



**AUDIT REPORT
ON THE ACCOUNTS OF
TEHSIL MUNICIPAL ADMINISTRATION,
IN DISTRICT DIR LOWER
KHYBER PAKHTUNKHWA
AUDIT YEAR 2017-18**

AUDITOR GENERAL OF PAKISTAN

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ABBREVIATIONS AND ACRONYMS

ADP	Annual Developmental Plan
AIR	Audit & Inspection Report
BOQ	Bill of Quantity
CPWD	Central Public Works Department
CMD	Chief Minister Directives
DAC	Departmental Accounts Committee
DDO	Drawing and Disbursement Officer
DG	Director General
DPR	Disable Person Rehabilitation
FD	Finance Department
LCB	Local Council Board
LGE&RDD	Local Government Election and Rural Development Department
LGA	Local Government Act
MFDAC	Memorandum for Departmental Accounts Committee
MRS	Market Rate Analysis
VCs	Village Councils
P&D	Planning and Development Department
PFC	Provincial Finance Commission
PLA	Personal Ledger Account
PLS	Profit and Loss Sharing
PPRA	Public Procurement Regulatory Authority
RDA	Regional Directorate of Audit
RRM	Random Rubble Masonry
SDA	Special Drawings Account
SMD	Surface Mount Device
TMA	Tehsil Municipal Administration
TMO	Tehsil Municipal Officer
VCs	Village Councils

Preface

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

The report is based on audit of the account of TMAs in District Dir Lower for the financial year 2016-17. The Directorate General of Audit, District Governments, Khyber Pakhtunkhwa conducted audit on test check basis during 2017-18 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 finding. 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. In all cases where the PAO does not initiate appropriate action, the Audit observations will be brought to the notice of Public Accounts Committee through the next year's Audit Report.

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

The observations included in this report have been finalized in the light of written replies of the TMAs. DAC meetings could not be convened despite repeated requests.

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

Islamabad
Dated:

(Javaid Jehangir)
Auditor General of Pakistan

EXECUTIVE SUMMARY

The Directorate General Audit, District Governments, Khyber Pakhtunkhwa carries out the audit of all Tehsil Municipal Administrations and Town Municipal Administrations. The Regional Directorate of Audit Swat, on the behalf of the DG District Governments Audit, Khyber Pakhtunkhwa carries out the audit of District Governments, Tehsil Municipal Administrations and VCs/NCs of five Districts i.e. Swat, Shangla, Dir Lower, Dir Upper and Swat respectively.

The Regional Directorate has a human resource of 06 officers and staff with a total of 1,518 man-days. The annual budget amounting to Rs 11.447 million was allocated to the office during financial year 2017-18. The directorate is mandated to conduct regularity (financial attest audit and compliance with authority audit) and performance audits of programs/ projects.

Tehsil Municipal Administrations in the District Dir Lower i.e. Timergara, Balambat, Lalqila, Khall, Munda, Samarbagh & Chakdara in District Dir Lower perform their functions under Khyber Pakhtunkhwa Local Government Act 2013. Each TMA has one Principal Accounting Officer (PAO) as provided in Rule 8(1) (P) 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 Administration Timergara, Balambat, Lalqila, Khall, , Munda, Samarbagh & Chakdara in District Dir lower for the Financial Year 2016-17 was Rs 378.808 million. Out of this, RDA Swat audited an expenditure of Rs 265.166 million which, in terms of percentage, was 70% of auditable expenditure.

The total of receipts of Tehsil Municipal Administration Timergara, Balambat, Lalqila, Khall, Munda, Samarbagh & Chakdara in District Dir lower

for the financial year 2016-17 was Rs 156.438 million. Out of this, RDA Swat audited receipts of Rs 156.438 million which, in terms of percentage, was 100% of auditable receipts.

The total expenditure and receipts of Tehsil Municipal Administration Timergara, Balambat, Lalqila, Khall, Munda, Samarbagh & Chakdara in District Dir lower for the Financial Year 2016-17 was Rs 535.246 million. Out of this, RDA Swat audited transactions of Rs 374.672 million which, in terms of percentage, was 70% of auditable amount.

b. Recoveries at the instance of audit

Recoveries of Rs 24.131 million was pointed out during the audit. However, no recovery was effected till the finalization of this report. Out of the total recoveries, Rs 24.131 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 Dir Lower, with respect to its functions, control structure, prioritization of risk areas by determining their significance and identification of key controls. This helped auditors in understanding the systems, procedures, environment, and the audited entity before starting field activity. Audit used desk audit techniques for analysis of compiled data and review of permanent files/record. Desk Audit greatly facilitated identification of high-risk areas for substantive testing in the field.

d. Audit Impact

Audit pointed out various irregularities of serious nature. Cases related to weak internal controls 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 thus irregularities could not come to the light in the proper forum i.e. DAC and PAC.

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. Deficiencies were observed in the internal controls system as depicted in audit findings.

Another basic component of Internal Control System, 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;

- i. Irregularities & non-compliance of Rs 138.151 million were noticed in twenty three cases.¹
- ii. Weak internal control of Rs 12.603 million were noticed in eight cases.²

g. Recommendations

- i. Action needs to be taken for violation of the rules and regulations in spending the public money.
- ii. All sectors of TMAs need to strengthen internal controls i.e. financial, managerial, operational, administrative and accounting controls etc to ensure that reported lapses are pre-empted and fair value for money is obtained from public spending.
- iii. Enquiries on urgent basis to be initiated against the responsible officers and officials.

¹ 1.2.1.1 to 1.2.1.6, 1.3.1.1 to 1.3.1.5, 1.4.1.1 to 1.4.1.5, 1.5.1.1, 1.6.1.1, 1.7.1.1, 1.7.1.2, 1.8.1.1 to 1.8.1.3

² 1.2.2.1, 1.3.2.1, 1.5.2.1, 1.6.2.1, 1.7.2.1, 1.8.2.1 to 1.8.2.3

SUMMARY TABLES & CHARTS

I: Audit Work Statistics

(Rs in million)

S.No	Description	No.	Budget
1	Total Entities (PAOs) in Audit Jurisdiction	07	859.726
2	Total formations in audit jurisdiction	07	859.726
3	Total Entities(PAOs) Audited	07	535.246
4	Total formations Audited	07	535.246
5	Audit & Inspection Reports	07	535.246
6	Special Audit Reports	-	-
7	Performance Audit Reports	-	-
8	Other Reports	-	-

- (Receipt figures of the TMAs are included in the budget column above)

II: Audit Observations classified by Categories

(Rs in million)

S.No.	Description	Amount Placed under Audit Observation
1.	Unsound asset management	3.776
2.	Weak financial management	115.624
3.	Weak Internal controls	12.603
4.	Others	18.751
	Total	150.754

III : Outcome Statistics**(Rs in million)**

S. No	Description	Expenditure on Acquiring Physical Assets Procurement	Civil Works	Receipts	Others	Total For the year 2016-17	Total for the year 2015-16
1.	Outlays Audited	5.449	232.376	156.435	140.986	535.246	170.315
2.	Amount Placed under Audit Observation /Irregularities of Audit	3.776	84.057	18.751	44.170	150.754	168.17
3.	Recoveries Pointed Out at the instance of Audit	-	5.380	18.751	0	24.131	17.770
4.	Recoveries Accepted /Established at the instance of Audit	-	1.387	3.814	-	5.201	12.23
5.	Recoveries Realized at the instance of Audit	-	-	-	-	-	-

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

S. No	Description	Amount Placed under Audit Observation
1	Violation of Rules and regulations, principle of propriety and probity in public operation	138.151
2	Reported cases of fraud, embezzlement, thefts and misuse of public resources.	-
3	Accounting Errors (accounting policy departure from NAM ³ , 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 control systems.	12.603
5	Recoveries and overpayment, representing cases of establishment overpayment or misappropriations of public monies	-
6	Non-production of record	-
7	Others, including cases of accidents, negligence etc.	-
	Total	150.754

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

S #	Description	Amount
1	Outlays Audited (item 1 of Table 3)	657.497
2	Expenditure on audit	0.380
3	Recoveries realized at the instance of audit	0
	Cost-Benefit Ratio	1:0

CHAPTER-1

1.1 Tehsil Municipal Administrations District Dir Lower

1.1.1 Introduction

District Dir Lower has seven TMAs i.e. Timergara, Balambat, Lalqila,, Khall, Munda, Samarbagh & Chakdara. Tehsil office is managed by a Tehsil Municipal Officer. Each Tehsil has its own Tehsil Officer (Finance), Tehsil Officer (Infrastructure) and Tehsil Officer (Regulation).

According to section 22 of the Local Government Act 2013 the functions and powers of TMAs are as under:

- (a) Monitor and supervise the performance of functionaries of Government offices located in the Tehsil and hold them accountable by making inquiries and reports to the district government or, as the case may be, Government for consideration and action;
- (b) Prepare spatial plans for the Tehsil including plans for land use and zoning and disseminate these plans for public enquiry;
- (c) Execute and manage development plans for improvement of municipal services and infrastructure;
- (d) Exercise control over land-use, land-subdivision, land development and zoning by public and private sectors for any purpose, including for agriculture, industry, commercial markets, shopping centers; residential, recreation, parks, entertainment, passenger and freight transport and transit stations;
- (e) Enforce municipal laws, rules and bye-laws;
- (f) Prevent and remove encroachments;
- (g) Regulate affixing of sign-boards and advertisements;
- (h) Provide, manage, operate, maintain and improve municipal services;
- (i) Prepare budget, long term and annual municipal development programmes;

- (j) Maintain a comprehensive data base and information system on services in the Tehsil municipal record and archives and provide public access to it on nominal charges;
- (k) Collect taxes, fines and penalties provided under this Act;
- (l) Organize sports, cultural, recreational events, fairs and shows;
- (m) Organize cattle fairs and cattle markets;
- (n) Co-ordinate and support municipal functions amongst village and neighborhood councils;
- (o) Regulate markets and services, issue licenses, permits, grant permissions and impose penalties for violation thereof;
- (p) Manage municipal properties, assets and funds;
- (q) Develop and manage schemes, including site development in collaboration with district government;
- (r) Authorize officers to issue notice, prosecute, sue and follow up criminal, civil and recovery proceedings against violators of municipal laws; and
- (s) Prepare financial statements and present them for audit.

