6.814 million

Para 95 of General Financial Rules volume I provides that all anticipated savings should be surrendered to Government well before close of financial year. No savings should be held in reserve for possible future excesses.

Tehsil Municipal Officer Dargai spent Rs 63,085,821 on different developmental schemes during 2015-16 out of Rs 69,900,000 whereas savings of Rs 6,814,179 left behind the completed schemes were not surrendered and detained till the date of audit (February, 2017). Detail is given at annexure-6.

Audit observed that illegal retention of public money occurred due to weak administrative and financial control which resulted in loss to Government.

The irregularity was pointed out to the management in February 2017, management did not respond to the audit observation. Request for convening DAC meeting was made on 17-03-2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends surrendering of public money to Government treasury and action against the person(s) at fault.

AIR Para No. 09 (2015-16)

1.3.1.4 Non recovery of loan from LG&RDD Malakand – Rs 1.092 million

According to Para 28 of GFR Vol.-I no amount due to government should be left outstanding without sufficient reason and where any dues appear to be irrecoverable the orders of competent authority for their adjustment must be sought.

Tehsil Municipal Officer Dargai paid a loan of Rs 1,092,136 to LG & RDD Malakand vide cheque No. 23206772 dated 28-12-2015, however, the loan was not recovered till date of audit (February, 2017).

Audit observed that non recovery of loan was due to weak financial control which resulted in loss to the Committee.

The irregularity was pointed out to the management in February 2017, management stated that the efforts are being made to recover the same. However, no progress was shown till date. Request for convening DAC meeting was made on 17-03-2017, which was not convened till finalization of this report.

Audit recommends recovery of loan without any further delay and action against the person(s) at fault.

AIR Para No. 10 (2015-16)

1.3.1.5 Excess execution of items of work than BOQ- Rs 3.952 million

According to Para 2.58 of B&R Code, payment should be made for quantities and rates mentioned in the BOQ.

TMO Dargai executed various items of work costing Rs 3,952,007 in excess than the quantity approved in the BOQ during financial year 2015-16. The excess execution was ranging from 25% to 85% of the approved BOQ. Detail is given at annexure-7.

Audit observed that excess execution of work was due to weak managerial control which resulted in violation of rules.

The irregularity was pointed out to the management in February 2017, management stated that the work was executed as per site requirement and the payment was not exceeded the estimated cost. Reply was not tenable as the works were awarded at item rates and the increase at BOQ was abnormal. Request for

convening DAC meeting was made on 17-03-2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends that the matter may be investigated besides action against the person(s) at fault.

AIR Para No. 13 (2015-16)

1.3.1.6 Loss due to award of works at higher rates-Rs 1.835 million

According to rule 14 (2)(ix) of Khyber Pakhtunkhwa Public Procurement of Goods, Works and Services Rules, 2014, The bid found to be the lowest evaluated bid shall be accepted.

TMO Dargai awarded contracts of 4 No works at higher rates to the contractors by rejecting the lowest rates on the grounds that the sums (totals) of the BOQs were wrong. Audit holds that rejection of the lowest bids on the basis of nominal arithmetical errors was unjustified and resulted in loss of Rs 1,835,865. Detail is given at annexure-8.

Audit observed that irregular award of work occurred due to lack of financial control which resulted in loss to Government.

The irregularity was pointed out to the management in February 2017, management stated that the codal formalities were not completed by the contractors whose bids were rejected, therefore, the works/contracts were awarded to other contractors. Reply was not convincing as items rates were correctly mentioned in the BOQs and no overwriting and tampering were noticed but the bids were rejected due to minor mistake in the total of the BOQs. Request for convening DAC meeting was made on 17-03-2017, 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. 17 (2015-16)

1.3.1.7 Non transfer of land in the name of acquiring department-Rs 6.000 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.

TMO Dargai paid Rs 6,000,000 to the land owners through Deputy Commissioner Malakand for purchase of land for graveyards in different Union Councils during financial year 2015-16 but the land was not transferred/mutated in the name of acquiring department as no mutation deed was available in the local office. Detail is given at annexure-9.

Audit observed that non mutation of the land was due to lack of managerial control which resulted in un-authenticity of the acquisition of land.

The irregularity was pointed out to the management in February 2017, management stated that the transfer of land has already been made. It is further added that due to no land settlement system, the registry made in the name of TMA Dargai. Reply was not convincing as no documentary evidence was produced to audit in support of reply. Request for convening DAC meeting was made on 17-03-2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends mutation of land in the name of acquiring department and action against the person(s) at fault.

