



**AUDIT REPORT
ON
THE ACCOUNTS OF
DISTRICT GOVERNMENT
MALAKAND**

AUDIT YEAR 2017-18

AUDITOR GENERAL OF PAKISTAN

TABLE OF CONTENTS

ABBREVIATIONS AND ACRONYMS.....	i
Preface.....	ii
EXECUTIVE SUMMARY.....	iii
I: Audit Work Statistics.....	vi
II: Audit observation Classified by Categories.....	vi
III: Outcome Statistics.....	vii
VI: Table of Irregularities pointed out.....	viii
V: Cost Benefit Ratio.....	viii
CHAPTER 1.....	1
1.1 District Government Malakand.....	1
1.1.1 Introduction.....	1
1.1.2 Comments on Budget and Accounts (Variance analysis).....	1
1.1.3 Brief comments on the status of compliance with DAC/PAC Directives.....	2
1.2 AUDIT PARAS.....	3
1.2.1 Irregularity/ Non compliance.....	3
1.2.2 Internal Control Weaknesses.....	9
ANNEXURE.....	26
Annex-1 Detail of MFDAC Paras.....	26
Annex-2 Detail showing expenditure without Technical Sanction.....	29
Annex-3 Detail of schemes executed without TS.....	30
Annex-4 Detail of non surrender of savings.....	31
Annex-5 Detail showing the amount lying in PW Deposit-III.....	32
Annex-6 Detail of Non-imposition of penalty for late completion of schemes.....	33
Annex-7 Detail of penalty for late completion of schemes.....	35
Annex-8 Detail of 2% Property Tax.....	37
Annex-9 Detail of overpayment on account of 15% compulsory land.....	38
Annex-10 Non deposit of 1% stamp duty.....	39
Annex-11 Detail of non deposit of 0.5% Registration fee.....	40
Annex-12 Detail of non deduction of HRA and Conveyance.....	41
Annex-13 Detail of non-deduction of steel volume from RCC.....	43
Annex-14 Detail of non adjustment of Income Tax.....	44

ABBREVIATIONS AND ACRONYMS

ADP	Annual Development Programme
AIR	Audit Inspection Report
AO M&R	Annual Ordinary Maintenance & Repair
BHU	Basic Health Unit
BOQ	Bill of Quantity
CPWA Code	Central Public Works Account Code
CSR	Composite Schedule of Rates
C&W	Communication and Works
DC	Deputy Commissioner
DAC	Departmental Accounts Committee
DAC	District Accounts Committee
DDO	Drawing and Disbursing Officer
DG	Director General
DHQ	District Headquarter
DO	District Officer
DSM	District Support Manager
GFR	General Financial Rules
GGHS	Govt. Girls High School
HRA	House Rent Allowance
LGA	Local Government Act
MB	Measurement Book
OPD	Out Door Patient Department
PAO	Principal Accounting Officer
PAC	Public Accounts Committee
PC-I	Planning Commission-I
PHE	Public Health Engineering
PPHI	People's Primary Healthcare Initiatives
RCC	Re-enforced Cement Concrete
RDA	Regional Directorate of Audit
SRSP	Sarhad Rural Support Programme
TMO	Trainee Medical Officer
XEN	Executive Engineer

Preface

Articles 169 & 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 the Khyber Pakhtunkhwa Local Government Act 2013 require the Auditor General of Pakistan to conduct audit of the receipts and expenditure of District Fund and Public Account of District Government.

The report is based on audit of the accounts of various offices of District Government, Malakand for the financial year 2016-17. The Director General of Audit, District Governments, Khyber Pakhtunkhwa conducted audit during 2017 on test check basis with a view to report significant findings to the relevant stakeholders. The main body of the audit report includes the systemic issues and significant audit findings. Relatively less significant issues are listed in the Annexure-1 of the Audit Report. The audit observations listed in the Annexure-1 shall be pursued with the Principal Accounting Officer at the DAC level and in all cases where the PAO does not initiate appropriate action, the audit observation will be brought to the notice of District 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, 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, for laying 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 twenty five District Governments. Regional Directorate of Audit Mardan, on behalf of the Director General Audit, District Governments, Khyber Pakhtunkhwa carried out the audit of four District Governments namely Mardan, Malakand, Swabi and Buner.

The Regional Directorate has a human resource of eleven officers and staff, with a total of 2024 man-days. The annual budget amounting to Rs 16.858 million was allocated to the office during financial year 2017-18. The office is mandated to conduct regularity (financial attest audit and compliance with authority audit) and performance audits of programs/ projects.

District Government, Malakand conducts its operations under Khyber Pakhtunkhwa Local Government Act 2013. It comprises one Principal Accounting Officer (PAO) covering eighteen groups of offices as mentioned in Chapter-1 of this report. Financial provisions of the Act describe the Government fund as District Local Fund and District Public Account for which Annual Budget Statement is authorized by the District Council in the form of budgetary grants.

a. Scope of audit

There are eighteen departments in District Malakand out of which the accounts of four departments were examined in detail. These departments were selected for detailed audit keeping in view the available man days.

The total expenditure of District Government Malakand for the Financial Year 2016-17 was Rs 5,100.65 million. Out of this, RDA Mardan audited an expenditure of Rs 1,891.57 million which, in terms of percentage, was 37.08 % of auditable expenditure.

Receipts of District Government Malakand, for the Financial Year 2016-17, were 159.870 million. Out of this, RDA Mardan audited receipts of Rs 87.354 million which, in terms of percentage, was 54.64 % of auditable receipts.

The total expenditure and receipts of District Government Malakand, for the Financial Years 2016-17 were Rs 5260.52 million. Out of this, RDA Mardan audited the expenditure and receipts of Rs 1978.924 million.

b. Recoveries at the instance of audit

Recovery of Rs 268.887 million was pointed out during the audit. Out of the total recoveries pointed out, Rs 237.564 million was not in the notice of the executive before audit. However no recovery was made till finalization of this report.

c. Audit Methodology

Audit was conducted after understanding the business processes of District Government Malakand with respect to their functions, control structure 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 scrutiny and substantive testing.

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, in cases of recovery management has issued orders for recovery. 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, 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 District Government.

f. Key audit findings of the report;

- i. Irregularities/ non-compliance of Rs 349.144 million were noted in six cases.¹
- ii. Internal control weaknesses of Rs 288.78 million were noted in eighteen cases.²

g. Recommendations

- i. Disciplinary actions need to be taken to stop the practice of violation of the rules and regulations in spending the public money.
- ii. Deduction of taxes on contracts needs to be ensured.
- iii. Strenuous efforts need to be made by the departments to recover long outstanding dues on account of water charges.
- iv. Inquiries need to be held to fix responsibility for losses, overpayments and irregular payments.
- v. All sectors of District Government need to strengthen internal controls i.e. financial, managerial, operational, administrative and accounting controls etc to ensure that reported lapses are preempted and fair value for money is obtained from public spending.