1.1.3 Comments on Budget and Accounts (variance analysis)

The budget and expenditure position of Tehsil Municipal Administrations in District Dir Lower for the year 2016-17 is as under:

(Rs in million)

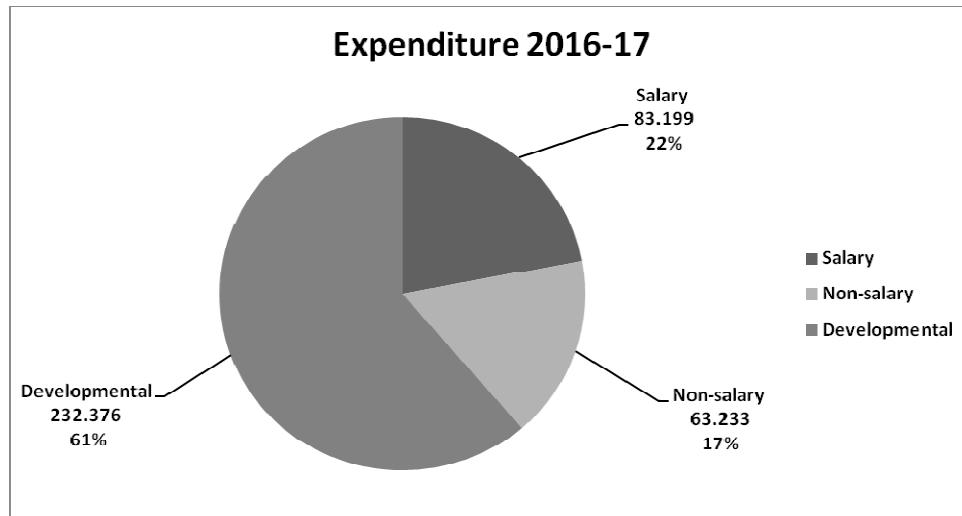
2016-17	Budget	Expenditure	Excess/(Saving)	Percentage
Salary	99.822	83.199	(16.623)	(16.652)
Non-salary	101.748	63.233	(38..515)	(37.853)
Developmental	444.957	232.376	(212.581)	(47.775)
Total	646.527	378.808	(267.719)	

2016-17	Budgeted Receipts	Actual Receipts	Variation	%age
	213.199	156.438	56.761	26%

The savings of Rs 267.119 million indicates weakness in the capacity of these local institutions to utilize the amounts allocated budget.

Expenditure 2016-17

(Rs in million)



1.1.3 Comments on the status of Compliance with PAC Directives

The audit reports pertaining to the following years have been submitted to the Governor Khyber Pakhtunkhwa. Detail of PAC meetings are given below:

S. No	Audit Year	PAC meeting convened/ Not convened
1	2016-17	Not convened

The Audit Reports pertaining to Financial Years 2009-10 to 2015-16 on accounts of Tehsil Municipal Administration/Municipal Committees Dir Lower were prepared under Khyber Pakhtunkhwa Local Government Act, 2013 and submitted to Governor Khyber Pakhtunkhwa but have not yet been discussed in PAC. Provincial Assembly of Khyber Pakhtunkhwa vide letter No PA/KP/PAC/GEN. DISTT GOV/17/7935 dated 23.02.2017 has returned the Audit Reports with the remarks that the same may be examined by respective Accounts Committees of councils as provided under Khyber Pakhtunkhwa Local Government Act, 2013. Under the direction of the PAC the reports have been submitted to the District Nazim for placing before the District Accounts Committee constituted under LGA 2013.

Tehsil Municipal Administration Timergara

1.2 Audit Paras Tehsil Municipal Administration Timergara

1.2.1 Irregularities & non-compliance

1.2.1.1 Irregular cash payments of salaries in violation of local council accounts rules – Rs 31.986 million

According to Rule 12 (1) of Chapter- IV of the Khyber Pakhtunkhwa Local Councils Accounts Rules 1980, where the Local Fund is kept in a treasury or bank no payment exceeding Rs 500 shall be made except by means of a Cheque.

According to para 4.6.3.1 of Accounting Policies and Procedure Manual, the normal method of payment of monthly salaries of all government employees shall be by credit transfer direct to a bank account nominated by the employee. This is the most secure and economical method of payment and it automatically ensures that recipients have access to their salary on the due date. Moreover, direct credit has tangible advantages, over payment by cheque or cash, against risks of theft or fraud.

Tehsil Municipal Officer, TMA Timargara Dir Lower, incurred expenditure of Rs 31,986,536 on salary during financial year 2016-17 and cash disbursements were shown instead of payments by means of Cheques/through banks in violation of relevant rules referred to above.

Audit observed that cash payments were made due to violation of rules which resulted in doubtful payments to the concerned.

The irregularity was pointed out to the management in February 2018, stated that salaries have actually been disbursed among the staff of the TMA, however, payments are being made through bank accounts from July 2017. Reply was not convincing as cash payments were made during financial year 2016-17 in violation of Accounts Rules 1980.

Request for convening DAC meeting was made on 20th March 2018, which was not convened till finalization of this report.

Audit recommends fixing responsibility on the persons at fault for violation of relevant rules.

AIR No. 3 (2016-17)

1.2.1.2 Non recovery of penalty due to late deposit of monthly installments – Rs 8.297 million

According to Para 6 of the Government of Khyber Pakhtunkhwa, Local Government and Rural Development Department, Local Council Board, letter No. AO-II/LCB/6-11/2013 dated 14.03.2016, 2% penalty per day will be liable on contractor/ firm for late deposit of the monthly installment. If the contractor/firm fails to clear due by 10th of each month to which installment relates, the contract may be canceled and his security and advances deposited by the contractor shall be forfeited.

Tehsil Municipal Officer, TMA Timargara, Dir Lower, awarded two contracts of General Bus Stand Timargara and Public Latrines for the financial year 2016-17 for Rs 72,100,000 and 2,250,000 respectively. The contractors did not deposit monthly installments in time due to which penalty of Rs 8,297,100 @ 2% per day was outstanding which was not recovered. Detail is given at the annexure-2.

Audit observed non recovery occurred due to violation of rules which resulted in loss to the Council.

The irregularity was pointed out to the management in February 2018, stated that principal amount has been recovered within the same financial year 2016-17 and the TMA with the recommendation of its Accounts Committee may view off the penalty on account of late deposit according to Para 7 of the terms & conditions circulated vide No. AO-II/LCB/6-11/2013 dated 14.03.2016. Reply was not convincing as neither recommendation has been made by the Accounts Committee nor viewed off by the TMA and an undue favour was extended to the contractor at the cost of the Council.

Request for convening DAC meeting was made on 20th March 2018, which was not convened till finalization of this report.

Audit recommends recovery and deposit in the account of the Council.

AIR No. 1 (2016-17)

1.2.1.3 Unauthorized approval of schemes & expenditure in violation of sectorial allocation- Rs 2.700 million

According to serial No. 6.4 and 6.5.2 of the guidelines 2015 for devolved tiers of Local Government under LGA 2013 notified vide No.C/RD/P&DD/6-24/1850-1970 dated 19th October 2015, the broad sector wise allocation shall be made by the respective councils based upon priorities and needs of respective localities. Such allocations shall not be in contravention of identified/communicated provincial sector policies/priorities.

Tehsil Municipal Officer, TMA Timargara, Dir Lower, approved ten schemes under Sports, Youth & Women sector of tehsil ADP for the financial year 2015-16 out of which seven (07) schemes of estimated cost of Rs 2,700,000 were approved in contravention of sectorial allocations as the schemes were not relevant to sports, youth and women. Detail is as under:

S.No	Name of scheme	Estimated cost (Rs)	Bid cost (Rs)	Expenditure (Rs)
01	Pavement of streets/Roads Shah Korona	400,000	278,400	278,400
02	Pavement of streets Timargara	500,000	348,000	348,000
03	DWSS/motor pumps	700,000	615,300	0
04	Pavement of streets Ziarat	300,000	240,000	240,000
05	DWSS Ziarat, Danwa, Amlook Dara	300,000	520,000	478,400
06	Pavement of streets Danwa	250,000	197,500	181,700
07	Boundary Wall Ziarat Talash	250,000	199,500	199,500
Total		2,700,000	2,398,700	1,726,000

Audit observed that irrelevant schemes were approved due to violation of rules which resulted in unauthorized approval of development schemes.

The irregularity was pointed out to the management in February 2018, management stated that there is no bar on execution of developmental schemes out of funds proposed for women development. The schemes were proposed by the elected women councilors in the best interest of the women community for achieving certain objectives. The schemes have been carried out on the recommendation of women councilors. Reply was not convincing as irrelevant schemes of sports, youth and women sector were executed in contravention of P&D guidelines.

Request for convening DAC meeting was made on 20th March 2018, which was not convened till finalization of this report.

Audit recommends fixing responsibility on the person (s) at fault under intimation to audit.

AIR No. 18 (2016-17)

1.2.1.4 Non deposit of RTA share in the gross receipts of transport Adda– Rs 2.163 million

According to Rule 259 (3) (C) of the Motor Vehicle Rules 1969, the Local Government Department is bound to pay a sum not exceeding 3% of the gross receipts from the fees of the Transport Addas running by it.

Tehsil Municipal Officer, TMA Timargara, Dir Lower, awarded the contract of General Bus Stand Timargara to M/S Shah Nazar Khan for Rs 72,100,000 for the financial year 2016-17 but did not deposit RTA share of Rs 2,163,000 @ 3% of the gross receipts from the said adda as required under the above referred rule.

Audit observed that non deposit occurred due to violation of rule which resulted in loss to the Government.

The irregularity was pointed out to the management in February 2018, stated that no amenities have been provided in the Bus Stand by the RTA so the said amount was devoted for provision of basic facilities in the Bus stand and the share was also not decided between the RTA and TMA. Reply was not

convincing as according to Rule 259 (3) (C) of the Motor Vehicle Rules 1969, the Local Government was bound to pay a sum not exceeding 3% of the gross receipts from the fees of the Transport Addas running by it.

Request for convening DAC meeting was made on 20th March 2018, which was not convened till finalization of this report.

Audit recommends depositing the amount under the head “B02804” under intimation to audit.

AIR No. 2 (2016-17)

1.2.1.5 Loss due to unauthorized purchase of official vehicle beyond entitlement – Rs 2.092 million

According to Serial No. 3 of the Government of Khyber Pakhtunkhwa, Local Government Elections & Rural Development Department Notification No. Dir (L.G) Transport Committee Report/2015-16 dated 14.10.2016, Nazim of Tehsil Government of all Tehsils was entitled for 1300 CC M/T Car.