AIR Para No. 20 (2015-16)

1.3.1.8 Irregular/unauthentic repair of Transformers-Rs 5.000 million

According to Government of KP, Local Government & Rural Developmental Department, Peshawar letter No. 24-05-2016, PESCO will carry

out repair of transformers in their approved workshops. As per NIT conditions, the contractor shall be register with the Energy & Power Department KP in Class-E

TMO Dargai awarded contract of repair of transformers having estimated cost of Rs 5,000,000 out of CMD fund under ADP No.762 in 15 union councils during financial year 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 drawl on the same works by either side cannot be ruled out.
4. Available record was silent regarding the old replaced parts.

Audit observed that the 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 the amount was utilized as per CMD directives. Reply is irrelevant. Request for convening DAC meeting was made on 17-03-2017, however meeting of DAC could not be convened till finalization of this report.

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

AIR Para No. 21 (2015-16)

1.3.1.9 Irregular execution of M&R works-Rs 4.000 million

According to 2.46 B&R Code, the sanction to an annual repair estimate lapses on the last day of the working year i.e. 30th June.

TMO Dargai awarded contract of M&R works under 30% PFC fund with estimated cost of Rs 4,000,000 in April 2016 but the repair work was carried out after the close of financial year 2015-16. Audit holds that administrative approval granted for the work was lapsed on 30.06.2016 and fresh administrative approval was required to be obtained which was not done.

Audit observed that irregular execution of work occurred due to weak financial control which resulted in violation of rules.

The irregularity was pointed out to the management in February 2017, management stated that ex-facto sanction for the late utilization of fund would be shown to audit. No fresh administrative approval or ex-facto sanction was produced till finalization of this report. Request for convening DAC meeting was made on 17-03-2017, however meeting of DAC could not be convened till finalization of this report.

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

AIR Para No. 22 (2015-16)

ANNEXURE

Annexure-1

MFDAC Paras

Sr. No.	AIR Para No..	Department	Caption	(Rs in million)
1.	35	TMA Batkhela	Loss to Government due to non-deduction of Income Tax amounting to Rs 70,500	0.07
2.	37	-do-	Loss due to non-achievement of 20% annual increase target	0.063
3.	39	-do-	Loss to Government due to allowing higher rates	0.024
4.	40	-do-	Loss of thousands of rupees due to collection of rent of residential quarters at nominal rates	0
5.	41	-do-	Loss to Council due to non-deduction of HRA	0.054
6.	43	-do-	Loss due to non-recovery of tax from Shadi (wedding) Halls	0.024
7.	44	-do-	Non-Imposition of penalty on a/c of late completion of schemes	0.645
8.	46	-do-	Loss of millions of rupees due to non-auction of shops	0
9.	47	-do-	Non-deposit of Government revenue	0.173
10.	48	-do-	Loss to Government due to non-deduction of voids	0.053
11.	50	-do-	Loss due to occupation of residential accommodation without rent causing loss	0.690
12.	51	-do-	Non-auction of un-serviceable/non-functional machinery	0.302
13.	54	-do-	Non recovery of Annual Tax from CNG Pumps	0.400
14.	56	TMA Dargai	Non imposition of 2% penalty on late payment of Installments	0.608
15.	57	-do-	Loss to Committee due allotment of residential	0

			quarters at nominal rates	
16.	58	-do-	Non-depositing of 3% RTA share	0.333
17.	59	-do-	Non-recovery of annual license fee from petrol & CNG stations	0.450
18.	60	-do-	Illegal retention of Government dues	0.603
19.	61	-do-	Loss due to non-auction of Sign Boards Contract	0.535
20.	65	-do-	Non cancellation of Contract and non-forfeiture of earnest money	0.088
21.	66	-do-	Non recovery of Rent from Shops	0.031
22.	68	-do-	Non deposit of profit into Government treasury	0.511
23.	69	-do-	Non deduction of Sales Tax on supply of pumps	0.189
24.	73	-do-	Overpayment on account of purchase of land	0.197
25.	77	-do-	Unauthorized deduction of 0.5% contingency	0.157

Annexure-2
Para (1.2.1.1)