Para 1.2.1.1 to 1.2.1.6

Para 1.2.2.1 to 1.2.2.18

SUMMARY TABLES & CHARTS

I: Audit Work Statistics

(Rs in million)

S.No	Description	No	Budget		
			Expenditure	Receipts	Total
1	Total Entities (PAO) in Audit Jurisdiction	01	5,100.65	159.870	5260.52
2	Total formations in audit jurisdiction	122	5,100.65	159.870	5260.52
3	Total Entities (PAO) Audited	01	1,891.57	87.354	1978.924
4	Total formations Audited	04	1,891.57	87.354	1978.924
5	Audit & Inspection Reports	04	1,891.57	87.354	1978.924

II: Audit observation Classified by Categories

(Rs in million)

S.No.	Description	Amount Placed under Audit Observation
1.	Unsound asset management	0
2.	Weak financial management	349.144
3.	Weak Internal controls	288.78
4.	Others	0
Total		637.921

III: Outcome Statistics

(Rs in million)

S.No	Description	Expenditure on Acquiring Physical Assets (Procurement)	Civil Works	Receipts	Others	Total Current year	Total last year 2015-16
1.	Outlays Audited	0	1,013.940	87.354	877.63	1978.924	1,068.685
2.	Amount Placed under Audit Observation /Irregularities of Audit	0	237.45	48.845	351.626	637.921	886.547
3.	Recoveries Pointed Out at the instance of Audit	0	180.231	48.845	39.811	268.887	225.913
4.	Recoveries Accepted /Established at the instance of Audit	0	0	31.323	0	31.323	0
5.	Recoveries Realized at the instance of Audit	0	0	0	0	0	0

VI: Table of 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	48.931
2	Report cases of fraud, embezzlement, thefts and misuse of public resources.	0
3	Accounting Errors (accounting policy departure from NAM ¹ , 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.	0
4	Quantification of weakness of internal control systems.	288.78
5	Recoveries and overpayment, representing cases of establishment overpayment or misappropriations of public money.	300.210
6	Non-production of record	0
7	Others, including cases of accidents, negligence etc.	0
Total		637.921

V: Cost Benefit Ratio

(Rs in million)

S #	Description	Amount
1	Outlays Audited (item 1 of Table 3)	1978.924
2	Expenditure on audit	16.858
3	Recoveries realized at the instance of audit	0
	Cost-Benefit Ratio	1:0

¹ The Accounting Policies and Procedures prescribed by the Auditor General of Pakistan which are IPSAS(Cash).

CHAPTER 1

1.1 District Government Malakand

1.1.1 Introduction

Activities of District Government are managed through offices of Deputy Commissioner and District Officers under Khyber Pakhtunkhwa Local Government Act 2013 (LGA 2013). Each group of District Offices consists of District Officer (DO). The DO according to Rules of Business of District Government, 2015 distributes the work among the officers, branches, and/or sections of each district office. The offices which manage the activities of District Government are Deputy Commissioner, XEN C&W, XEN Public Health, District Officers Agriculture, Education, Health, Water Management, Fisheries, Population Welfare, LG & RDD, Sports, Live Stock & Soil Conservation, Cooperation, Social Welfare, Public Transport and Municipal Services.

1.1.2 Comments on Budget and Accounts (Variance analysis)

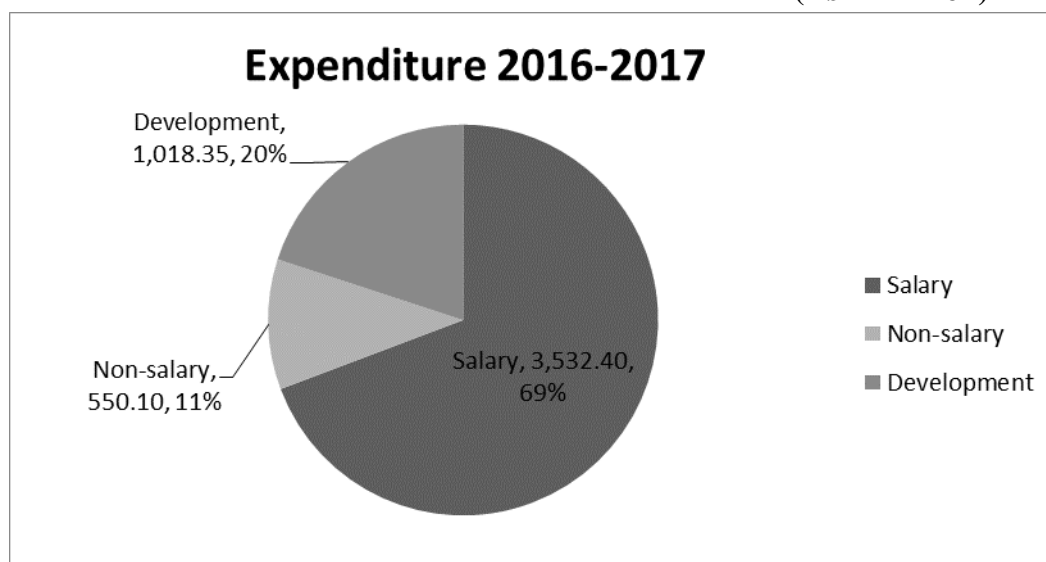
(Rs in million)

2016-17	Budget	Expenditure	(Saving)/Excess	%age Excess/Saving
Salary	3,397,910,079	3,532,401,424	134,491,345	3.96%
Non-salary	731,217,100	550,098,765	(181,118,335)	(24.77)%
Developmental AC-IV	173,833,330	146,142,301	(27,691,029)	(15.93)%
Developmental AC-I	896,373,670	872,207,556	(24,166,114)	(2.70)%
Total	5,199,334,179	5,100,650,046	(98,684,133)	
Receipts	159,870,186	159,870,186	0	
Grand Total	5,359,204,365	5,260,520,246	(98,684,133)	

The savings of Rs 98.684 million in all head of accounts indicate inefficiency in the capacity of the District Government Departments to utilize the amount allocated.

EXPENDITURE 2016-17

(Rs in million)



1.1.3 Brief comments on the status of compliance with DAC/PAC Directives.

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

S. No	Audit Year	PAC/DAC meeting convened /Not convened
1	2002-03	Not convened
2	2003-04	Not convened
3	2004-05	Not convened
4	2005-06	Not convened
5	2006-07	Not convened
6	2007-08	Not convened
7	2008-09	Not convened
8	2009-10	Not convened
9	2010-11	Not convened
10	2011-12	Not convened
11	2012-13	Not Convened
12	2013-14	Not Convened
13	2016-17	Not Convened

1.2 AUDIT PARAS

1.2.1 Irregularity/ Non compliance

1.2.1.1 Irregular expenditure without Technical Sanction Rs 232.685 million

According to para 56 of CPWA Code, no work shall be executed without Administrative Approval /Technical Sanction and Budget allotment.

Executive Engineer Communication and Works Division, Malakand spent Rs 232,685,867 on execution of different developmental schemes against the estimated cost of Rs 939,170,620 during financial year 2016-17. However, Technical Sanctions were not accorded till the date of audit. Detail is given at annexure-2

Unauthorized payment was made due to weak financial control, which resulted in violation of rules regarding ascertaining the estimate of actual quantities to be executed during the work based on engineering specifications and schedule of rates.

The irregularity was pointed out to management in December 2017. Management did not respond to the audit observation.

Request for convening of DAC meeting was made in December 2017. However meeting of DAC could not be convened till finalization of this report.

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

AIR Para No.16 AC-I (2016-17)

1.2.1.2 Irregular expenditure without Technical Sanction- Rs 67.030 million

According to para 56 of CPWA Code, no work shall be executed without Administrative Approval /Technical Sanction and Budget allotment.

Executive Engineer PHE Malakand executed various works incurring expenditure of Rs 67,030,000 thereon. The expenditure and execution of the schemes held irregular as Technical Sanctions of the schemes were not obtained from the competent authority. Detail is given at annexure-3.

Unauthorized payment was made due to weak financial control, which resulted in violation of rules regarding ascertaining the estimate of actual quantities to be executed during the work based on engineering specifications and schedule of rates.

The irregularity was pointed out to management in September 2017. Management stated that detail reply would be submitted after scrutiny of the relevant record. No progress in the matter was intimated till finalization of this report.

Request for convening of DAC meeting was made in December 2017. However meeting of DAC could not be convened till finalization of this report.