Tehsil Municipal Officer, TMA Timargara, Dir Lower spent Rs 3,776,500 on purchase of vehicle (Helux REVO 4x4 GMT 2982 CC) for Tehsil Nazim from Toyota Khyber Motors Peshawar during the month of February 2017 out of Local Fund while Tehsil Nazim was entitled for 1300 CC M/T Car, maximum cost of which was Rs 1,684,500. Hence not only the purchase was unauthorized but loss of Rs 2,092,000 (Rs 3,776,500 – Rs 1,684,500= Rs 2,092,000) sustained by the Council.

Audit observed unauthorized purchase occurred due to violation of rules which resulted in loss to the Council.

The irregularity was pointed out to the management in February 2018, but reply was not submitted.

Request for convening DAC meeting was made on 20th March 2018, which was not convened till finalization of this report.

Audit recommends recovery and fixing responsibility on the person (s) at fault under intimation to audit.

AIR No. 16 (2016-17)

1.2.1.6 Unauthorized expenditure from developmental funds of Sports, Youth and Women sector– Rs 1.199 million

According to Serial No. 8.9 & 9.9 of the guidelines for devolved tiers of Local Government under LGA 2013, notified vide No. C/RD/P&DD/6-24/1850-1970 dated 19th October 2015, only those projects shall be processed for approval where the PC-I clearly stipulates the number and types of beneficiaries including women, girls and marginalized groups belonging to the area where the project is located. The PC-I shall clearly certify that the proposed investment shall cover only public interest. The PC-I shall have a separate section incorporated to this effect.

Tehsil Municipal Officer, TMA Timargara, Dir Lower, spent Rs 1,199,368 during financial year 2016-17 on account of arrangement of tournaments and purchase of sports equipment out of the allocated funds for sports, youth and women in developmental funds of Tehsil ADP for the financial year 2015-16 and 2016-17 in violation of P&D guidelines referred to above. Audit held that developmental funds were utilized/paid for non developmental activities. Payments of Sports Galla were made to organizers of various tournaments in compliance with announcements of tehsil Nazim at different occasions and sports items were purchased but where about of further distribution was not provided to audit. Detail is as under:

S.No	Name of scheme	Estimated cost (Rs)	Expenditure (Rs)	Source of funds
01	Sports equipment	700,000	699,368	Tehsil ADP 2015-16
02	Sports Galla	500,000	500,000	Tehsil ADP 2015-16
02	Sports tournaments tehsil Timargara	700,000	0	Tehsil ADP 2016-17
Total		1,900,000	1,199,368	

Audit observed that expenditure was incurred in violation of rules which resulted in unauthorized expenditure.

The irregularity was pointed out to the management in February 2018, but reply was not submitted.

Request for convening DAC meeting was made on 20th March 2018, which was not convened till finalization of this report.

Audit recommends fixing responsibility on the person (s) at fault under intimation to audit.

AIR No. 17 (2016-17)

1.2.2 Internal Control Weaknesses

1.2.2.1 Non-recovery of outstanding water charges -Rs 1.845 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, TMA Timargara, Dir Lower did not recover Rs 1,845,050 on account of water user charges from 3090 consumers of ten (10) Drinking Water Supply Schemes during financial Year 2016-17. Detail is given at annexure-3.

Non-recovery of water charges occurred due to weak financial management, which resulted in loss to Government.

The irregularity was pointed out to the management in February 2018, stated that the amount would be recovered and progress would be shown to audit. Reply was not convincing as no progress was reported.

Request for convening DAC meeting was made on 20th March 2018, which was not convened till finalization of this report.

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

AIR No. 10 (2016-17)

Tehsil Municipal Administration Balambhat

1.3 Audit Paras Tehsil Municipal Administration Balambat

1.3.1 Irregularities & non compliance

1.3.1.1 Irregular cash payment of pay & allowances – Rs 4.303 million

According to Rule 12 (1) of Chapter- IV of the Khyber Pakhtunkhwa Local Councils Accounts Rules 1980, where the Local Fund is kept in a treasury or bank no payment exceeding Rs 500 shall be made except by means of a Cheque.

According to para 4.6.3.1 of Accounting Policies and Procedure Manual, the normal method of payment of monthly salaries of all government employees shall be by credit transfer direct to a bank account nominated by the employee. This is the most secure and economical method of payment and it automatically ensures that recipients have access to their salary on the due date. Moreover, direct credit has tangible advantages, over payment by cheque or cash, against risks of theft or fraud.

According to Rule 12 (1) of Chapter- IV of the Khyber Pakhtunkhwa Local Councils Accounts Rules 1980, where the Local Fund is kept in a treasury or bank no payment exceeding Rs 500 shall be made except by means of a Cheque.

Tehsil Municipal Officer, TMA Balambat, Dir Lower incurred expenditure of Rs 4,303,369 on salary during financial year 2016-17 and cash disbursements were shown instead of payments by means of Cheques in violation of relevant rules referred to above.

Audit observed that cash payments were made due to violation of rules which resulted in doubtful payments to the concerned.

The irregularity was pointed out to the management in February 2018, stated that all the officers and officials have opened bank accounts and payment of salaries is made through bank in current financial year 2017-18. Reply was not convincing as cash payment has been made in financial year 2016-17 in violation of Local Council Accounts Rules 1980.

Request for convening DAC meeting was made on 20th March 2018, which was not convened till finalization of this report.

Audit recommends fixing responsibility on the persons at fault for violation of relevant rules.

AIR No. 1 (2016-17)

1.3.1.2 Unauthorized expenditure from developmental funds of Sports, Youth and Women sector– Rs 2.172 million

According to Serial No. 8.9 & 9.9 of the guidelines for devolved tiers of Local Government under LGA 2013, notified vide No. C/RD/P&DD/6-24/1850-1970 dated 19th October 2015, only those projects shall be processed for approval where the PC-I clearly stipulates the number and types of beneficiaries including women, girls and marginalized groups belonging to the area where the project is located. The PC-I shall clearly certify that the proposed investment shall cover only public interest. The PC-I shall have a separate section incorporated to this effect.

Tehsil Municipal Officer, TMA Balambat, Dir Lower, spent Rs 2,171,600 during financial year 2016-17 on account of arrangement of tournaments and purchase of sports equipment out of the allocated funds for sports, youth and women in developmental funds of Tehsil ADP for the financial year 2015-16 and 2016-17 in violation of P&D guidelines referred to above as no developmental schemes were executed but developmental funds were utilized on non-developmental activities. Detail is as under:

S.No	Name of scheme	Estimated cost (Rs)	Expenditure (Rs)	Source of funds
01	Sports Galla tehsil Balambat	500,000	500,000	Tehsil ADP 2015-16
02	Purchase of sports equipment	1,282,250	1,171,600	Tehsil ADP 2015-16
02	Sports Galla tehsil Balambat	500,000	500,000	Tehsil ADP 2016-17
Total		2,282,250	2,171,600	

Audit observed that expenditure was incurred in violation of rules which resulted in unauthorized expenditure.

The irregularity was pointed out to the management in February 2018, stated that the Sport Galla was launched for whole tehsil Balambat not for specific area and the sports items were distributed in whole tehsil Balambat. All vouchers are available in the file and will be shown to audit. Reply was not relevant and admitted the irregularity that no developmental schemes were executed in the allocated funds but the budget was merely on non-developmental activities of announcements of Tehsil Nazim at different occasions for which separate allocation of Rs 170,000 was made in local fund and accordingly expended.

Request for convening DAC meeting was made on 20th March 2018, which was not convened till finalization of this report.

Audit recommends fixing responsibility on the person (s) at fault under intimation to audit.

AIR No. 6 (2016-17)

1.3.1.3 Unauthorized purchase of official vehicle from developmental funds – Rs 1.684 million

According to Serial No. 3 & condition No. (d) of the Government of Khyber Pakhtunkhwa, Local Government Elections & Rural Development Department Notification No. Dir (L.G) Transport Committee Report/2015-16 dated 14.10.2016, Nazim of Tehsil Government of all Tehsils was entitled for 1300 CC M/T Car and the proposed purchase of vehicle shall be made out of own resources of respective local Government after observing all codal formalities and rules and regulations of Khyber Pakhtunkhwa Public Procurement Authority (KPPRA).

According to serial No. 9.13 of the guidelines for devolved tiers of Local Government under LGA 2013, the District Development Committee, Tehsil Development Committee and Project Approval Committee shall not approve

funds to any Non Annual Development Programme projects unless the annual requirements of ongoing project are met.

Tehsil Municipal Officer, TMA Balambat, Dir Lower spent Rs 1,684,500 on purchase of vehicle (2-D/XLI 1300 CC) for Tehsil Nazim from Toyota Khyber Motors Peshawar during the month of December 2016 vide Cheque No A 296260 dated 15.12.2016 out of 30% ADP funds in violation of rules referred to above. Moreover, release of funds under PFC award for the year was 50% reduced while projects for the anticipated funds were approved and awarded accordingly and even then developmental funds were shifted for a non-developmental activity in violation of P&D guidelines.

Audit observed that purchase of vehicle occurred due to violation of rules which resulted in unauthorized expenditure.

The irregularity was pointed out to the management in February 2018, stated that NOC was granted by the provincial Government for the purchase of vehicle out of developmental funds (30% PFC) and approval was also granted by the Tehsil Development Committee. Reply was not convincing as Khyber Pakhtunkhwa, Planning & Development Department, guidelines were violated and the Tehsil Council has already exercised the 30% discretionary powers of sectorial allocations and developmental schemes of Rs 15.193 million (30% of Rs 50,645,000 Tehsil ADP for 2015-16) were approved in Tehsil Development Committee (TDC) meeting held on 15th March 2016. Moreover, Rs 5,000,000 were already shifted from developmental budget to non-developmental activities. Hence, the Tehsil Council has already exceeded 30% discretionary powers in approval of schemes from developmental funds.

Request for convening DAC meeting was made on 20th March 2018, which was not convened till finalization of this report.

Audit recommends fixing responsibility on the person (s) at fault under intimation to audit.