Detail of Petrol / CNG Pumps under the jurisdiction of TMA Batkhela

S#	Name of Petrol / CNG Pump	Location	NOC Fee (Rs)	Annual Fee (Rs)	Total (Rs)
1	Bashir Filling Station	Bar Bye Pass Thana	50,000	25,000	75,000
2	Sangam Filling Station	Koz Bye Pass Thana	50,000	25,000	75,000
3	Shahdan Filling Station	Collage Road Thana	50,000	25,000	75,000
4	Imran Filling Station	Collage Road Thana	50,000	25,000	75,000
5	Itafaq Filling Station	Collage Road Thana	50,000	25,000	75,000
6	Bahdar Khan Petroleum	Pull Chowki Chowak	50,000	25,000	75,000
7	Zeb Petroleum	Pull Chowki Swat Road	50,000	25,000	75,000
8	Jalawanan Petroleum	Jalawanan swat Road	50,000	25,000	75,000
9	Al Hilal Petroleum	Jalawanan Swat Road	50,000	25,000	75,000
10	Waqar Petroleum	Amandara Chowk	50,000	25,000	75,000
11	Bahadar Khan Petroleum	Old Adda Batkhela	50,000	25,000	75,000
12	Shell Petroleum	Near Batkhela Hospital	50,000	25,000	75,000
13	Safdar Filling Station	Piran Chowk	50,000	25,000	75,000
14	Said Filling Station	Near Toor Mor R/House	50,000	25,000	75,000
15	Atack Petroleum	Malakand Khass	50,000	25,000	75,000
16	Sadam Filling Station	Totakan Road Batkhela	50,000	25,000	75,000
17	Sarfaraz Petroleum Zone	Barow Daheri Alladand	50,000	25,000	75,000
18	Riyaz Petroleum Zone	Daheri Chowk	50,000	25,000	75,000
19	Dada Jan Petroleum Zone	Alladand Chowk	50,000	25,000	75,000
20	Green Hill CNG Station	Bye Pass Raod Thana	50,000	25,000	75,000
21	Papular CNG Station	Jalawanan	50,000	25,000	75,000
22	United 2 CNG	Amandara Chowk	50,000	25,000	75,000
23	Batkhela CNG	Zafar Park Batkhela	50,000	25,000	75,000
24	Malakand CNG	ZafarPark Batkhela	50,000	25,000	75,000
25	United CNG Station	Near Disst: Hospital Batkhela	50,000	25,000	75,000
26	Green Hill CNG	Near Disst: Hospital Batkhela	50,000	25,000	75,000
27	Malakand Way CNG	District Court Batkhela	50,000	25,000	75,000
Total			1,350,000	675,000	2,025,000

Annexure - 3

Para (1.2.1.2)

Detail of outstanding water charges

S#	Name of W.S.S	No. of Connections	Arrear as on 30/06/2015	Due during 2015-16	Total receivable dues 2015-16	Recovered 2015-16	Outstanding as on 30/6/2016
1.	Old Batkhela	251	361,070	451,800	812,870	435,760	377,110
2.	Bala Batkhela	396	677,060	712,800	1,389,860	609,280	780,580
3.	Gumbat	176	351,310	316,800	668,110	338,110	330,000
4.	Batkhela Phase-II	135	68,640	243000	311,640	238,820	72,820
5.	Akhtar Gunday	181	178,130	325,800	503,930	362,540	141,390
6.	New Batkhela	809	1,921,490	1,456,200	3,377,690	1,321,320	2,056,370
7.	SadaBahar	208	321,690	374,400	696,090	255,590	440,500
8.	ShagaiAmandara	92	110,900	165,600	276,500	136,550	139,950
Total		2248	3,990,290	4,046,400	80,36,690	3,697,970	4,338,720

Annexure-4

Para (1.2.1.3)

Detail of non-imposition of penalty on a/c of late deposit of installments

S. No.	Monthly Installment (Rs)	Due date	Paid date	Late (days)	Amount of installments received (Rs)	2% penalty/day (Rs)	Total penalty (Rs)
1.	446,450	31.12.2016	06.01.2016	06	446,450	8,929	53,574
2.	850,000	31.01.2016	04.02.2016	04	650,000	13,000	52,000
			10.02.2016	10	200,000	4,000	40,000
3.	850,000	28.02.2016	09.03.2016	09	550,000	11,000	99,000
			14.03.2016	14	150,000	3,000	42,000
			21.03.2016	21	150,000	3,000	63,000
4.	850,000	31.03.2016	06.04.2016	06	400,000	8,000	48,000
			15.04.2016	15	450,000	9,000	135,000
5.	850,000	30.04.2016	11.05.2016	11	450,000	9,000	99,000
			18.05.2016	18	200,000	4,000	72,000
			26.05.2016	26	200,000	4,000	104,000
6.	592,250	31.05.2016	10.06.2016	10	200,000	4,000	40,000
			17.06.2016	17	150,000	3,000	51,000
			27.07.2016	57	242,250	4,845	265,165
Total							1,163,739

Annexure-5
Para (1.3.1.2)