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

AIR Para No. 10 AC-I(2016-17)

1.2.1.3 Illegal retention of balance/saved amount-Rs 19.895 million

According to General Financial Rule- 93, the department incurring the expenditure shall be responsible not only for seeing that the allotment placed at its disposals is not exceeded but also that any anticipated savings are notified and surrendered in time

Deputy Commissioner Malakand received funds of Rs 47,141,233 from various departments for acquisition of land during the year 2016-17 but the land was acquired for Rs 27,246,071 making a saving of Rs19,895,162. The remaining/saved amount was retained and not returned to the acquiring departments till date of audit. Detail is given at annexure-4

Illegal retention of saved amount occurred due to weak financial control which resulted in loss to Government.

The irregularity was pointed out to management in July 2017. Management stated that detailed reply would be furnished after scrutiny of record, however, no reply was furnished till finalization of this report.

Request for convening of DAC meeting was made in September 2017. However meeting of DAC could not be convened till finalization of this report.

Audit recommends return of the balance amount to the acquiring departments.

AIR Para No. 03 AC-IV (2016-17)

1.2.1.4 Unauthorized expenditure of AOM&R without administrative approval, PC-I and technical sanction –Rs 13.500 million

According to para 56 of CPWA Code, no work shall be executed without Administrative Approval /Technical Sanction and Budget allotment.

XEN PHE Malakand paid Rs 13,500,000 on account of repair of water supply schemes out of AOM&R fund during financial year 2016-17. The expenditures were incurred without Administrative Approval, PC-I and technical sanction. Completion certificates of the schemes were also not produced. Detail is as under:

S. No	Nature of work	Amount (Rs)
1	AO M&R (Repair of Mechanical and electreical items) Batkhela	5,000,000
2	AO M&R Civil work Batkhela	4,000,000
3	AO M&R (Repair of Mechanical and electreical items) Dargai	2,500,000
4	AO M&R Civil work Dargai	2,000,000
Total		13,500,000

Unauthorized expenditure occurred due to weak financial control which resulted in violation of rules.

The irregularity was pointed out to management in September 2017. Management stated that detail reply would be submitted after scrutiny of the relevant record. No progress in the matter was intimated till finalization of this report.

Request for convening of DAC meeting was made in December 2017. However meeting of DAC could not be convened till finalization of this report.

Audit stresses upon inquiry into the matter and action against the person(s) at fault.

AIR Para No. 45 AC-IV (2016-17)

1.2.1.5 Non utilization of Census fund-Rs 11.338 million

According to para 95 of General Financial Rules Volume-I, all anticipated saving should be surrendered well before close of financial year.

Deputy Commissioner Malakand received an amount of Rs 11,338,000 as feeding charges for National Census 2017 but the said amount was neither utilized nor returned to the Provincial Government and still lying at the disposal of DC Malakand which needs to be surrendered as the census process has already been completed. Reconciliation of the fund with DAO was not provided.

Non utilization of census fund occurred due to weak financial control which resulted in blockage of government money.

The irregularity was pointed out to management in July 2017. Management stated that detailed reply would be furnished after scrutiny of record, however, no reply was furnished till finalization of this report.

Request for convening of DAC meeting was made in September 2017. However meeting of DAC could not be convened till finalization of this report.

Audit stresses upon action against the person(s) at fault and surrender of fund.

AIR Para No. 11 AC-IV (2016-17)

**1.2.1.6 Un-necessary retention of Government money in Deposit-III
Rs 4.696 million**

According to Para 95 of General Financial Rules volume-I, all anticipated savings should be surrendered to Government well before the close of Financial Year. No savings should be held in reserve for possible future excesses.

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

Executive Engineer Communication & Works Division, Malakand retained Government money Rs 4,695,624 in PW Deposit-III Register lying from 2010-13 till the date of audit. The Department failed to justify the reason of illegal retention of public money lying in their custody. Detail is given at annexure-5.

Illegal retention of Government money occurred due to lack of financial management which resulted in loss to Government.

The irregularity was pointed out to management in December 2017. Management did not respond to the audit observation.

Request for convening of DAC meeting was made in December 2017. However meeting of DAC could not be convened till finalization of this report.

Audit recommends action against the person(s) at fault and the amount lying in Deposit-III Register should be credited to Government.

AIR Para No. 17 AC-I (2016-17)

1.2.2 Internal Control Weaknesses

1.2.2.1 Non-Imposition of penalty for non-completion of works – Rs 93.682 million

According to work orders issued to contractors and Clause 2 of the Contractor Agreements, the works shall be completed within the stipulated period of time otherwise, 10% penalty shall be imposed on default contractors for delay in completion of works.

Executive Engineer Communication and Works Division, Malakand awarded different developmental schemes to various contractors. However, the contractors could not complete the schemes within stipulated period of time and the competent authority did not impose penalty amounting to Rs 93,682,254 on the contractors for delaying in completion of works. Detail is given at annexure-6.

Non completion of work s in the stipulated time and non-imposition of penalty occurred due to weak internal control which resulted in loss to Government.

The irregularity was pointed out to management in December 2017. Management did not respond to the audit observation.

Request for convening of DAC meeting was made in December 2017. However meeting of DAC could not be convened till finalization of this report.

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

AIR Para No. 15 AC-I (2016-17)

1.2.2.2 Non-imposition of penalty for late completion –Rs 70.930 million

Clause 2 of the Contract Agreement requires that penalty of 1% per day up to maximum of 10% of the estimated cost may be imposed for delay in completion of work.

XEN PHE Malakand awarded works to various contractors but the works were not completed in stipulated period. According to above Clause, 10% penalty of Rs 70,930,034 on the estimated cost was required to be imposed and recovered which was not done. Detail is given at annexure-7.

Non-imposition of penalty occurred due to weak internal control, which resulted in loss to Government.

The irregularity was pointed out to management in September 2017. Management stated that detail reply would be submitted after scrutiny of the relevant record. No progress in the matter was intimated till finalization of this report.

Request for convening of DAC meeting was made in December 2017. However meeting of DAC could not be convened till finalization of this report.

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

AIR Para No. 07 AC-I (2016-17)

1.2.2.3 Loss to Government on account of non-deduction of Income Tax-Rs 37.637 million

According to Commissioner Income Tax Enforcement & Compliance Division Peshawar's letter No. CIT(E&C)/RTO-PR-2008-09/1739 dated 20/06/2009, a person belonging to tribal area but residing in taxable area is not

entitled to exemption (from Income Tax) because he would become a resident person as provided under section 82 of the Income Tax Ordinance, 2001.

Executive Engineer C&W Malakand did not deduct Income Tax of Rs 37,637,909 (calculated @ 7.5%) from a contractor in the work” Improvement and Standardization of DHQ Hospital Batkhela” while making payment of Rs 501,838,797 vide 14th Running bill dated 02/06/2017. Audit observed that the contractor “M/S Ismail Construction Company Private Limited” has his registered office at 14-B, Spinzer Plaza University Road Peshawar as per license issued by PEC and participated with the same license. Thus, the contractor was a resident person and was liable to pay Income Tax.

Non deduction of Income Tax occurred due to weak internal control, which resulted in loss to the Government.

The irregularity was pointed out to management in December 2017. Management did not respond to the audit observation.

Request for convening of DAC meeting was made in December 2017. However meeting of DAC could not be convened till finalization of this report.

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

AIR Para No. 19 AC-I (2016-17)

1.2.2.4 Non recovery of water charges Rs 31.323 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.

XEN PHE Malakand did not recover Rs 80,292,644 as arrears of water charges from consumers of various water supply schemes upto the end of financial year 2016-17. Detail is as below.

S.no	Description	Arrears (Rs)
1	Tehsil Batkhela	17,613,699
2	Tehsil Dargai	13,708,872
	Total	31,322,571

Non recovery of water charges occurred due to lack of interest for Government receipts which resulted in loss to Government.

The irregularity was pointed out to management in September 2017. Management stated that target for the financial year 2016-17 was Rs 12,305,000 whereas Rs 12,669,320 were recovered during the said period which was 102% of the target. Further efforts are being made for recovery of water charges which will further reduce the volume of arrears. Reply is not tenable as the recovered amount was inclusive of arrears pertaining to previous years and not specifically for the said year. A huge amount is still outstanding.