AIR No. 3 (2016-17)

1.3.1.4 Unauthorized approval of schemes in violation of sectorial allocations - Rs 1.562 million

According to clause No. 6.5.2 of the guidelines for devolved tiers of Local Government under LGA 2013, notified vide No. C/RD/P&DD/6-24/1850-1970 dated 19th October 2015, amended vide Notification No. C/RD/P&DD/6-8/1617-1891 dated 08.08.2016, sectorial allocation was amended as under:

S.No	Sector	%age allocation
01	DWSS	25%
02	Municipal Services	20%
03	Beautification projects	05%
04	Discretion of Tehsil Council	50%

Tehsil Municipal Officer, TMA Balambat, Dir Lower approved 85 developmental schemes of Rs 41,698,300 out of Tehsil ADP for the financial year 2016-17 in which Rs 1,562,250 was not allocated for beautification sector in violation of Khyber Pakhtunkhwa Planning & Development guidelines. Detail is given at annexure-4.

Audit observed that approval was made in violation of rules which resulted in unauthorized execution of developmental schemes.

The irregularity was pointed out to the management in February 2018, but reply was not submitted.

Request for convening DAC meeting was made on 20th March 2018, which was not convened till finalization of this report.

Audit recommends fixing responsibility on the person (s) at fault under intimation to audit.

AIR No. 8 (2016-17)

1.3.1.5 Irregular expenditure without open tender system – Rs 1.194 million

According to Rule 1 of Chapter-III of Khyber Pakhtunkhwa Public Procurement of Goods, Works and Services Rules, 2014, the procuring entity shall use open competitive bidding as the principal method of procurement for the procurement of goods over the value of Rs 100,000/ rupees one hundred thousand.

Tehsil Municipal Officer, TMA Balambat, Dir Lower spent Rs 1,194,000 on four schemes of tehsil ADP 2015-16 and 2016-17 during financial year 2016-17 without adopting open tender system which was irregular. Detail is given at annexure-5.

Audit observed that expenditure were incurred in violation of rules which resulted loss to Government as competitive rates were not obtained.

The irregularity was pointed out to the management in February 2018, stated that non scheduled items were involved in two schemes at serial No. 1 & 3 and various stock holders were involved to whom the payment has been made while local quotations were called for purchase in two schemes at serial No. 2 & 4 according to KPPRA rules. Reply was not tenable as each scheme was beyond the limits of quotations and open tender system should have been adopted in accordance with KPPRA rules 2014 which were violated.

Request for convening DAC meeting was made on 20th March 2018, which was not convened till finalization of this report.

Audit recommends fixing responsibility on the person (s) at fault under intimation to audit.

AIR No. 4 (2016-17)

1.3.2 Internal Control Weaknesses

1.3.2.1 Non-recovery of outstanding water charges -Rs 1.969 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, TMA Balambat, Dir Lower did not recover water user charges of Rs 1,969,150 from 768 consumers of three drinking water supply schemes during financial year 2016-17. Detail is given below:

S.NO	Name of Scheme	No of Connections	Rate Per Month (Rs)	Total outstanding Amount (Rs)
1	DWSS Kandaro	248	150	149,000
2	DWSS Stanadar Manzai	256	150	626,500
3	DWSS Khema	264	150	1,193,650
Total		768		1,969,150

Non-recovery of water charges occurred due to weak financial management, which resulted in loss to Government.

The irregularity was pointed out to the management in February 2018, stated that Rs 763,400 has been recovered as arrears and the remaining amount will be recovered. Reply was not convincing as no recovery has been made in the subject outstanding water charges of Rs 1,969,150 up to on 30th June 2017.

Request for convening DAC meeting was made on 20th March 2018, which was not convened till finalization of this report.

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

AIR No. 2 (2016-17)

Tehsil Municipal Administration Lal Qilla Maidan

1.4 Audit Paras Tehsil Municipal Administration Lal Qilla

1.4.1 Irregularities & non compliance

1.4.1.1 Excess drawl from PLA and unauthorized transfer to security account – Rs 522,000

According to Para 3 of the Government of Khyber Pakhtunkhwa, Finance Department letter No. 2/3-(F/L)/FD/2007-08/Vol-IX dated 10th February 2014, no funds shall be placed in any commercial banks from the PLAs or Assignment Accounts without prior approval of the Finance Department as contained in Para 6 & 7 of GFR.

According Para 7 of GFR Vol.-I, unless otherwise expressly authorized by any law or rule or order having the force of law, moneys may not be removed from the Public Account for investment or deposit elsewhere without the consent of the Finance Department.

Tehsil Municipal Officer, TMA Lal Qilla Dir Lower awarded seventy seven (77) developmental schemes of Tehsil ADP 2015-16 to contractors out of which 58 schemes were completed. Estimated cost of the completed schemes were Rs 29,208,000 and awarded with a bid cost of Rs 28,681,890 against which expenditure of Rs 29,208,000 was shown and the remaining amount of saving of Rs 522,060 was incorrectly transferred from PLA to security account/designated bank account. Detail is given at the annexure-6.

Audit observed excess drawl occurred due to violation of rules which resulted in loss to the Government.

The irregularity was pointed out to the management in February 2018, stated that saving of completed schemes were transferred from PLA to security account of the TMA along with security of the contractors. Either new schemes will be approved from the Council or the amount will be deposited into Government.

Request for convening DAC meeting was made on 20th March 2018, which was not convened till finalization of this report.

Audit recommends recoument from security account and deposit into Government treasury.

AIR No. 4 (2016-17)

1.4.1.2 Non imposition of penalty for late completion – Rs 494,400

According to clause 5 of the agreement signed with the contractors, if the contractor shall desire an extension of the time for completion of the work on the ground of his having unavoidably hindered in its execution or on any other ground, he shall apply in writing to the Tehsil Officer (Infrastructure) within thirty days from the date of the hindrance on account of which he desires such extension. The Tehsil Officer (Infrastructure) shall authorize such extension of time.

According to work orders, due date of completion of works was 28th February 2017. According to notices issued to contractors, in case of failure to complete the works, penalty from 5% to 10% will be imposed. According to minutes of Tehsil Development Committee meeting held on 22nd May 2017 for discussion of progress of Tehsil ADP for 2015-16 and 2016-17, time extension for Tehsil ADP 2015-16 was given up to 25th June 2017.

Tehsil Municipal Officer, TMA Lal Qilla Dir Lower did not impose penalty of Rs 494,400 on contractors for non completion of schemes in the stipulated & extended time period despite issuance of notices. Detail is given at annexure-7.

Audit observed non imposition of penalty occurred due to violation of rules which resulted in loss to the Government.

The irregularity was pointed out to the management in February 2018, stated that Tehsil Council has granted time extensions up to 30.06.2018 due to some disputes at sites. Reply of the department was not convincing as the schemes were not completed in extended time period and no written requests were made by the contractors for grant of extensions while the Tehsil Officer (Infrastructure), being authorized person, has issued notices to the contractors for

completion of works and imposition of 5% to 10% penalty which was not imposed and the schemes were incomplete so far. Moreover, time extension of project will be allowed only once during the currency of the project in case of exceptional/unavoidable circumstances subject to approval by the Tehsil Development Committee and Project Approval Committee according to serial No. 9.11 of guidelines 2015.

Request for convening DAC meeting was made 20th March 2018, which was not convened till finalization of this report.

Audit recommends recovery of penalty for non completion beside completion of schemes at site.

AIR No. 3 (2016-17)

1.4.1.3. Non deduction of Disable Persons Rehabilitation fund and professional tax – Rs 241,000

According to Section-11 of the “Disabled Persons (Employment & Rehabilitation) Ordinance 1981 and the Government of Khyber Pakhtunkhwa Disabled Persons (Employment & Rehabilitation) Rules,1991 read with the Establishment and Administration Department Khyber Pakhtunkhwa letter NO.SORV(E&AD)11-26/96 Vol-III dated 25th July 2002 followed by several reminders and Federal Cabinet Decision and Directorate of Social Welfare Special Education & Women Empowerment Department Khyber Pakhtunkhwa Circular letter No.DPR/Pub/PCRD/15374-403 dated 23.01.2012 deduction of DPR fund @ Rs 2,000 each per million may be made in the bills of the contractors/firms who have completed business of one million or above in a financial year.

According to Section II of the Appendix of the Khyber Pakhtunkhwa Finance Act NO. PA/KPK/Bills/2014/340 dated 02.07.2014, all contractors/consultants & suppliers who supplied goods, commodities or rendered services to the value are liable to pay the tax at the following rates.

- a. when exceeding Rs 10,000 but not exceeding Rs 0.5 million –Rs 4000 per annum

- b. when exceeding Rs 0.5 million but not exceeding Rs One million –Rs 5000 per annum
- c. when exceeding Rs One million but not exceeding Rs 2.5 million –Rs 7000 per annum
- d. when exceeding Rs 2.5 million but not exceeding Rs 10 million –Rs 18,000 per annum
- e. when exceeding Rs 10 million but not exceeding Rs 25 million –Rs 25,000 per annum
- f. when exceeding Rs 25 million but not exceeding Rs 50 million –Rs 30,000 per annum
- g. when exceeding Rs 50 million and above –Rs 100,000 per annum

Tehsil Municipal Officer, TMA Lal Qilla Dir Lowr did not deduct Rs 241,000 on account of DPR fund for Rehabilitation of Disabled Persons and Professional Tax from the contractors during financial year 2016-17. Detail is given at annexure-8.

Audit observed that non deduction of DPR fund occurred due to violation of rules which resulted in loss to the Government.

The irregularity was pointed out to the management in February 2018, stated that recovery would be made from the concerned contractors and would be deposited into Government treasury.

Request for convening DAC meeting was made 20th March 2018, which was not convened till finalization of this report.

Audit recommends recovery and deposit into Government treasury and action against the person (s) at fault.

AIR No. 7 (2016-17)

1.4.1.4 Unauthorized deduction of contingency from the contractors - Rs 203,210

According to the decision of Provincial Finance Commission at serial No IX (a) communicated vide Government of Khyber Pakhtunkhwa Local Government Department No. AO/LCB/8 (89)/07 dated 22.08.2007, deduction of self-help & contingency would be made @ 0.80 % and 0.50% of the estimated cost from the projects which are executed through project committees.

Tehsil Municipal Officer, TMA Lal Qilla Dir Lower deducted Rs 203,210 from the bills of the contractors in 70 developmental schemes of tehsil ADP during financial year 2016-17 on account of contingency @ 0.5% of the estimated cost of Rs 40,642,000. Audit held that deduction of contingency was not admissible in the works which were executed through contractors.

Audit observed that unauthorized deductions of contingency occurred due to violation of rules which resulted less payment to the contractor and illegal revenue to the TMA.