Detail showing non-adjustment of income tax

S. No	Name of Scheme	Name of Contractor	E/Cost (Rs)	Total Expenditure (Rs)	7.5% I. Tax (Rs)
1	Construction of Drain, PCC Road & Culverts at Union Council Koper	Junaid Khan	1,200,000	823,409	61,756
2	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at U/C Koper	Junaid Khan	1,500,000	1,475,307	110,648
3	Construction of Flood Protection Wall at SaidraJiwarh U/C G.U Khel	Junaid Khan	700,000	659,419	49,456
4	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at U/C Koper	Saifur Rahman	1,500,000	1,484,047	111,304
5	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at Village Council Arab Danda U/C Sakhakot Bandajat	Junaid Khan	800,000	765,412	57,406
6	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at Ara Khan Dherai Village Council Arab Danda U/C Sakhakot Bandajat	Lal Muhammad	500,000	462,598	34,695
7	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at Dawa Khan Kallay Village Council Arab Danda Union Council Sakhakot Bandajat	Lal Muhammad	1,000,000	839,677	62,976
8	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at GhundoBala&GhundoPayan Village Council Ghundo Union Council SakhakotBandajat	Junaid Khan	700,000	533,645	40,023
9	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at Jarai&MurshahKhel Village Council Ghundo Union Council WsakhakotBandajat	ShaukatAyaz	1,000,000	825,895	61,942

10	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at U/C SakhakotJadeed	Junaid Khan	2,000,000	1,788,762	134,157
11	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at Village Council Kharkai, Bazar, Qaldara Union Council Kharkai	Junaid Khan	2,000,000	1,794,457	134,584
12	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at Village Council Pitawo Union Council Dargai	Qaldara Piran	800,000	756,729	56,755
13	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at Village Council Jaban Union Council Dargai	Qaldara Piran	600,000	535,504	40,163
14	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at Village Council DargaiUnion Council Dargai	Qaldara Piran	600,000	535,504	40,163
15	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at Union Council G.U Khel	Nillaw Construction	1,000,000	703,035	52,728
16	Construction of Drain, PCC Road and Retaining Wall & Culverts at U/C G.U Khel	Akif Saeed	1,000,000	989,170	74,188
17	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at Wartair Union Council Wartair	Qaldara Piran	1,500,000	1,256,924	94,269
18	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at U/C SakhakotKhass	Shaukat Ayaz	1,500,000	1,350,717	101,304
19	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at Sindano&KhatKallay Village Council Ghawar Union Council Badraga	M. Rafiq	450,000	371,799	27,885
20	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at Tor Kallay, KhushalGarh&Badraga Town U/C Badraga	Junaid Khan	550,000	434,957	32,622

21	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at Village Council Meherdai, Wazir Abad & Sharif Abad Union Council Meherdai	Junaid Khan	2,000,000	1,783,432	133,757
22	Construction of Drain, Pavement of Street and Retaining Wall & RCC Culverts at Village Council Haryankot, Palonow&NaroUbo Union Council Hero Shah	Shaukat Ayaz	1,000,000	866,565	64,992
23	Construction of PCC Road & Retaining Wall at Near Cause Way Union Council Hero Shah	Junaid Khan	500,000	458,471	34,385
24	Construction of Drain, Pavement of Street Wall and Retaining Wall & Culverts at Village Council Palonow, Haryankot&NaroUbo U/C Hero Shah	Shaukat Ayaz	1,300,000	1,180,898	88,567
25	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at Abdul Manan Banda &Badraga Colony U/C Badraga	Junaid Khan	1,200,000	814,464	61,085
26	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at U/C Kharkai	Qaldara Piran	400,000	374,582	28,094
27	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at Village Council Jaban Union Council Dargai		200,000		-
28	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at Village Council Sharif Abab Union Council Meherdai	Junaid Khan	200,000	183,769	13,783
29	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at U/C Koper	ShaukatAyaz	200,000	178,969	13,423
30	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at Union Council SakhakotJadeed	Junaid Khan	200,000	178,046	13,353
31	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at Village Council Haryankot Union Council Hero Shah	Junaid Khan	200,000	184,904	13,868

32	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at U/C Badraga	Junaid Khan	1,000,000	968,851	72,664
33	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at Abbas Kallay, Muhabbat Khan Kallay&GhawarKallay Union Council Badraga		600,000		-
34	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at Karim Abad JanbazKorona Union Council Badraga	Junaid Khan	300,000	200,712	15,053
35	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at UtmanKheloKallay&KhushalGarh Union Council Badraga	Junaid Khan	600,000	375,970	28,198
36	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at Bakrai& Umar Ali Kallay Union Council Badraga	Junaid Khan	500,000	352,462	26,435
37	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at Village Council JabanMayyar Union Council Dargai	Qaldara Piran	1,000,000	880,026	66,002
38	Construction of Protection Wall Land of ShakeelDobandai Union Council Wartair	Qaldara Piran	200,000	197,236	14,793
39	Construction of Retaining Wall at Dawa Khan Kallay Union Council SakhakotBandajat		200,000	196,084	14,706
40	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at KharkiDheraiGojar Khan Korona U/C Sakhakot Jadeed	Shaukat Ayaz	200,000	174,837	13,113
41	Construction of Protection Wall, Pavement of Street & Culverts at Salgaro U/C Kharkai	Qaldara Piran	250,000		-
42	Construction of Protection Wall Near Land of Shamsher Saidra Jiwarh U/C G.U Khel	Qaldara Piran	150,000	123,791	9,284