Request for convening of DAC meeting was made in December 2017. However meeting of DAC could not be convened till finalization of this report.

Audit stresses upon action against the person(s) at fault and recovery of water charges.

AIR Para No. 13 AC-I (2016-17)

1.2.2.5 Less deduction of 8% security-Rs 10.349 million

According to clause 17-A of contract agreement, the security deposit or balance of security deposit due to contractor is payable after three months of satisfactory completion of work and after furnishing no demand certificate on Form PWD 14-A.

XEN C&W Malakand paid Rs 501,838,797 to the contractor vide 14th running bill dated 02/06/2017 for the work “Improvement and standardization of DHQ Hospital Batkhela.” The local office was required to deduct 8% security for Rs 40,147,103 but it deducted Rs 29,798,092 (39798092-10000000 earnest money) as per PW deposit-II register resulting in less deduction of security for Rs 10,349,011.

Less deduction of security was due to weak internal control which resulted in violation of rules.

The irregularity was pointed out to management in December 2017. Management did not respond to the audit observation.

Request for convening of DAC meeting was made in December 2017. However meeting of DAC could not be convened till finalization of this report.

Audit stresses upon action against the person(s) at fault and full recovery of the security.

AIR Para No. 20 AC-I (2016-17)

1.2.2.6 Non transfer of 2% Property Tax-Rs 9.092 million

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

Deputy Commissioner Malakand deducted Rs 9,092,764 as 2% Property Tax on purchase of land from the land owners but the amount was retained in his account which was neither transferred to the quarter concerned i.e Tehsil Municipal Committee nor returned to the acquiring departments. Detail is given at annexure-8

Non transfer of the tax to the quarter concerned was due to lack of internal control which resulted in loss to Government.

The irregularity was pointed out to management in July 2017. Management stated that detailed reply would be furnished after scrutiny of record, however, no reply was furnished till finalization of this report.

Request for convening of DAC meeting was made in September 2017. However meeting of DAC could not be convened till finalization of this report.

Audit stresses upon that the tax amount may be sent to the quarter concerned.

AIR Para No. 06 AC-IV (2016-17)

1.2.2.7 Loss due to unauthorized payment of 15% Compulsory Land Acquisition Charges –Rs 5.473 million

According to section 18(1) of Land Acquisition Act 1894, any person interested who has not accepted the award may, by written application to the collector, require that the matter be referred by the collector for the determination of the Court.

According to section 23(2) of Land Acquisition Act 1894, "in addition to the market value of the land as above provided, the **Court** shall in every case award a sum of 15% on such market value, in consideration of the compulsory nature of acquisition".

According to section 3(d) of the Act, the expression of "Court" means Principal Civil Court of original jurisdiction, and includes the court of any Additional District Judge and any Civil judge whom the Provincial Government may appoint, by name or by virtue of his office, to perform concurrently with any such Principal Civil Court, all or any of the functions of the court under this Act, within any specified area. The expression "Court" does not include Collector.

Deputy Commissioner Malakand paid Rs 5,473,999 as 15% compulsory acquisition charges while acquiring land for different departments during financial year 2016-17. 15% Compulsory Acquisition Charges were allowed by the Deputy Commissioner/Collector who was not competent to allow the charges, only the court could award the said charges as required under section 23(2) of the Land Acquisition Act.

Furthermore, the Compulsory Acquisition Charges were allowed/paid at initial stage of land acquisition i.e. in the Awards and no written objection, obstruction, refusal or appeal regarding compensation of land was made to the Deputy Commissioner /Collector by the land owners. Detail is given at annexure-9.

The payment of 15% Compulsory Acquisition Charges was in violation of law, which resulted in loss of Rs 5,473,999 to Government.

The irregularity was pointed out to management in July 2017. Management stated that detailed reply would be furnished after scrutiny of record, however, no reply was furnished till finalization of this report.

Request for convening of DAC meeting was made in September 2017. However meeting of DAC could not be convened till finalization of this report.

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

AIR Para No. 01 AC-IV (2016-17)

1.2.2.8 Non supply of medical equipments-Rs 5.338 million

According to Supply orders dated 07/03/2017 and 08/5/2017, the supply be ensured within the period of 30 days for local items and 90 days for the imported equipments.

DHO Malakand placed orders for supply of various equipments costing Rs 5,338,000 during financial year 2016-17 but the supply was not made till the date of audit i.e. 15th August 2017. Detail is as under:

S#	Name of equipment	Name of supplier	Value (Rs)
1	Pulse Oximetre 5No.	M/S Sudais Associate Peshawar	325,000
2	ICU Ventilator 2No	M/S MED Express Lahore	4,348,000
3	Ultra Sound Machine	M/S Friends Peshawar	665,000
Total			5,338,000

Non supply of equipments was due to weak of internal control which resulted in delay of supply.

The irregularity was pointed out to management in August 2017. Management stated that detailed reply would be furnished after scrutiny of record, however, no reply was furnished till finalization of this report.

Request for convening of DAC meeting was made in September 2017. However meeting of DAC could not be convened till finalization of this report.

Audit stresses upon that the supply of equipments should be ensured besides imposition of penalty for late supply.

AIR Para No. 22 AC-IV (2016-17)

1.2.2.9 Non deposit of stamp duty-Rs 4.872 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.

Deputy Commissioner Malakand deducted 1% stamp duty for Rs 4,872,378 from the land owners while working out the awards for acquisition of land for different departments but did not deposit the same into the Government treasury. Detail is given at annexure-10.

Non deposit of the stamp duty was due to weak internal control which resulted in loss to Government.

The irregularity was pointed out to management in July 2017. Management stated that detailed reply would be furnished after scrutiny of record, however, no reply was furnished till finalization of this report.

Request for convening of DAC meeting was made in September 2017. However meeting of DAC could not be convened till finalization of this report.

Audit stresses upon deposit of the stamp duty in to the Government treasury.

AIR Para No. 05 AC-IV (2016-17)

1.2.2.10 Non disbursement of Polio Fund-Rs 3.426 million

According to para 95 of General Financial Rules volume I, 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.

DC Malakand received Rs 20,042,000 on account of Polio fund for 09 campaigns in the district out of which Rs 16,615,100 was shown surrendered as unspent balance whereas the balance amount of Rs 3,426,900 was shown spent on the polio campaigns during financial year 2016-17 but the amount was not actually utilized as it was still lying in the designated bank account till the date of audit i.e. July 2017.

Non disbursement was occurred due to weak internal control, which resulted in unauthenticity and may cause loss to government.

The irregularity was pointed out to management in July 2017. Management stated that detail reply would be given after verification of record. However, no reply was given till finalization of this report.

Request for convening of DAC meeting was made in December 2017. However meeting of DAC could not be convened till finalization of this report.

Audit stresses upon action against the person(s) at fault besides disbursement and justification.

AIR Para No. 18 AC-IV (2016-17)

1.2.2.11 Non deposit of 0.5% Registration fee-Rs 2.434 million

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

Deputy Commissioner Malakand deducted Rs 2,434,134 as 0.5% Registration fee on acquisition of land for different departments during financial year 2016-17 but did not deposit the same into the Government treasury. Detail is given at annexure-11.

Non deposit of the stamp duty was due to weak financial control which resulted in loss to Government.

The irregularity was pointed out to management in July 2017. Management stated that detailed reply would be furnished after scrutiny of record, however, no reply was furnished till finalization of this report.

Request for convening of DAC meeting was made in September 2017. However meeting of DAC could not be convened till finalization of this report.

Audit recommends deposit of the registration fee into the Government treasury.