The irregularity was pointed out to the management in February 2018, stated that deductions have been made from the bills of the contractors for meeting out relevant expenses of developmental files. Reply was not convincing as such provision was neither permissible nor provided for in the relevant PC-I estimates of the works. Moreover, no expenditure has been made from such amount so far and hence the amount is still lying in security account/designated bank account of the TMA.

Request for convening DAC meeting was made 20th March 2018, which was not convened till finalization of this report.

Audit recommends deposit into Government treasury.

AIR No. 8 (2016-17)

1.4.1.5 Non deposit of deducted stamp duty – Rs 130,450

In terms of Assistant Secretary (Stamps), Board of Revenue Khyber Pakhtunkhwa letter No.15796-889/stamps-240 Peshawar dated 29.06.2002, Schedule-1, Section 3 (Stamp Duty), Article No.5, stamp duty at the following rates should be deducted on execution of works.

S.No	Limit of estimated cost	Stamp duty (Rs)
01	Up to Rs 50,000	650
02	From Rs 50,001 to Rs.500,000	1,250
03	From Rs 500,001 to Rs.1,000,000	1,850

04	From Rs 1,000,001 to Rs.5,000,000	6,250
05	Above Rs 5,000,000	18,750

Tehsil Municipal Officer, TMA Lal Qilla Dir Lower awarded 77 developmental schemes of the estimated cost of Rs 41,613,000 out the funds of 30% tehsil ADP for the financial year 2015-16. The schemes were executed during financial year 2016-17 and deducted stamp duty of Rs 130,450 from the bills of the contractors but was not deposited into Government treasury.

Audit observed that non deposit of stamp duty occurred due to violation of rules which resulted in loss to the Government.

The irregularity was pointed out to the management in February 2018, stated that the amount would be deposited into Government treasury and challan will be shown to audit.

Request for convening DAC meeting was made 20th March 2018, which was not convened till finalization of this report.

Audit recommends depositing the deducted stamp duty into Government treasury under intimation to audit.

AIR No. 6 (2016-17)

Tehsil Municipal Administration Khall

1.5 Audit Paras Tehsil Municipal Administration Khall

1.5.1 Irregularities & non compliance

1.5.1.1 Irregular expenditure on installation of GI pipes - Rs 3.439 million

According to circular No11/Dev-14/PHE (N) dated 14-7-2015 in order to stop the entry of the sub-standard product the field staff must be instructed to adopt the following quality assurance steps for compliance

- i. Original Manufacturer/confirmation through his letter head and seal.
- ii. Gate Pass No./Sales Tax invoice.
- iii. Confirmation that manufacturers all documents are original.
- iv. Code No, on Product (year, month, date)

Tehsil Municipal Officer Khall incurred expenditure of Rs3439014 on account of Supply and Fixing GI and HDPE pipes in various Water supply Schemes during 2016-17. On scrutiny of record, it was observed that that the Local office did not adopt the following quality assurance steps to ensure the quality and health of the people of locality.

- i. Original Manufacturer/confirmation through his letter head and seal.
- ii. Gate Pass No/Sales Tax invoice.
- iii. Confirmation that manufacturers all documents are original.
- iv. Code No, on Product (year, month, date).

In the absence of the above mentioned documents the entry of substandard Pipes cannot be rolled out. Detail as per Annexure-9:

Audit observed that non compliance of the field staff occurred due to weak internal control, which resulted in violation of Government instruction.

The irregularity was pointed out to the management in February 2018, but reply was not submitted.

Request for the convening DAC meeting was made on 30th March 2018, which was not convened till finalization of this Report.

Audit recommends to justify the irregular expenditure.

AIR No. 3 (2016-17)

1.5.2 Internal Control Weaknesses

1.5.2.1 Loss to Government due to non adjustment of income tax in developmental Schemes – Rs 755,650.

According to Finance Department Khyber Pakhtunkhwa Notification NO.SO(Dev-II) FD/12-6/14-5 dated 21.04.2015, all Provincial Works Departments, while preparing Cost Estimates of developmental projects which fall in the tax exempted areas such as PATA, shall frame the same on Market Rate System-2015 (MRS-2015) but with 7.5% less cost to defray the amount added in the rate analysis of all works/construction/supply items to meet withholding tax.

Tehsil Municipal Officer Khall executed developmental schemes during Financial Year 2016-17 and paid 10,646,354 to various Contractors which include 7.5% income tax. Deduction of such tax was required from the bills of the contractors as they belong to the tax exempted area and they do not pay income tax on these contracts. Thus an extra amount of Rs755650 was paid to the contractors. Detail as per Annexure-10:

Audit observed that excess payment occurred due to weak internal control, which resulted in loss to Government.

The irregularity was pointed out to the management in February 2018, but reply was not submitted.

Request for the convening DAC meeting was made on 30th March 2018, which was not convened till finalization of this Report.

Audit recommends to recover the amount under intimation to audit.

AIR No. 2 (2016-17)

Tehsil Municipal Administration Samarbagh

1.6 Audit Paras Tehsil Municipal Administration Samarbagh

1.6.1 Irregularities & non compliance

1.6.1.1 Irregular expenditure o works without Technical Sanction - Rs 28.359 million

According to Para 32 of CPWD Code, no work shall be executed without Administrative Approval/Technical Sanction and Budget allotment. Further, according to Para 56 of CPWD Code, if subsequent to the grant of technical sanction, material structural alterations are contemplated, orders of the original sanctioning authority should be obtained, even though no additional expenditure may be involved by the alterations.

Tehsil Municipal Officer Samarbagh incurred an expenditure of Rs 28,359,420 on account of various developmental schemes during the financial year 2016-17. During scrutiny of record, it was observed that Technical Sanction was not obtained from the competent authority before commencement of work. Thus, the expenditure made was held irregular. Detail as per annexure-11:

Audit observed that awarding of work without execution of Technical Sanction occurred due to weak internal control.

The irregularity was pointed out to the management in February 2018, but reply was not submitted.

Request for the convening DAC meeting was made on 30th March 2018, which was not convened till finalization of this Report.

Audit suggests regularization and action against the person(s) at fault.

AIR No. 1 (2016-17)

1.6.2 Internal Control Weaknesses

1.6.2.1 Loss to Government due non imposition of penalty- Rs 1.075 million

According to Government of Khyber Pakhtunkhwa C & W Department letter No SO (PAC) DAC/2-2009/Distt Audit W & SD dated July, 20 2009 read with Secretary C & W letter No. WM/General/ W& S/ATD/2008-09/688-98 dated 19.05.2009 and No. SO (A)/ VI/ 3-86/ C& WD/ Volume-XII dated 17.08.1995, up to 10% penalty be levied on defaulting contractors for delayed works.

Tehsil Municipal officer Samarbagh did not imposed 10% penalty amounting to Rs 1,075,810 on those contractors who failed to complete the works in stipulated period of time. Detail as per annexure-12:

Audit observed that non imposition of penalty occurred due to weak financial control which resulted in loss to the Government.

The irregularity was pointed out to the management in February 2018, but reply was not submitted.

Request for the convening DAC meeting was made on 30th March 2018, which was not convened till finalization of this Report.

Audit suggests recovery and action against the person(s) at fault under intimation to audit.

AIR No. 4 (2016-17)

Tehsil Municipal Administration Chakdara

1.7 Audit Paras Tehsil Municipal Administration Chakdara

1.7.1 Irregularities & non compliance

1.7.1.1 Irregular expenditure on installation of GI and HDPE pipes - Rs15.762 million

According to circular No11/Dev-14/PHE (N) dated 14-7-2015 in order to stop the entry of the sub-standard product the field staff must be instructed to adopt the following quality assurance steps for compliance .

- i. Original Manufacturer/confirmation through his letter head and seal.
- ii. Gate Pass No./Sales Tax invoice.
- iii. Confirmation that manufacturers all documents are original
- iv. Code No, on Product (year, month, date)

Tehsil Municipal Officer Chakdara Dir Lower incurred expenditure of Rs 15,762,251 on account of Supply and Fixing GI and HDPE pipes in various Water supply Schemes during 2016-17. On scrutiny of record, it was observed that that the Local office did not adopt the following quality assurance steps to ensure the quality and health of the people of locality.

- i. Original Manufacturer/confirmation through his letter head and seal.
- ii. Gate Pass No./Sales Tax invoice.
- iii. Confirmation that manufacturers all documents are original
- iv. Code No, on Product (year, month, date).

In the absence of the above mentioned documents the entry of substandard Pipes cannot be rolled out. Detail as per annexure-13:

Audit observed that non compliance of the field staff occurred due to weak internal control, which resulted in violation of Government instruction.

The irregularity was pointed out to the management in February 2018, but reply was not submitted.

Request for the convening DAC meeting was made on 30th March 2018, which was not convened till finalization of this Report.

Audit recommends to justify the irregular payment.

AIR No. 1 (2016-17)

1.7.1.2 Irregular expenditure without Technical Sanction – Rs12.725 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.

Tehsil Municipal Officer Chakdara Dir lower incurred an expenditure of Rs 12725603 on various developmental schemes during 2016-117 without obtaining technical sanction from the competent authority as detailed below:

S. No.	Name of work	E/cost (Rs)	Expenditure (Rs)
1	Detail cost estimate of Black Topping of Road at Wargahar to siva	4,000,000	3,995,410
2	Construction of PCC road at shawa tazagram kithyarai	5,000,000	4,200,000
3	Construction of drain pavement of street R/wall and boundary	2,000,000	2,015,340
4	Construction of shingle road at Mator and bootqala u/c asbnar	1,500,000	1,534,853
5	Constructin of R/W all and PCC road saman kala dehras u/c tazagram	1,200,000	9,800,00
Total			12,725,603

Audit observed that non imposition of penalty occurred due to weak internal control, which resulted in violation of government rules.

The irregularity was pointed out to the management in February 2018, but reply was not submitted.

Request for the convening DAC meeting was made on 30th March 2018, which was not convened till finalization of this Report.

Audit suggests obtaining Technical Sanction from the competent forum.

AIR No. 4 (2016-17)

1.7.2 Internal Control Weaknesses

1.7.2.1 Loss to government due non imposition of penalty - Rs1.380 million

According to Government of Khyber Pakhtunkhwa C & W Department letter No SO (PAC) DAC/2-2009/Distt Audit W & SD dated July, 20 2009 read with Secretary C & W letter No. WM/General/ W& S/ATD/2008-09/688-98 dated 19.05.2009 and No. SO (A)/ VI/ 3-86/ C& WD/ Volume-XII dated 17.08.1995, up to 10% penalty be levied on defaulting contractors for delayed works.