43	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at U/C Kharkai	Qaldara Piran	500,000	472,150	35,411
44	Construction of Boundary Wall for Christian Community Grave Yard at Dargai Bazar Union Council Kharkai		500,000		-
45	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at Spenke Khat Union Council Kharkai	Qaldara Piran	500,000	471,345	35,351
46	Construction of Retaining Wall at Gul Baba Dargai Bazar Union Council Kharkai	Qaldara Piran	200,000	184,052	13,804
47	M&R	Junaid Khan	4,000,000	3,884,839	291,363
48	PCC & R/Wall at Sarkai U/C Sakhakot Jadeed		2,000,000	1,996,730	149,755
49	Installation of Hand Pumps at U/C Sakhakot Jadeed		1,000,000	994,775	74,608
50	Installation of Hand Pumps at U/C Hero Shah		1,000,000	996,364	74,727
51	Installation of Hand Pumps at U/C Badraga		1,200,000	1,180,486	88,536
52	Installation of Hand Pumps at U/C Koper		1,000,000	996,364	74,727
53	Installation of Hand Pumps at U/C Wartair		1,500,000	1,490,079	111,756
54	Installation of Hand Pumps at U/C Dargai		1,300,000	1,295,724	97,179
55	Installation of Hand Pumps at U/C G.U Khel		1,000,000	990,998	74,325
56	Protection Wall / PCC/Culverts at U/C Kharkai	Junaid Khan	1,000,000	491,745	36,881
57	Protection Wall / PCC/Culverts at U/C SakhakotKhas	Junaid Khan	1,000,000	984,556	73,842
58	Repair of Transformers at U/Cs Koper, Badraga, Meherdi, Kot, Totai, Wartair, Kharkai, sakhakotKhas, SakhakotJadeed, SakhakotBandajat, Hero Shah and G.U Khel	Junaid Khan	5,000,000	4,895,655	367,174
59	PPC/Culverts/ R/Wall at AnarTangi U/C G.U Khel	Junaid Khan	2,000,000	1,994,165	149,562
60	PPC/Culverts/ R/Wall at	Junaid Khan	1,000,000	974,608	73,096

	Nasrullah Colony U/C Koper				
61	PPC/Culverts/ R/Wall at Sarkai U/C SakhakotJadeed	Junaid Khan	1,500,000	1,478,444	110,883
62	PPC/Culverts/ R/Wall at Hijab Kallay U/C Meherdi	Shaukat Ayaz	1,000,000	979,763	73,482
63	Construction of Wall, PCC Culverts at Union Council Wartair	Shaukat Ayaz	1,500,000	1,475,239	110,643
64	PPC/Culverts/ R/Wall at GulzamKoronaShingai U/C Badraga	Junaid Khan	800,000	790,004	59,250
65	PPC/Culverts/ R/Wall at JameelKoroonaGulo Shah U/C Koper	Junaid Khan	700,000	686,990	51,524
66	PPC/Culverts/ R/Wall at Muslim Abad & Pitaw U/C Dargai	Shaukat Ayaz	1,000,000	981,107	73,583
67	Construction of Two Nos. Toilets at Tehsil Head Quarter Hospital Dargai	Junaid Khan	600,000	581,148	43,586
68	Construction of Pipe Culverts and R/Wall at Shingrai U/C Badraga	Junaid Khan	650,000	630,568	47,293
69	Construction of RCC Culverts at U/C Hero Shah	Junaid Khan	150,000	144,584	10,844
70	Construction of Irrigation Channel at Badraga U/C Badraga	Saifur Rahman	1,000,000	994,649	74,599
71	Construction of PCC Road, Culverts near H/O GhulamHussain at Badraga U/C Badraga	Lal Muhammad	500,000	498,934	37,420
72	Construction of RCC Culvert at Alifay U/C SakhakotJadeed	Shaukat Ayaz	400,000	399,029	29,927
73	Construction of Drain, Pavement of Street at Saif Ur Rahman KoroonaJarai U/C SakhakotBandajat	Raham Din	100,000	97,995	7,350
74	Construction of Retaining Backfilling and Irrigation Channel at Capt: IrfanShaheed Road U/C SakhakotBandajat	Lal Muhammad	1,000,000	991,697	74,377
Total			69,900,000	63,085,821	4,731,437