AIR Para No. 07 AC-IV (2016-17)

1.2.2.12 Non deduction of Conveyance Allowance and House Rent Allowance from allottees of Government accommodations– Rs 2.379 million

According to Finance department letter No. FD/PRC/1-2/77 dated 16.05.1979 all Government servant not residing within their work premises, shall be allowed conveyance allowance.

District Health Officer Malakand allotted designated bungalows/quarters to the employees within the premises of concerned BHU but HRA and conveyance allowance of Rs 2,379,792 were not deducted from their pays during financial year 2016-17. Detail is given at annexure-12.

Non deduction of HRA and conveyance allowance occurred due to weak internal and financial control which resulted in loss to government.

The irregularity was pointed out to management in August 2017. Management stated that detail reply would be given after verification of record. However, no reply was given till finalization of this report.

Request for convening of DAC meeting was made in September 2017. However meeting of DAC could not be convened till finalization of this report.

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

AIR Para No. 40 AC-IV (2016-17)

1.2.2.13 Non recovery of unspent balance lying with PPHI-Rs 2.32 million

According to Government of Khyber Pakhtunkhwa Health Department letter No SOB-II/HD/4-29/2013-14/PPHI dated 01-12-2016, the unutilized amount lying with the DSM (District support Manager) of PPHI should be deposited under the relevant head as prescribed by Finance Department due to

end of agreement between Health department of Khyber Pakhtunkhwa and SRSP on 30th September 2016.

During audit of the District Health Officer Malakand for the financial year 2016-17, it was noticed that an amount of Rs 2,320,000 was lying unutilized with the District Support Manager PPHI Malakand at the time of expiry of agreement on 30.09.2016. Audit held that the amount was required to be deposited into government treasury under the relevant head which was not done and retained by DSM in PPHI Account.

Audit observed that non recovery of unspent balance was occurred due to weak internal control which resulted in loss to Government.

The irregularity was pointed out to management in August 2017. Management stated that detail reply would be given after verification of record. However, no reply was given till finalization of this report.

Request for convening of DAC meeting was made in September 2017. However meeting of DAC could not be convened till finalization of this report.

Audit stresses upon fixing responsibility on the person(s) at fault and recovery and deposit of the said amount into Government treasury.

AIR Para No. 28 AC-IV (2016-17)

1.2.2.14 Loss to government due to non-adjustment of Income Tax –Rs 2.306 million

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

XEN C&W Malakand awarded contracts of works “Construction of Judicial Lock up Malakand ADP 508/110131(2014-15)” and “Up gradation of GGHS Mekhband/ADP 253/140197” having estimated costs of Rs 9,999,000 and Rs 22,945,102 respectively during financial year 2016-17.

The contracts were awarded at MRS 2013, the rates were inclusive of 7% Income Tax. Adjustment of the tax was required to be made in PC-I which was not done. Thus, an overpayment of Rs 2,306,087 (7 % income tax) was made.

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

The irregularity was pointed out to management in December 2017. Management did not respond to the audit observation.

Request for convening of DAC meeting was made in December 2017. However meeting of DAC could not be convened till finalization of this report.

Audit recommends recovery of income tax amount from the contractors concerned.

AIR Para No. 21 AC-I (2016-17)

1.2.2.15 Loss to Government on account of non-deduction of Steel volume from RCC volume Rs – 2.200 million

According to para 209 (d) of CPWA Code provides, it is incumbent upon the person, responsible for measurements in the measurement book (MB), to record the correct and actual figures.

Mass (weight) can be converted into Volume as Mass divided by Density (Volume= Mass/ Density) and the standard density of Steel is 7850 Kg/M³. Similarly, the volume of 7.726 Ton of Steel is 1 M³.

Executive Engineer Communication and Works Malakand did not deduct steel volume from the volume of RCC (1:2:4) as the payment of steel is made

separate during execution of various developmental schemes. This resulted in a loss of Rs 2,200,137 to Government. Detail is given at annexure-13.

Non deduction of volume of steel was occurred due to weak internal control which resulted in loss to Government.

The irregularity was pointed out to management in December 2017. Management did not respond to the audit observation.

Request for convening of DAC meeting was made in December 2017. However meeting of DAC could not be convened till finalization of this report.

Audit stresses upon action against the person(s) at fault and recovery from the contractors concerned.

AIR Para No.18 AC-I (2016-17)

1.2.2.16 Overpayment of pay & allowances to TMOs-Rs 2.137 million

According to para 23 of GFR Vol.-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.

District Health Officer Malakand overpaid Rs 2,137,021 on account of pay & allowances to the Trainee Medical Officers (TMO) during their trainings in PGMI (Post Graduate Medical Institute) Peshawar. Audit held that payment of pay and allowances during TMO ship was unjustified because at the same time, the concerned doctors were also in receipt of stipend from PGMI. Payment of pay & allowances in addition to stipend simultaneously resulted in double drawl which needs to be recovered. Detail is as given below:

S. No	Pers. No	Name of doctor	Period of Double drawal	Amount (Pay & allowances) Rs.
1	658066	Dr. Ijaz Rahim Bilal	20.01.2015 to 30.04.2016	1,097,889

2	658518	Dr. Mohammad Suleman	01.01.2015 to 31.03.2016	941,584
3	657775	Dr. Muazzam Ali	01.08.2014 to 30.09.2016	97,548
Total				2,137,021

Double drawl of pay and allowances occurred due to weak internal control which resulted in loss to government.

The irregularity was pointed out to management in August 2017. Management did not respond to the audit observation.

Request for convening of DAC meeting was made in September 2017. However meeting of DAC could not be convened till finalization of this report.

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

AIR Para No. 44 AC-IV (2016-17)

**1.2.2.17 Loss to government due to non-adjustment of Income Tax –
Rs 1.755 million**

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

XEN PHE Malakand paid Rs 23,412,100 to the contractors in the ongoing scheme “Construction of Gravity based Water Supply Scheme for Batkhela Town from River Swat” during financial year 2016-17. The contracts were awarded at Composite Scheduled Rates (CSR) which were inclusive of Income Tax. Adjustment of the tax was required to be made but was not done. Thus, an overpayment Rs 1,755,910 (7.5% income tax) was made. Detail is given at annexure-14

Non adjustment of Income Tax was due to lack of interest for collection of Government revenue, which resulted in loss to the Government.

The irregularity was pointed out to management in September 2017. Management stated that detail reply would be submitted after scrutiny of the relevant record. No progress in the matter was intimated till finalization of this report.

Request for convening of DAC meeting was made in December 2017. However meeting of DAC could not be convened till finalization of this report.

Audit recommends recovery of income tax amount from the contractors concerned.

AIR Para No. 02 AC-I (2016-17)

1.2.2.18 Less deposit of OPD receipts Rs. 1.124 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.

District Health Officer Malakand realized receipts for Rs 13,828,842 during financial year 2016-17 from various health institutions but only Rs 12,704,743 were deposited into Government treasury causing less deposit of Rs 1,124,099. Detail is as given below:

S. No	Name of facility	Amount (Rs)
1	Tehsil Head Quarter Dargai	692,557
2	Category D Hospital Agra	9,077
3	Category D Hospital Thana	302,189
4	Civil Dispensary ZalamKot	53,976
5	Civil Dispensary Khadu	66,300
Total		1,124,099

Less deposit of receipts occurred due to weak internal and financial control which resulted in loss to government.

The irregularity was pointed out to management in August 2017. Management stated that detail reply would be given after verification of record. However, no reply was given till finalization of this report.

Request for convening of DAC meeting was made in September 2017. However meeting of DAC could not be convened till finalization of this report.

Audit stresses upon recovery and deposit of the same into Government treasury.