Tehsil Municipal officer Chakdara Dir lower did not imposed 10% penalty Rs1380431 on those contractors who failed to complete the works in stipulated period of time. Detail is as under:

S. No.	Name of work	E/cost (Rs)	Expenditure (Rs)	Amount of penalty (Rs)
1	Construction of shingle road shahdam	2,000,000	2,000,000	200,000
2	Construction of PCC road at shawa tazagram kithyarai	5,000,000	5,000,000	500,000
3	Construction of culvat at gul muqam		672,387	67,238
4	Construction of shingle road at khawas talawo u/c Asbanr	3,000,000	3,231,078	300,000
5	WSS Asbanr Khass U/C Asbanr	2,050,000	731,932	73,193
6	Construction of shingle road at shkhawanaysar u/c asbanr	24,00,000	2,400,000	240,000
Total				1,380,431

Audit observed that non imposition of penalty occurred due to weak internal control, which resulted in loss to government.

The irregularity was pointed out to the management in February 2018, but reply was not submitted. Request for the convening DAC meeting was made on 30th March 2018, which was not convened till finalization of this Report.

Audit suggests recovery and action against the person at fault.

AIR No. 3 (2016-17)

Tehsil Municipal Administration Munda

1.8 Audit Paras Tehsil Municipal Administration Munda

1.8.1 Irregularities & non compliance

1.8.1.1 Unauthorized expenditure without Technical Sanction – Rs 4.936 million

According to Para 56 of CPWD Code, if subsequent to the grant of technical sanction, material structural alterations are contemplated, orders of the original sanctioning authority should be obtained, even though no additional expenditure may be involved by the alterations. Further, 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.

Tehsil Municipal Officer TMA Munda incurred expenditure of Rs 4,936,180 on various developmental schemes during 2016-17 without obtaining Technical Sanction of the competent authority before commencement of work. Detail is given below:

S. No.	Name of Scheme	Bid Cost (Rs)	Expenditure upto June 2017
01	Repair of transformer	2,336,180	2,336,180
02	Solar Light	4,000,000	1,300,000
03	Solar Light	4,000,000	1,300,000
Total		10,336,180	4,936,180

Audit observed that unauthorized payment was made due to weak internal control, which resulted in violation of rules.

The irregularity was pointed out to the management in February 2018, stated that detail reply would be furnished after scrutiny of record, but reply was not submitted.

Request for the convening DAC meeting was made on 20th March 2018, which was not convened till finalization of this Report.

Audit recommends inquiry by the competent forum into the actual quantities required to be executed and action against the person (s) at fault.

AIR No. 2 (2016-17)

1.8.1.2 Irregular award of contracts - Rs 8.00 million

According to Khyber Pakhtunkhwa KPPRA letter No. KPPRA / M&E / suggestions /4-16/2014-15/539 dated 22.05.2015, addressed to all Secretaries of the Departments, cost estimates of Non MRS items including Solar Energy and other such new technologies should be rationalized/ revised after careful market analysis by bringing those down for justification and matching to the market rates which results huge losses to the Government.

Tehsil Municipal Officer TMA Munda awarded 02 No works “Installation of Solar Street Light in Muda Bazar” for estimated cost of Rs 4.00 million each Rs 8.00 million during 2016-17. The items of the contracts were Non MRS while the contracts were awarded without market analysis which was irregular. Furthermore, the contract was spilt up in order to avoid the sanction of higher authority. Furthermore, the schemes were awarded without approval of the electric engineer, therefore open competition was restricted and the economy measure was not observed and the government interest not secured.

Audit observed that irregular awarded of contract without rate analysis due to weak internal control, resulted in violation of rules.

The irregularity was pointed out to the management in February 2018, stated that detail reply would be furnished after scrutiny of record, but reply was not submitted.

Request for the convening DAC meeting was made on 20th March 2018, which was not convened till finalization of this Report.

Audit recommends remedial measure, fixing responsibility on the persons at fault under intimation to audit.

1.8.1.3 Irregular cash payment of Pay & Allowances – Rs 3.988 million

According to para 4.6.3.1 of Accounting Policies and Procedure Manual, the normal method of payment of monthly salaries of all government employees shall be by credit transfer direct to a bank account nominated by the employee. This is the most secure and economical method of payment and it automatically ensures that recipients have access to their salary on the due date. Moreover, direct credit has tangible advantages, over payment by cheque or cash, against risks of theft or fraud.

TMO Munda Dir Lower paid Rs 3,988,944 on account of pay & allowances to the staff through DDO open cheque instead by their bank account in violation of rules during the year 2016-17. Hence, disbursements through cash, actual payments to the concerned could not be verified and chances of misappropriation could not be ruled out.

Audit observed that irregular payment occurred due to lack of financial control, which resulted in violation of Government rules.

The irregularity was pointed out to the management in February 2018, stated that salaries would be drawn on banks accounts accordingly and would be shown to audit.

Request for the convening DAC meeting was made on 20th march 2018, which was not convened till finalization of this Report.

Audit recommends regularization of payment.

1.8.2 Internal Control Weaknesses

1.8.2.1 Loss due to non award of contracts to the lowest bidders - Rs 1.102 million

According to Chapter-III Rule (2) (b) (ix) of the Government of Khyber Pakhtunkhwa Public Procurement Regulatory Authority Rules 2014 notified vide Finance Department letter NO.SO(FR)FD/9-7/2013 dated 03.02.2014, the bid found to be the lowest evaluated bid shall be accepted.

According to Para 23 of GFR Volume-I, every Government officer is personally responsible for any loss sustained by Government through fraud or negligence either on his part or on the part of his subordinate staff.

Tehsil Municipal Officer, TMA Munda awarded contract of developmental scheme "Repair of Transformer at Tehsil Munda" to the contractor M/S Shai Mulk & Brother who offered rate of Rs 2,336,180 which was 18.6% below on the estimated cost Rs 2,870,000, instead of, award the contract to M/S Irfan Ullah khan who offered rate of Rs1234100 which was 57% below, resulted in loss to Government amounting to Rs 1,102,080.

Audit observed that lowest bidders were ignored due to violation of rules which resulted in loss to the Government.

The irregularity was pointed out to the management in February 2018, stated that detail reply would be furnished after scrutiny of record, but reply was not submitted.

Request for the convening DAC meeting was made on 20th March 2018, which was not convened till finalization of this Report.

Audit recommends investigation besides fixing responsibility on the person (s) at fault under intimation to audit.

AIR No. 7 (2016-17)

1.8.2.2 Non recovery of outstanding installments on account of Bus Stand Munda - Rs 3.123 million

According to condition No. 2 of the agreement, the contractor was bound to deposit complete monthly installments in TMA Accounts.

Tehsil Municipal Officer, TMA Munda awarded the contract of Bus Stand Munda to a contractor (Shah Zaib) for Rs 10,040,000 for the financial year 2016-17. The contractor deposited Rs 6,916,190 till the date of audit i.e. 02.2018 and the remaining amount of Rs 3,123,810 remained outstanding.

Audit observed that non recovery occurred due to violation of condition of agreement which resulted in loss to the TMA.

The irregularity was pointed out to the management in February 2018, stated that an amount of Rs 1,740,000 as remission to the contractor and the remaining amount will be deposited by the contractor in 15days and will be shown to audit. Reply is not convincing as no progress was intimated to audit.

Request for the convening DAC meeting was made on 20th March 2018, which was not convened till finalization of this Report.

Audit recommends recovery from the contractor and deposit in the TMA account under intimation to audit.

AIR No. 1 (2016-17)

1.8.2.3 Non imposition penalty for late deposit of monthly installment – Rs 1.354 million

According to Para (v) (b) of the Model Terms & Conditions for the contracts notified by the Government of Khyber Pakhtunkhwa Local Government Department vide No. AO-II/LCB/6-11/2013 dated 20/03/2013, 1% penalty per day for late deposit of monthly installment should be recovered.

TMO Munda did not impose and recover Rs 1,354,946 on account of 1% penalty per day for late deposit of monthly installment from lease contractors. Detail is given below:

Bus Stand Munda 2016-17 (Shah Zaib Government Contractor)					
S. No.	Due date	Paid Date	Diff (Days)	Amount of installment	Penalty 1% /day
1	31.08.2016	13.10.17	10	912,730	182,546
2	30.09.2016	09.12.2016	10	912,730	182,546
3	30.10.2016	27.1.2017	10	912,730	182,546
4	30.11.2016	14.2.17	10	912,730	182,546
5	31.12.2016	30.06.17	10	3,123,810	624,762
Total					1,354,946

Audit observed that Non imposition of penalty indicated weak internal controls, which resulted in loss to Government.

The irregularity was pointed out to the management in February 2018, stated that notice would be issue to the contractor to deposit the amount. Reply is not convincing as no progress was intimated to audit.

Request for the convening DAC meeting was made on 20th March 2018, which was not convened till finalization of this Report.

Audit recommends recovery besides fixing responsibility on the person (s) at fault under intimation to audit.