Annexure-6**Para (1.3.1.3)****Detail showing non-surrendered of saving**

S. No	Name of Scheme	Name of Contractor	E/Cost (Rs)	Total Expenditure (Rs)	Savings (Rs)
1	Construction of Drain, PCC Road & Culverts at Union Council Koper	Junaid Khan	1,200,000	823,409	376,591
2	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at U/C Koper	Junaid Khan	1,500,000	1,475,307	24,693
3	Construction of Flood Protection Wall at Saidrajiwarh U/C G.U Khel	Junaid Khan	700,000	659,419	40,581
4	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at U/C Koper	Saifur Rahman	1,500,000	1,484,047	15,953
5	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at Village Council Arab Danda U/C Sakhakot Bandajat	Junaid Khan	800,000	765,412	34,588
6	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at Ara Khan Dherai Village Council Arab Danda U/C Sakhakot Bandajat	Lal Muhammad	500,000	462,598	37,402
7	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at Dawa Khan Kallay Village Council Arab Danda Union Council Sakhakot Bandajat	Lal Muhammad	1,000,000	839,677	160,323
8	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at GhundoBala&GhundoPayan Village Council Ghundo Union Council Sakhakot Bandajat	Junaid Khan	700,000	533,645	166,355
9	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at Jarai&MurshahKhel Village Council Ghundo Union Council Wsakhakot Bandajat	Shaukat Ayaz	1,000,000	825,895	174,105

10	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at U/C Sakhakot Jadeed	Junaid Khan	2,000,000	1,788,762	211,239
11	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at Village Council Kharkai, Bazar, Qaldara Union Council Kharkai	Junaid Khan	2,000,000	1,794,457	205,543
12	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at Village Council Pitawo Union Council Dargai	Qaldara Piran	800,000	756,729	43,271
13	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at Village Council Jaban Union Council Dargai	Qaldara Piran	600,000	535,504	64,496
14	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at Village Council Dargai Union Council Dargai	Qaldara Piran	600,000	535,504	64,496
15	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at Union Council G.U Khel	Nillaw Construction	1,000,000	703,035	296,965
16	Construction of Drain, PCC Road and Retaining Wall & Culverts at U/C G.U Khel	Akif Saeed	1,000,000	989,170	10,830
17	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at Wartair Union Council Wartair	Qaldara Piran	1,500,000	1,256,924	243,076
18	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at U/C Sakhakot Khass	Shaukat Ayaz	1,500,000	1,350,717	149,283
19	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at Sindano & Khat Kallay Village Council Ghawar Union Council Badraga	M. Rafiq	450,000	371,799	78,201
20	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at Tor Kallay, Khushal Garh & Badraga Town U/C Badraga	Junaid Khan	550,000	434,957	115,043
21	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at Village Council Meherdai, Wazir Abad & Sharif Abad Union Council	Junaid Khan	2,000,000	1,783,432	216,568

	Meherdai				
22	Construction of Drain, Pavement of Street and Retaining Wall & RCC Culverts at Village Council Haryankot, Palonow&NaroUbo Union Council Hero Shah	Shaukat Ayaz	1,000,000	866,565	133,435
23	Construction of PCC Road & Retaining Wall at Near Cause Way Union Council Hero Shah	Junaid Khan	500,000	458,471	41,529
24	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at Village Council Palonow, Haryankot & NaroUbo U/C Hero Shah	Shaukat Ayaz	1,300,000	1,180,898	119,102
25	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at Abdul Manan Banda &Badraga Colony U/C Badraga	Junaid Khan	1,200,000	814,464	385,536
26	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at U/C Kharkai	Qaldara Piran	400,000	374,582	25,418
27	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at Village Council Jaban Union Council Dargai		200,000		200,000
28	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at Village Council Sharif Abab Union Council Meherdai	Junaid Khan	200,000	183,769	16,231
29	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at U/C Koper	Shaukat Ayaz	200,000	178,969	21,031
30	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at Union Council SakhakotJadeed	Junaid Khan	200,000	178,046	21,954
31	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at Village Council Haryankot Union Council Hero Shah	Junaid Khan	200,000	184,904	15,096
32	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at U/C Badraga	Junaid Khan	1,000,000	968,851	31,149