AIR Para No. 41 AC-IV (2016-17)

ANNEXURE

Annex-1

Detail of MFDAC Paras

(Rs in million)

S No	AIR No	Department	Caption of the Para	Amount	Remarks
1	2	DC Malakand	Unjustified advance payment on account of purchase of land	9.885	As per Deptt reply Mutation of land was in process
2	08	Do	Difference in payment of AC-IV between Bank and DAO figure	59.335	Later on, the difference in payment figure was reconciled during certification audit
3	09	Do	Irregular re-appropriation of funds	2.561	
4	12	Do	Unauthorized expenditure out of Net Hydly Share	1.25	
5	14	Do	Non maintenance of stock register		
6	15	Do	Overpayment of House Rent allowance	0.035	
7	16	Do	Unauthentic expenditure on account of entertainment charges	0.712	
8	17	Do	Non deposit of receipts of Domicile Certificates	0.120	
9	19	Do	Overpayment on account of transportation charges out of polio fund	0.711	
10	20	Do	Irregular retention of Polio fund	0.416	
11	21	Do	Non execution of schemes due to inefficiency of staff	8.120	
12	23	DHO Malakand	Non deduction of Income Tax on supply of equipment	0.148	
13	24	Do	Non submission of 8% performance security and 2% earnest money.	0.579	
14	25	Do	Irregular award of contract without Contract Execution Certificate and Agreement deed	5.897	As per department reply CEC & Agreement will
15	26	Do	Non deduction of Conveyance Allowance and Health Professional	0.612	

16	27	Do	Non-handing/taking over of Government's assets under the control of PPHI	0	
17	29	Do	Loss due to non-conversion of current account into PLS account	0	
18	30	Do	Unauthentic payment on account of POL of Dengue spray	1.27	
19	31	Do	Non supply of medicine	0.844	
20	32	Do	Non recovery of penalty for late supply of medicines	.179	
21	33	Do	Non deduction/non deposit of Income Tax	0.117	
22	34	Do	Unauthorized payment on account of transportation charges	0.187	
23	35	Do	Suspected non deposit of millions of Rupees on account of laboratory test fee.	0	
24	36	Do	Non deposit of training fees	0.214	
25	37	Do	Non deposit of ambulance receipts	0.639	
26	38	Do	Unauthorized payment of Pay & Allowances beyond sanctioned strength	0	
27	39	Do	Overpayment of Conveyance Allowance to allottees of official vehicles	0.486	
28	43	Do	Overpayment on account of advertisement charges	0.110	
29	47	PHE AC-IV	Overpayment due to allowing non BOQ item of work	0.400	
30	49	Do	Overpayment due to non-deduction of voids	0.179	
31	03	PHE AC-I	Non deposit of Income Tax and tender form fee	0.142	
32	04	Do	Non collection of Tender Form Fee	0.469	
33	05	Do	Loss to Government due to defective feasibility/Survey-	0.105	
34	06	Do	Unauthorized excess execution of items of work than BOQ	3.952	Excess execution will be covered in TS
35	09	Do	Unjustified drawal and doubtful execution of work	0.724	
36	11	Do	Overpayment due to unjustified payment for an item of work	0.314	
37	12	Do	Overpayment due to non-deduction of	0.737	

			voids		
38	14	Do	Non recovery of Professional Tax	0.616	
39	52	C&W Malakand AC-IV	Irregular payment for Non BOQ items	0.951	
40	53	Do	Unauthorized/irregular execution of work without Administrative Approval/PC-I	1.622	
41	54	Do	Unauthorized/irregular execution of work without Revised Administrative Approval and PC-I	1.500	
42	55	Do	Overpayment on account allowing excess quantity of steel	0.191	
43	58	Do	Wastage of Government resources/money due to non-utilization of road machinery	0	
44	26	AC-I	Non recovery of professional tax	0.599	
45	27		Loss to govt due to non-realization of annual rent from petrol pump		
46	28		Non deduction of DPR	0.008	
47	29		Less recovery of stamp duty	0.006	
48	31		Unauthorized provision of escalation in PC-I	0.381	
49	32	Do	Unjustified award of contract and doubtful/substandard execution of work	0.4162	
50	36	Do	Unauthorized award of works without the approval of competent authority	31.800	Department replied approval from the competent authority will be obtained
51	41	Do	Overpayment due to non-deduction of belloved amount	0.323	
52	42	do	Loss to Government due to allowing higher rates	0.176	
53	43	do	Whereabouts of dismantled material	0.742	
54	44	do	Unjustified payment for item of work supply of steel	0.173	
55	46	do	Overpayment due to non deduction of voids	0.378	

Annex-2**Para 1.2.1.1****Detail showing expenditure without Technical Sanction**

S. No	Name of Work	Name of Contractor	Estimated Cost Rs	Date of work Order	Total Expenditure Rs
1	Estd of boys college at Kot	Naveed Hussain	87,624,000	16-Jun-14	75,265,588
2	Stand of GGHSS Skhakot	Asmatullah & Brothers	105,489,701	24-Oct-16	65,825,113
3	Stand of GGHSS Kot	Royay Builders GC	85,549,737	5-Oct-16	50,350,290
4	Stan of 200 HSS. GHSS of Dheri Julagram	Abid Ali & Bros	25,588,851	10-Feb-17	8,474,869
5	Stand of 200HSS. GHSS of Ghani Dheri	JSC & Co. GC	49,881,429	30-Sep-16	7,050,051
8	Exam Hall of CMS thana	Glimmer Touch	8,047,095	29-Oct-15	3,710,814
11	Estb of 160 GPS, SH GGPS Songora Kot	Fazal Khaliq & Co	11,727,897	21-Aug-15	4,841,055
12	Upg of 50 MS to HS, SH GGMS Jalala	Asghar Ali Khan	12,500,000	22-May-15	6,867,852
13	Upg of 50 MS to HS, SH GPS Jarai Skhakot	Royal Builders GC	11,913,910	14-Jun-16	4,723,019
14	Upg of GGHS Dhery Alladand	Behre Karam & Sons	22,911,000	9-Oct-15	5,577,216
Total			939,170,620		232,685,867

Annex-3
Para 1.2.1.2

Detail of schemes executed without TS

S#	Name of scheme	Expenditure(Rs in Million)
1	WSS Narai Oba Jabagai. (PK-98)	3.207
2	WSS Musa Maina/GhaittyGhundai. (PK-98)	1.242
3	WSS Thana Chapai No.1 PK-99	1.207
4	WSS Moni Shah Kot (Replaced WSS Brah) (PK-98)	3.057
5	WSS GumbatSangina. (PK-99)	12.025
6	WSS DheriKandako. (PK-99)	8.857
7	WSS Trai. (PK-99)	6.588
8	Rehabilitation of Existing Old WSS Ghundo PK-98	0.986
9	Water Supply Scheme Khatkay Sharif Abad & Surrounding Area U/C Batkhela in PK-99.	4.839
10	Water Supply Scheme MaizaraRaqba Thana U/C	2.829
11	Water Supply Scheme Zini Kandaow and Nazir Abad	1.885
12	Sanitation Scheme at U/C Badraga in PK-98	5.363
13	Sanitation Scheme at U/C Hero Shah in PK-98.	3.660
14	Sanitation Scheme at U/C Totai in PK-98	1.781
15	Sanitation Scheme at Kot in PK-98	1.975
16	Sanitation Scheme at Koper in PK-98.	1.352
17	Sanitation Scheme at U/C Dargai in PK-98.	2.646
18	Sanitation Scheme at U/C Mehardai in PK-98.	2.028
19	WSS Parrawo PK-99	1.503
	Total	67.030