AIR No. 3 (2016-17)

ANNEXURE

Annexure-1

Detail of MFDAC Paras

(Rs in million)

Name of TMA	AIR No.	Subject	Amount
TMA Timargara	4	Illegal award of contract of Rs 2.250 million without deposit of 5 % security and 15% advance	0.450
	5	Non deposit of collected income tax –	0.053
	6	Loss due to award of contract at lesser rate than required	0.385
	7	Non deduction of income tax from salaries -	0.038
	8	Non deposit of imposed penalty –	0.062
	9	Non forfeiture of 2% earnest money and additional security-	0.075
	11	Non recovery of outstanding rent of shops of General Bus Stand –	0.564
	12	Loss due to non acceptance of lowest rates of 1st & 2st tender –	0.480
	13	Non imposition of penalty for late completion –	0.400
	14	Non recovery of rent of residential quarters –	0.033
TMA Balambat	15	Irregular payment of arrear of pay & allowances without sanction of finance department and without availability of vacant post- Non deduction of income tax –	1.284 0.068
	19	Irregular expenditure without open tender system –	0.500
	5	Loss due to non acceptance of lowest bid rate –	0.398
TMA Lal Qilla Maidan	7	Unauthorized payment of saving of developmental schemes on non developmental activities	0.393
	1	Non deduction of income tax from salaries -	0.020
TMA Chakdara	2	Unauthorized drawl of salary of two officers against one post	0.034
	5	Non deposit of imposed penalty into Government treasury	0.037
	02	Overpayment due to non deduction of 11% voids:	0.125
TMA Khall	05	Non deposit of stamp duty-	0.218
	06	Non deduction of Professional tax –	0.323
	07	Non Deposit of DPR	0.192
	08	Unauthorized payment on account of audit fee	0.946
	09	Non-imposition of penalty on account of late deposits of installments	0.62 1
TMA Khall	10	Non-transfer of Pool Grant the Local Council Board –	0.102
	01	Non deduction of Professional tax	0.108
	04	Irregular cash payments	1.934

	05	Loss to Government due to non deduction of Advance payment	0.150
TMA Munda	06	Non Imposition of Penalty for Incomplete Schemes-	0.334
	08	Overpayment of due to non deduction of 5% old material	0.117
	09	Non deduction of Professional tax-	0.161
	10	Loss due to non award of contracts to the lowest bidders -	0.120
TMA Samarbagh	02	Misappropriation on account of execution of developmental work	0.350
	03	Blockage of Government money	1.700
	05	Non deposit of stamp duty	0.122
	06	Non deduction of Professional tax	0.271
	07	Non-imposition of 2 % penalty on account of late deposit of installments by contractors	0.429

Annexure-2

Para No. 1.2.1.2

Detail of outstanding penalty due to late deposit installments

1. GBS Timargara

S.No	Month	Installment (Rs)	Due date	Date of deposit	Delay (in days)	Rate of penalty per day 2%	Penalty per day (Rs)	Total penalty for the month (Rs)
01	07.2016	6,555,000	31.07.2016	12.08.2016	11	2%	131,100	1,442,100
02	08.2016	6,555,000	31.08.2016	22.09.2016	21	2%	131,100	2,753,100
03	09.2016	6,555,000	30.09.2016	07.10.2016	06	2%	131,100	786,600
04	10.2016	6,555,000	31.10.2016	04.11.2016	03	2%	131,100	393,300
05	11.2016	6,555,000	30.11.2016	08.12.2016	07	2%	131,100	917,700
06	12.2016	6,555,000	31.12.2016	04.01.2017	03	2%	131,100	393,300
07	01.2017	6,555,000	31.01.2017	03.02.2017	02	2%	131,100	262,200
08	02.2017	6,555,000	28.02.2017	06.03.2017	05	2%	131,100	655,500
09	03.2017	6,555,000	31.03.2017	04.04.2017	03	2%	131,100	393,300
Total for GBS Timargara					61		131,100	7,997,100
2. Public Latrines at GBS Timarga								
01	08.2016	200,000	31.08.2016	07.12.2016	96	2%	4000	40,000
02	09.2016	200,000	30.09.2016	07.12.2016	66	2%	4000	40,000
03	10.2016	200,000	31.10.2016	07.12.2016	36	2%	4000	40,000
04	11.2016	200,000	30.11.2016	07.12.2016	06	2%	4000	24,000
05	12.2016	200,000	31.12.2016	04.01.2017	03	2%	4000	12,000
06	01.2017	200,000	31.01.2017	07.02.2017	06	2%	4000	24,000
07	02.2017	200,000	28.02.2017	31.03.2017	30	2%	4000	40,000
08	03.2017	200,000	31.03.2017	21.04.2017	20	2%	4000	40,000
09	04.2017	200,000	30.04.2017	10.05.2017	09	2%	4000	36,000
10	05.2017	200,000	31.05.2017	02.06.2017	01	2%	4000	4,000
Total for Public latrines					273		4000	300,000
Grand total								8,297,100

Note: penalty was charged for only 10 days per installment. After expiry of 10 days the contracts should have been cancelled at the risk and cost of the contractors concerned.

Annexure-3
Para No. 1.2.2.1

Detail of outstanding water charges

S.NO	Name of Scheme	No of Connections	Rate Per Month (Rs)	Total (Rs)	Recovery during 2016-17 (Rs)	Total outstanding Amount (Rs)
1	DWSS Trai	110	150	198,000	170,550	27,450
2	DWSS Saddo	141	150	253,800	190,650	63,150
3	DWSS ShekawlaiDabbar	215	150	387,000	270,850	116,150
4	DWSS Khungi	215	150	387,000	270,300	116,700
5	DWSS ToraTiga	345	150	621,000	560,650	60,350
6	DWSS Timergara Phase-I	390	150	702,000	560,000	142,000
7	DWSS HassaniDehrai	81	150	145,800	90,350	55,450
8	DWSS Chargorai	242	150	435,600	311,500	124,100
9	DWSS Main Banda	558	150	1,004,400	521,600	482,800
10	DWSS Timergara Phase-II	793	150	1,427,400	770,500	656,900
Total		3090	150	5,562,000	3,716,950	1,845,050

Annexure-4

Para No. 1.3.1.4

Detail of schemes approved in violation of sartorial allocations

S.No	Total ADP	Sector	Admissible %age of as per P&D guidelines	Required allocation (Rs)	Approved/ Actual allocation (Rs)	Excess allocation (Rs)	Less allocation (Rs)	Net (excess)/ Less	
1	2	3	4	5	6	7	8	9 (7-8)	
01	41,698,300	DWSS	25%	10,424,575	13,710,000	3,285,425	0		
02		MC Services	20%	8,339,660	8,756,000	416,340	0		
03		Beautification	5%	2,084,915	520,750	0	1,564,165		
04		Discretion: Roads Sports Irrigation Others <u>Electrification</u>	50%	20,849,150	10,186,000 500,000 535,800 4,012,000 <u>1,915,500</u>				
		Total				17,149,300	0		3,699,850
		Total		41,698,300	40,136,050	3,701,765	5,264,015	1,562,250	

Annexure-5

Para No. 1.3.1.5

Detail of expenditure incurred without open tender system

S.No.	Source of fund	S.No of AA	S.No of progress report	Name of scheme	Estimated cost (Rs)	Expenditure (Rs)
01	Tehsil ADP 2015-16	53	53	Sports Galla Tehsil Balambat	500,000	500,000
02	Tehsil ADP 2015-16	75	75	Purchase of Generator and sound system for GHS Biyarai	100,000	100,000
03	Tehsil ADP 2016-17	47	47	Sports Galla Tehsil Balambat	500,000	500,000
04	Tehsil ADP 2016-17	64	64	Purchase of Dust bin for tehsil Balambat	400,000	94,000
Total					1,500,000	1,194,000

Annexure-6
Para No. 1.4.1.1

Detail of excess draw from PLA

S.No	File No	Estimated cost (Rs)	Bid cost (Rs)	Expenditure (Rs)	Excess draw transferred to security account (Rs)
01	1	390,000	386,100	390,000	3900
02	2	390,000	386,100	390,000	3900
03	3	390,000	382,200	390,000	3800
04	5	400,000	392,000	400,000	8000
05	6	775,000	767,250	775,000	7750
06	8	600,000	588,000	600,000	12,000
07	9	600,000	588,000	600,000	12,000
08	10	300,000	294,000	300,000	6,000
09	12	300,000	294,000	300,000	6,000
10	13	300,000	294,000	300,000	6,000
11	14	300,000	294,000	300,000	6,000
12	15	300,000	294,000	300,000	6,000
13	16	360,000	356,400	360,000	3600
14	17	500,000	490,000	500,000	10,000
15	18	672,000	651,840	672,000	20,160
16	19	700,000	679,000	700,000	21,000
17	20	936,000	917,280	936,000	18,720
18	21	936,000	926,640	936,000	9,360
19	25	380,000	380,000	380,000	0
20	26	380,000	368,400	380,000	11,600
21	27	184,000	182,160	184,000	1840
22	28	80,000	79,200	80,000	800
23	30	624,000	605,280	624,000	18,720
24	31	520,000	514,800	520,000	5,200
25	32	624,000	611,520	624,000	12,480
26	33	624,000	605,280	624,000	18,720
27	35	225,000	218,250	225,000	6,750
28	36	400,000	392,000	400,000	8,000
29	39	560,000	548,800	560,000	11,200
30	40	760,000	752,400	760,000	7,600
31	41	800,000	784,000	800,000	16,000
32	44	500,000	495,000	500,000	5,000
33	45	800,000	792,000	800,000	8,000
34	46	200,000	198,000	200,000	2,000
35	48	600,000	582,000	600,000	18,000
36	49	800,000	768,000	800,000	32,000

37	50	800,000	776,000	800,000	24,000
38	51	600,000	594,000	600,000	6,000
39	52	400,000	392,000	400,000	8,000
40	54	555,000	543,900	555,000	11,100
41	57	500,000	495,000	500,000	5,000
42	58	965,000	955,350	965,000	9650
43	59	965,000	955,350	965,000	9,600
44	61	980,000	970,200	980,000	9,800
45	62	780,000	764,400	780,000	15,600
46	63	780,000	764,400	780,000	15,600
47	64	300,000	297,000	300,000	3,000
48	65	306,000	302,940	306,000	3,060
49	66	389,000	385,100	389,000	3,900
50	68	219,000	212,430	219,000	6,570
51	69	349,000	342,020	349,000	6,980
52	71	300,000	291,000	300,000	9,000
53	72	380,000	376,200	380,000	3,800
54	73	380,000	376,200	380,000	3,800
55	74	300,000	294,000	300,000	6,000
56	75	300,000	294,000	300,000	6,000
57	76	300,000	294,000	300,000	6,000
58	77	150,000	148,500	150,000	1,500
Total		29,208,000	28,681,890	29,208,000	522,060

Annexure-7**Para No. 1.4.1.2****Detail of penalty for non completion of schemes**