33	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at Abbas Kallay, Muhabbat Khan Kallay&GhawarKallay Union Council Badraga	Do	600,000		600,000
34	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at Karim Abad JanbazKorona Union Council Badraga	Junaid Khan	300,000	200,712	99,288
35	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at UtmanKheloKallay&KhushalGarh Union Council Badraga	Junaid Khan	600,000	375,970	224,030
36	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at Bakrai& Umar Ali Kallay Union Council Badraga	Junaid Khan	500,000	352,462	147,538
37	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at Village Council JabanMayyar Union Council Dargai	Qaldara Piran	1,000,000	880,026	119,974
38	Construction of Protection Wall Land of ShakeelDobandai Union Council Wartair.	Qaldara Piran	200,000	197,236	2,764
39	Construction of Retaining Wall at Dawa Khan Kallay Union Council SakhakotBandajat		200,000	196,084	3,916
40	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at KharkiDheraiGojar Khan Korona U/C SakhakotJadeed	Shaukat Ayaz	200,000	174,837	25,163
41	Construction of Protection Wall, Pavement of Street & Culverts at Salgaro U/C Kharkai	Qaldara Piran	250,000		250,000
42	Construction of Protection Wall Near Land of ShamsheerSaidraJiwarh U/C G.U Khel	Qaldara Piran	150,000	123,791	26,209
43	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at U/C Kharkai	Qaldara Piran	500,000	472,150	27,850
44	Construction of Boundary Wall for Christian Community Grave Yard at Dargai Bazar Union Council Kharkai		500,000		500,000

45	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at SpenkeKhat Union Council Kharkai	Qaldara Piran	500,000	471,345	28,655
46	Construction of Retaining Wall at Gul Baba Dargai Bazar Union Council Kharkai	Qaldara Piran	200,000	184,052	15,948
47	M&R	Junaid Khan	4,000,000	3,884,839	115,161
48	PCC & R/Wall at Sarkai U/C Sakhakot Jadeed		2,000,000	1,996,730	3,270
49	Installation of Hand Pumps at U/C Sakhakot Jadeed		1,000,000	994,775	5,225
50	Installation of Hand Pumps at U/C Hero Shah		1,000,000	996,364	3,636
51	Installation of Hand Pumps at U/C Badraga		1,200,000	1,180,486	19,514
52	Installation of Hand Pumps at U/C Koper		1,000,000	996,364	3,636
53	Installation of Hand Pumps at U/C Wartair		1,500,000	1,490,079	9,921
54	Installation of Hand Pumps at U/C Dargai		1,300,000	1,295,724	4,276
55	Installation of Hand Pumps at U/C G.U Khel		1,000,000	990,998	9,002
56	Protection Wall / PCC/Culverts at U/C Kharkai	Junaid Khan	1,000,000	491,745	508,255
57	Protection Wall / PCC/Culverts at U/C SakhakotKhas	Junaid Khan	1,000,000	984,556	15,444
58	Repair of Transformers at U/Cs Koper, Badraga, Meherdi, Kot, Totai, Wartair, Kharkai, sakhakotKhas, SakhakotJadeed, SakhakotBandajat, Hero Shah and G.U Khel	Junaid Khan	5,000,000	4,895,655	104,345
59	PPC/Culverts/ R/Wall at AnarTangi U/C G.U Khel	Junaid Khan	2,000,000	1,994,165	5,835
60	PPC/Culverts/ R/Wall at Nasrullah Colony U/C Koper	Junaid Khan	1,000,000	974,608	25,392
61	PPC/Culverts/ R/Wall at Sarkai U/C SakhakotJadeed	Junaid Khan	1,500,000	1,478,444	21,556
62	PPC/Culverts/ R/Wall at Hijab Kallay U/C Meherdi	Shaukat Ayaz	1,000,000	979,763	20,237
63	Construction of Wall, PCC Culverts at Union Council Wartair	Shaukat Ayaz	1,500,000	1,475,239	24,761
64	PPC/Culverts/ R/Wall at	Junaid Khan	800,000	790,004	9,996

	GulzamKoronaShingai U/C Badraga				
65	PPC/Culverts/ R/Wall at JameelKoroonaGulo Shah U/C Koper	Junaid Khan	700,000	686,990	13,010
66	PPC/Culverts/ R/Wall at Muslim Abad & Pitaw U/C Dargai	Shaukat Ayaz	1,000,000	981,107	18,893
67	Construction of Two Nos. Toilets at Tehsil Head Quarter Hospital Dargai	Junaid Khan	600,000	581,148	18,852
68	Construction of Pipe Culverts and R/Wall at Shingrai U/C Badraga	Junaid Khan	650,000	630,568	19,432
69	Construction of RCC Culverts at U/C Hero Shah	Junaid Khan	150,000	144,584	5,416
70	Construction of Irrigation Channel at Badraga U/C Badraga	Saifur Rahman	1,000,000	994,649	5,351
71	Construction of PCC Road, Culverts near H/O Ghulam Hussain at Badraga U/C Badraga	Lal Muhammad	500,000	498,934	1,066
72	Construction of RCC Culvert at Alifay U/C Sakhakot Jadeed	Shaukat Ayaz	400,000	399,029	971
73	Construction of Drain, Pavement of Street at Saif Ur Rahman Koroona Jarai U/C Sakhakot Bandajat	Raham Din	100,000	97,995	2,005
74	Construction of Retaining Backfilling and Irrigation Channel at Capt: Irfan Shaheed Road U/C Sakhakot Bandajat	Lal Muhammad	1,000,000	991,697	8,303
Total			69,900,000	63,085,821	6,814,179