Annex-4
Para 1.2.1.3

Detail of non-surrender of savings

S #	Name of Scheme	Amount released/Received (Rs)	Amount of Award (Rs)	Saving (Rs)
1	Construction of Hero shah minor at Jabagai	240,000	214,073	25,927
2	Bazai Irrigation Scheme(inspection house) mauza Dobandai	7,330,065	951,893	
3	Bazai Irrigation Scheme(tunnel-2 inlet) mauza Wartair	-	1,088,824	
4	Bazai Irrigation Scheme(outlet) mauza Dobandai	-	694,513	
5	Bazai Irrigation Scheme(Wartair Disty) mauza Sorana	-	24,963	4,569,872
6	Establishment of Regional Training Institute Malakand at Batkhela	13,251,168	13,074,534	176,634
7	Construction of Gravity based water supply scheme Batkhela Town from river Swat	26,320,000	11,197,271	15,122,729
	Total	47,141,233	27,246,071	19,895,162

Annex-5
Para 1.2.1.6

Detail showing the amount lying in PW Deposit-III

Item No.	Name of Work	Sponsor	Period	Amount (Rs)
7/9	Repair of village Nal road Thana	DCO Malakand	6/2010	24,849
8/10	Repair for PF 18	DCO Malakand	6/2010	312,736
9/11	Up-gradation of GPS	Project Director Peshawar	12/2011	300
10/12	CMD construction of roads	DCO Malakand	12/2011	2,023,870
11/13	Balanced amount of land for recons. Of road from Batkhela to Badwan	DOR Dir Lower	01/2013	662,245
12/14	Pavement of street under CMD 2012- 13	DC Malakand	02/2013	419,904
13/15	Cons. Of Ziarat of Malik Ahmad Khan Baba Alladand	DC Malakand	03/2013	1,251,720
Total				4,695,624

Annex-6

Para 1.2.2.1

Detail of Non-imposition of penalty for late completion of schemes

S. No	Name of Work	Name of Contractor	Estimated Cost Rs	Date of work Order	Req. Date of Completion	Expenditure Rs	Status of the scheme	Penalty @ 10 % (Rs)
1	Estd of boys college at Kot	Naveed Hussain	87,624,000	16-Jun-14	16-Jun-16	75,265,588	In Progress	8,762,400
2	Stand of GGHSS Skhakot	Asmatullah & Brothers	105,489,701	24-Oct-16	30-Jun-17	65,825,113	do	10,548,970
3	Stand of GGHSS Kot	Royal Builders GC	85,549,737	5-Oct-16	30-Jun-17	50,350,290	do	8,554,974
4	Imp. And Stand of DHQ Batkhela	Ismael Cons Co.	517,937,000	31-Jan-13	30-Jun-15	502,078,765	do	51,793,700
5	Stan of 200 HSS. GHSS of Dheri Julagram	Abid Ali & Bros	25,588,851	10-Feb-17	30-Jun-17	8,474,869	do	2,558,885
6	CMD Street pavement at Palai	Muhammad Isra GC	1,527,995	13-May-16	13-Jan-17	1,594,566	do	152,800
7	Stand of 200HSS. GHSS of Ghani Dheri	JSC & Co. GC	49,881,429	30-Sep-16	30-Jun-17	7,050,051	do	4,988,143
8	Cons of roads at Kutway Bala	Israr Muhammad & sons	3,938,273	12-Apr-16	12-Feb-17	4,546,397	do	393,827
9	ADP No. 762/150/720 at UC Thana Bandajat	Roidar Muhammad Khan & Brother	4,099,550	26-May-16	26-Nov-16	4,724,004	do	409,955
10	Exam Hall of CMS thana	Glimmer Touch	8,047,095	29-Oct-15	29-Aug-16	3,710,814	do	804,710
11	Estb of 160 GPS, SH GGPS	Fazal Khaliq & Co	11,727,897	21-Aug-15	21-Oct-16	4,841,055	do	1,172,790

	Songora Kot							
12	Upg of 50 MS to HS, SH GGMS Jalala	Asghar Ali Khan	12,500,000	22- May- 15	22-May-16	6,867,852	do	1,250,000
13	Upg of GGHS Dhery Alladand	Behre Karam & Sons	22,911,000	9-Oct- 15	9-Apr-17	5,577,216	do	2,291,100
Total			936,822,528			740,906,580		93,682,254

Annex-7
Para 1.2.2.2

Detail of penalty for late completion of schemes

S#	Name of scheme	Estimated Cost (Rs)	Date of completion as per Work Order	Date of actual completion	Penalty @ 10% (Rs)
1	Sanitation Scheme at U/C Dargai	2,396,000	25.04.2017	In progress on 30.6.2017	239,600
2	District ADP Package 9	4,275,000	30.6.2017	In progress on 30.6.2017	427,500
3	WSS SadiqainKalaySakhakot.	7,950,000	02.3.2017	In progress on 30.6.2017	795,000
4	WSS Trai.	8,356,000	02.3.2017	In progress on 30.6.2017	835,600
5	District ADP Package 3	7,930,000	29.6.2017	In progress on 30.6.2017	793,000
6	District ADP Package 4	4,970,000	03.7.2017	In progress on 30.6.2017	497,000
7	District ADP Package 2	6,900,000	29.6.2017	In progress on 30.6.2017	690,000
8	District ADP Package 1	5,966,000	3.7.2017	In progress on 30.6.2017	596,600
9	WSS Dherai Kandako	14,545,000	4.5.2017	In progress on 30.6.2017	1,454,500
10	WSS Kharkai	4,745,000	24.05.2017	In progress on 30.6.2017	474,500
11	WSS Spankharo	2,633,000	21.04.2017	In progress on 30.6.2017	263,300
12	WSS Khataikai Sharif Abad	17,008,000	25.7.2017	In progress on 30.6.2017	1,700,800
13	WSS Selai Patay	4,326,000	2/5/2017	In progress on 30.6.2017	4,277
14	WSS Gumbat Sangina	1,594,000	4.6.2017	In progress on 30.6.2017	159,400
15	WSS Aratonasha	11,097,457	2.3.2017	In progress on 30.6.2017	1,109,746
16	WSS Thana Chapai	1,759,000	2.8.2016	In progress on 30.6.2017	175,900

17	WSS Narai Oba	11,390,000	1.3.2017	In progress on 30.6.2017	1,139,000
18	WSS Old Sakhakot	5,041,000	1.3.2017	In progress on 30.6.2017	504,100
19	Construction of Gravity based water supply scheme from river Swat to Batkhela Town <u>PACKAGE NO.I</u>	145,822,252	Extension granted upto 19.01.2015	28.2.2017 as per PC-IV	14,582,225
20	Construction of Gravity based water supply scheme from river Swat to Batkhela Town <u>PACKAGE NO.II</u>	138,595,149	Extension granted upto 19.01.2015	28.2.2017 as per PC-IV	13,859,514
21	Construction of Gravity based water supply scheme from river Swat to Batkhela Town <u>PACKAGE NO.III</u>	138,830,139	Extension granted upto 27.01.2015	28.2.2017 as per PC-IV	13,883,013
22	Construction of Gravity based water supply scheme from river Swat to Batkhela Town <u>PACKAGE NO.IV</u>	84,263,494	Extension granted upto 31.10.2014	28.2.2017 as per PC-IV	8,426,349
23	Construction of Gravity based water supply scheme from river Swat to Batkhela Town TREATMENT PLANT	83,191,104	Extension granted upto 30.06.2014	28.2.2017 as per PC-IV	8,319,110
Total					70,930,034

Annex-8
Para 1.2.2.6

Detail of 2% Property Tax

S#	Name of Scheme	Award(inclusive of cost of land and trees) (Rs)	2% Property Tax (Rs)
1	Purchase of land for graveyard at Badraga	2,732,000	52,800
2	Construction of Hero shah minor at Jabagai	214,073	4,198
3	Construction of Rangmala irrigation scheme in Malakand at Moza Piran	18,334,680	312,819
4	Irrigation scheme palai minor-4 Award N0.30	16,830,488	328,400
5	Irrigation scheme palai minor-5 Award N0.29	1,286,550	25,731
6	220KV Grid station at Thana	517,447,728	8,368,816
	Total	556,845,519	9,092,764