S.No	File No	Name of scheme	Estimated cost (Rs)	Payment (Rs)	Progress at the end of 02.2018	Penalty @ 10% (Rs)
01	04	Repair of DWSS & Construction of Water Tank Bandagi	390,000	274,400	50 %	39,000
02	07	Repair of DWSS Muhammad Zaman Korona Barkhani, DWSS Pari Kas lal Qilla	700,000	511,400	50 %	70,000
03	11	DWSS/Construction of Wills Shahid Korona Warsaki Sharqi Bakht munir Korona Mayana Bishgram	372,000	180,000	50 %	37,200
04	24	Open Will Salman Shah Lal Qilla	207,000	96,400	50 %	20,700
05	23	Open Will Maulana Akbar Zada Korona	293,000	98,700	40%	29,300
06	29	PCC Road Kotki Dary, Pcc Road Muhabat Khan Korona lal Qilla	520,000	214,800	30%	52,000
07	37	PCC Road Namaz Kot	600,000	308,400	50 %	60,000
08	53	Construction of Boundary Play Ground Wall zuV zkoyki Lal Qilla Zamdara	832,000	0	0%	83,200
09	54	Construction of Boundary Wall pay Grounds UC Gal Bishgram	555,000	0	0%	55,500
10	70	Construction of Public Latrine Kumbar	475,000		30%	47,500
Total			4,944,000			494,400

Annexure-8**Para No.1.4.1.3****Detail of DPR fund and Professional tax**

S.No	Name of contractor	Estimated cost (Rs)	DPR fund (Rs)	Professional tax (Rs)	Total (Rs)
01	Khushal Khan & Co.	7,256,000	14,000	18,000	32,000
02	M/S Jehan Alam Khan	5,664,000	10,000	18,000	28,000
03	Liaqat Khan	5,738,000	10,000	18,000	28,000
04	Amazai Construction	10,565,000	50,000	25,000	75,000
05	Raza Iqbal	4,847,000	8,000	18,000	26,000
06	Anees Ullah	3,196,000	6,000	18,000	24,000
07	Syed Rahim Shah	2,932,000	6,000	18,000	24,000
08	M. Ayub Khan	444,000	0	4,000	4,000
Total		40,642,000	104,000	137,000	241,000

Annexure-9
Para No.1.5.1.1

Installation of GI pipes

S. No.	Name of work	E/cost (Rs)	Expenditure (Rs)
1	DWSS Charm aab kandao v/c Safaray doab	187,500	77115
2	DWSS maira v/c Kazkalay	200000	200000
3	DWSS Malak abad v/c Toormang	350,000	154318
4	DWSS Qazi abad v/c razagram	600,000	600,000
5	DWSS Mer haidar korona v/c luqman banda	200000	200000
6	DWSS Manzai v/c shalkanal	2,00,000	936291
7	DWSS Mohid Zada and nisar ahmad korona v/c mansorabad	150,000	150000
8	Dwss malamata khan korona v/c tango kandao	250,000	250,000
9	DWSS kashmar khan korona v/c sair	200,000	100654
10	DWSS shikolai masjid v/c Gaoni	200,000	200000
11	DWSS Kalkorr lalo bala v/c adokay	187,500	89157
12	DWSS gharib abad and saeed abad v/c namsir	200,000	104668
13	DWSS kamal khel tal shenkat v/c kamar tal	187,500	89157
14	DWSS main kalay v/c luqman banda	187,000	187,000
15	DWSS v/c shalkanai bala	2,00,000	100654
			3,439,014

Annexure-10

Para No.1.5.2.1

Detail of non adjustment of income tax

S. No.	Name of work	E/cost (Rs)	Expenditure (Rs)	7.5 % income tax
1	Pavement of streets v/c Shalpalam	600,000	600,000	45000
2	Pcc road sachha v/c kazkalay	300,000	300,000	22500
3	Pcc road mani kota v/c dargai	150000	150000	11250
4	DWSS Charm aab kandao v/c Safaray doab	187,500	77115	5783
5	DWSS maira v/c Kazkalay	200000	200000	15000
6	DWSS Malak abad v/c Toormang	350,000	154318	11573
7	DWSS Qazi abad v/c razagram	600,000	600,000	45000
8	DWSS Mer haidar korona v/c luqman banda	200000	200000	15000
9	DWSS Manzai v/c shalkanal	2,00,000	93629	7022
10	Pcc road v/c Adokay	500,000	500,000	37500
11	Pcc road Khaista said korona v/c tormang	100,000	100000	7500
12	widing of road ajmal korona v/c tango kandao	200,000	200,000	15000
13	Widing road v/c asaqa banda	200000	200000	15000
14	DWSS Mohid Zada and nisar ahmad korona v/c mansorabad	150,000	150000	11250
15	Dwss malamata khan korona v/c tango kandao	250,000	250,000	18750
16	PCC road qazi abad v/c razagram	600000	600000	45000
17	DWSS kashmar khan korona v/c sair	200,000	100654	7500
18	PCC road mula patay v/c razagram	400000	400000	30000
19	DWSS shikolai masjid v/c Gaoni	200,000	200000	15000
20	Pcc road v/c siyah gaoni	300000	200000	15000
21	Pcc road v/c mango	300000	300000	22500
22	DWSS Kalkorr lalo bala v/c adokay	187,500	89157	6686
23	DWSS gharib abad and saeed abad v/c namsir	200,000	104668	7500
24	Pcc road v/c kamal khel taal	300000	300000	22500
25	DWSS kamal khel tal shenkat v/c kamar tal	187,500	89157	6686
26	DWSS main kalay v/c luqman banda	187,000	187,000	14025
27	PCC Road kandaro v/c barkalay	1200000	1200000	90000
28	Pcc road v/c luqman banda	250,000	250,000	18750
29	Pcc road v/c jah deherai	100,000	100,000	7500
30	PCC road colony v/c namseer	850,000	850000	6375
31	Pcc road gamagat loya banda v/c gaoni	500,000	500,000	37500
32	PCC road Muhibullah korona v/c galkorone	200000	200000	15000

33	PCC road main Noor koroona v/c barkalay	500000	500000	37500
34	DWSS v/c shalkanai bala	2,00,000	100654	7500
35	Pavement of street v/c sher colony	600000	600000	45000
36	DWSS khararrai	2,00,000	2,00,000	15000
			10,646,354	755650

Annexure-11
Para No.1.6.1.1

Detail of non obtaining of TS

S. No.	Name of scheme	Estimated cost (Rs)	Expenditure (Rs)
1	Installation of solar lights in Lower Bazar Mayar	4,000,000	4,000,000
2	Instt: of solar street lights for Samar Bagh Bazar Bala	4,000,000	3,972,900
3	Installation of solar street lights for samar bagh	2,000,000	1,986,450
4	Const: of Kacah Road Pitaw	2,300,000	1,470,500
5	Instal: of soloar lights in upper Bazar Mayar	4,000,000	4,000,000
6	Installation of soloar lights in Hospital road mayar	2,000,000	2,000,000
7	Ext: DWSS/Hand Pumps/Water Pumps and Open well at Kharkai, Kakas Kolalan	3,240,000	2,120,886
8	Installation of solar street lights	4,000,000	3,972,900
9	Ext: DWSS hand pumps water pumps at VCs Mayar Junikaly	1,560,000	1,124,293
10	PCC roads/pavement os streets sheena, sabar shah	2,200,000	1,805,416
11	Ext: DWSS at union council Drangal Kambat	1,600,000	990,270
12	DWSS Hand pumps & open well at Gawardesh	1,300,000	915,805
Total		32,200,000	28,359,420

Annexure-12**Para No.1.6.2.1****Detail of non imposition of 10% penalty**

S. No.	Name of scheme	Estimated cost (Rs)	Expenditure (Rs)	Date of work Order	Date of Completion	10% penalty (Rs)
1	Levelling of Land for play ground & boulder wall kakas	700,000	588,088	18-4-16	In progress	70,000
2	Const: of memorial Mayar Chowk	419,600	356,000	13-5-16	In progress	41,960
3	Ext: DWSS/ water pumps at VC Mayar, Junikay, Kotkay	1040000	874588	18-14-16	In progress	104000
4	Ext: DWSS/Hand pumps/water pumps and open well at Kharkai, Kakas Kolalan	3,240,000	2,120,886	18-4-16	In progress	324,000
5	Ext: DWSS water pumps Daru Salam Colony	694,000	0	18-4-16	In progress	69400
6	Ext: DWSS water pumps Ajabai, Sorano, Shuntal	694,000	417,436	18-14-16	In progress	69,400
7	Const: of boundary wall paly grounds laveling of land rahim abad	520,000	415,995	28-4-16	In progress	52,000
8	Purchase of sewing machines at Tehsil Samarbagh	706,500	0	13-5-16	In progress	70,650
9	Const: of kacha road gul deri cham khazana	200,000	111,518	13-5-16	In progress	20,000
10	Ext: DWSS hand pumps water pumps & open well at UC Sadbarkali biri	944,000	702,007	13-5-16	In progress	94,400
11	Open well Mushtaq Korona, DWSS VC Shuntala	300,000	0	13-5-16	In progress	30,000
12	DWSS Hand pumps & open well at Gawardesh	1,300,000	915,805	13-5-16	In progress	130,000
Total		10,758,100	3,385,461			1,075,810

Annexure-13
Para No.1.7.1.1

Installation of GI pipes

S. No.	Name of work	E/cost (Rs)	Expenditure (Rs)
1	DWWS/open well niagh zarbaig gareeb abad u/c ouch	681,000	659,199
2	DWSS/hand pump at cham ramora , gul muqam,shaheed abad,saseda u/c chakdara	1,693,000	795,491
3	DWSS u/c Khanpur	199,700	786,346
4	DWSS Tindo Dag Shawa U/C Tazagram	1,000,000	746,967
5	DWSS Madwana Khwarman Sakhawanoo u/c Asbarn	700,000	700,000
6	Dwss Hand Pump at Cham Ramora Muqam Saisada Union Council Chakdara	1,193,000	1,193,000
7	DWSS open well sharoi gharbi,jan muhammad,muzzaffar ali khan,gulli bagh naeem khan koroona u/c ouch	3,097,000	2,789,172
8	DWSS open well kamala saf at dandoona kagan ,teroona,shangle,u/c khadagzai	2,163,000	2,117,276
9	WSS Asbnanr Khass u/c Asbanr	2,050,000	731,932
10	DWSS at Asbanr/Khanpur	1,700,000	1,607,663
11	DWSS at Kotoigram	1,700,000	1,511,569
12	DWSS open wel masjid warsak kandarow Safrona Kandaro Warsak Ouch u/c Ouch	1,561,000	1,180,240
13	DWSS Tiknai bala,Payan,sAbar shah,daky,open well u/c Khanpur	1,300,000	1,300,000
14	DWSS open well u/c khanpur	1,300,000	978,337
15	DWSS/hand pumps at ramora bazar ramora qilla masjid katarao,sharab khai gul muqam ,ramora khush muqam u/c chakdara	1,997,000	465,041
Total			15,762,251