Annexure-7
Para (1.3.1.5)

Detail showing in work than excess of BOQ

S#	Name of scheme	Name of items of work	Quantity executed	Quantity Approved in BOQ	Excess execution(M)	Rate (Rs)	% age	Excess Payment (Rs)
1	PPC/Culverts/ R/Wall at Sarkai U/C Sakhakot Jadeed	PCC 1:4:8	56.52	29.38	27.14	6400	92%	173,696
2	PPC/Culverts/ R/Wall at Sarkai U/C Sakhakot Jadeed	PCC 1:2:4	74.85	32.73	42.12	8500	129%	358,020
3	PPC/Culverts/ R/Wall at Anar Tangi U/C G.U Khel	PCC 1:4:8	106.49	84.96	21.53	6500	25%	139,945
4	PPC/Culverts/ R/Wall at Anar Tangi U/C G.U Khel	PCC 1:2:4	114.62	84.96	29.66	8500	35%	252,110
5	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at U/C Koper	PCC 1:2:4	86.92	43.33	43.59	6500	101%	283,335
6	M&R	Granular sub base course using pit run gravel	1067.1	155.76	911.34	1190	585%	1,084,495
7	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at Village Council Kharkai, Bazar, Qaldara Union Council Kharkai	PCC 1:4:8	120.81	84.96	35.85	5600	42%	200,760
8	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at Village Council Kharkai, Bazar, Qaldara Union Council Kharkai	PCC 1:2:4	135.34	84.96	50.38	8220	59%	414,124
9	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at Wartair Union Council Wartair	PCC 1:3:6	113.62	43.33	70.29	4100	162%	288,189
10	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at Wartair Union Council Wartair	PCC 1:2:4	116.82	43.33	73.49	6500	170%	477,685
11	PCC & R/Wall at Sarkai U/C Sakhakot Jadeed	PCC 1:4:8	106.29	84.96	21.33	5300	25%	113,049
12	PCC & R/Wall at Sarkai U/C Sakhakot Jadeed	PCC 1:2:4	108.76	84.96	23.8	7000	28%	166600
	Total							3,952,007

Annexure-8

Para (1.3.1.6)

Detail of award of work at higher rates

S#	Name of scheme/Fund	Higher rate accepted/name of contractor	Lowest rate rejected/name of contractor	Loss (Rs)	Remarks
1	PPC/Culverts/ R/Wall at Anar Tangi U/C G.U Khel (CMD)	1,974,687 Junaid Khan	1,721,415 Shoukat Ayaz	253,272	Difference in total of an item of work
2	M&R (30% PFC)	3,884,839 Junaid Khan	2,761,332 Shams ur Rehman	1,123,507	The bid was rejected on the grounds that there was a difference of Rs 15 in the total. No cutting and overwriting in BOQ
3	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at Village Council Kharkai, Bazar, Qaldara Union Council Kharkai (30% PFC)	1,794,457 Junaid Khan	1,646,031 Ijaz & Co	148,426	Difference in total of an item of work
4	Construction of Drain, Pavement of Street and Retaining Wall & Culverts at Village Council Meherdai, Wazir Abad & Sharif Abad Union Council Meherdai	1,783,432 Junaid Khan	1,472,772 JSC & Co	310,660	Difference in total of an item of work
Total				1,835,865	

Annexure-9
Para (1.3.1.7)

Detail of non-transfer of land

S. #	Name of scheme	Cost (Rs)
1	Purchase of Land for Grave Yard Sher Garh Mula Kalay U/C Sakhakot Bandajat	1,000,000
2	Purchase of Land for Grave Yard Mahz Colony and Surrounding area U/C Sakhakot Jadeed	1,000,000
3	Purchase of Land for Grave Yard at Sharif Abad	500,000
4	Purchase of Land for Grave Yard at Dargai Bazar U/C Kherkai	1,000,000
5	Purchase of Land for Grave Yard at Kurkaman Banda	500,000
6	Purchase of Land for Grave Yard a Latif Abad U/C Koper	1,000,000
7	Purchase of Land for Grave Yard Qurash kalay	1,000,000
	Total	6,000,000