Annex-9
Para 1.2.2.7

Detail of overpayment on account of 15% compulsory land acquisition charges

S#	Name of scheme	Cost of the land (inclusive) (Rs)	15% compulsory charges (Rs)
1	Bazai Irrigation Scheme(inspection house) mauza Dobandai	951,823	122,325
2	Bazai Irrigation Scheme(tunnel-2 inlet) mauza Wartair	1,088,824	139,921
3	Bazai Irrigation Scheme(outlet) mauza Dobandai	695,513	89,250
4	Bazai Irrigation Scheme(Wartair Disty) mauza Sorana	24,963	3,208
5	Construction of Hero shah minor at Jabagai	214,073	27,375
6	Construction of Gravity based water supply scheme Batkhela Town from river Swat	11,197,271	1,040,400
7	Construction of Rangmala irrigation scheme in Malakand at Moza Piran	18,334,680	2,346,146
8	Establishment of Regional Training Institute Malakand at Batkhela	13,074,534	1,705,374
	Total	45,581,681	5,473,999

Annex-10
Para 1.2.2.9

Non deposit of 1%stamp duty

S#	Name of Scheme	Total Award Rs	1% Stamp Duty Rs	
1	purchase of land for graveyard Qurash kalli Badraga	1,000,000	10,000	
2	purchase of land for graveyard at Badraga	2,732,000	26,400	
3	Bazai Irrigation Scheme(inspection house) mauza Dobandai	951,823	9,379	
4	Bazai Irrigation Scheme(tunnel-2 inlet) mauza Wartair	1,088,824	10,727	
5	Bazai Irrigation Scheme(outlet) mauza Dobandai	694,513	6,842	
6	Bazai Irrigation Scheme(Wartair Disty) mauza Sorana	24,963	245	
7	purchase of land for graveyard Bazar	1,000,000	10,000	
8	purchase of land for graveyard at Kurkaman banda	500,000	5,000	Rs 78593/ Deducted
9	Construction of Hero shah minor at Jabagai	214,073	2,141	
10	Construction of Gravity based water supply scheme Batkhela Town from river Swat	11,197,271	111,973	
11	Construction of Rangmala irrigation scheme in Malakand at Moza Piran	18,334,680	183,347	
12	Establishment of Regional Training Institute Malakand at Batkhela	13,074,534	130,745	
13	Irrigation scheme palai minor-4 Award N0.30	16,830,488	168,305	Not Deducted
14	Irrigation scheme palai minor-5 Award N0.29	1,286,550	12,866	
15	220KV Grid station at Thana	517,447,728	4,184,408	Deducted
	Total		4,872,378	

Annex-11
Para 1.2.2.11

Detail of non-deposit of 0.5% Registration fee

S#	Name of Scheme	Total award Rs	0.5%Registrati on Fee Rs
1	Purchase of land for graveyard Qurash kalli Badraga	1,000,000	5,000
2	Purchase of land for graveyard at Badraga	2,732,000	13,200
3	Bazai Irrigation Scheme(inspection house) mauza Dobandai	951,823	4,689
4	Bazai Irrigation Scheme(tunnel-2 inlet) mauza Wartair	1,088,824	5,364
5	Bazai Irrigation Scheme(outlet) mauza Dobandai	694,513	3,421
6	Bazai Irrigation Scheme(Wartair Disty) mauza Sorana	24,963	122
7	purchase of land for graveyard Bazar	1,000,000	5,000
8	purchase of land for graveyard at Kurkaman babnda	500,000	2,500
9	Construction of Hero shah minor at Jabagai	214,073	1,070
10	Construction of Gravity based water supply scheme Batkhela Town from river Swat	11,197,271	55,986
11	Construction of Rangmala irrigation scheme in Malakand at Moza Piran	18,334,680	91,673
12	Establishment of Regional Training Institute Malakand at Batkhela	13,074,534	65,373
13	Irrigation scheme palai minor-4 Award N0.30	16,830,488	82,100
14	Irrigation scheme palai minor-5 Award N0.29		6,432
15	220KV Grid station at Thana	517,447,728	2,092,204
	Total		2,434,134

Annex-12

Para 1.2.2.12

Detail of non-deduction of HRA and Conveyance allowance

P. No	Name	Designation	HRA	Total HRA (Rs)	Conveyance allowance (Rs)	Total Conv (Rs)	Total for 12 months (Rs)
1	Dr. AsadUllah Khan	MO	2,955	35,460	5,000	60,000	95,460
2	Syed Mohammad	MT	1,306	15,672	2,856	34,272	49,944
3	Ashraf Ali	MT	1,306	15,672	2,856	34,272	49,944
4	Dr. Waqar Muhammad	MO	2,955	35,460	5,000	60,000	95,460
5	Amir Muhammad Khan	MT	1,306	15,672	2,856	34,272	49,944
6	NaheedQamar	LHV	1,306	15,672	2,856	34,272	49,944
7	Sherakhtar	Chowkidar	891	10,692	1,932	23,184	33,876
8	KaleemUllah	MT	1,306	15,672	2,856	34,272	49,944
9	Dr. usman Khan	MO	2,955	35,460	5,000	60,000	95,460
10	Mukhtiar Ali	MT	1,306	15,672	2,856	34,272	49,944
11	Musarrat begum	LHV	1,306	15,672	2,856	34,272	49,944
12	Naqeeb khan	Chowkidar	891	10,692	1,932	23,184	33,876
13	Dr. amirzeb	MO	2,955	35,460	5,000	60,000	95,460
14	GulKarim	MT	1,306	15,672	2,856	34,272	49,944
15	Saddam Hussain	MT	1,306	15,672	2,856	34,272	49,944
16	Dr. Fakhreamin	MO	2,955	35,460	5,000	60,000	95,460
17	Shafiq Ur Rahman	MT	1,306	15,672	2,856	34,272	49,944
18	Nasreen	FMT	1,306	15,672	2,856	34,272	49,944
19	Qaisar sultan	Chowkidar	891	10,692	1,932	23,184	33,876
20	Kharkidheri	MO	2,955	35,460	5,000	60,000	95,460
21	-do	MT	1,306	15,672	2,856	34,272	49,944
22	Hazratyousaf	MT	1,306	15,672	2,856	34,272	49,944
23	Dradinaamir	MO	2,955	35,460	5,000	60,000	95,460
24	Fazliamin	MT	1,306	15,672	2,856	34,272	49,944
25	Ruqayya begum	LHV	1,306	15,672	2,856	34,272	49,944
26	Ali Haidar	Chowkidar	891	10,692	1,932	23,184	33,876
27	DrMazhar Ali	MO	2,955	35,460	5,000	60,000	95,460
28	RahatGul	MT	1,306	15,672	2,856	34,272	49,944
29	Dr. Amjad	MO	2,955	35,460	5,000	60,000	95,460
30	Tariq anwar	MT	1,306	15,672	2,856	34,272	49,944
31	Tasleem Begum	LHV	1,306	15,672	2,856	34,272	49,944
32	Dr. Kareem Ullah	MO	2,955	35,460	5,000	60,000	95,460

33	Dawar Khan	MT	1,306	15,672	2,856	34,272	49,944
34	Shamimara	FMT	1,306	15,672	2,856	34,272	49,944
35	Dr. riffatSadiq	MO	2,955	35,460	5,000	60,000	95,460
36	Riaz Muhammad	MT	1,306	15,672	2,856	34,272	49,944
37	Dr. Ashfaqahmad	MO	2,955	35,460	5,000	60,000	95,460
38	Ghulam Akbar	FMT	1,306	15,672	2,856	34,272	49,944
							2,379,792

Annex-13

Para 1.2.2.15

Detail of non-deduction of steel volume from RCC

S. No	Name of Work	Vr. No/ Dated	Rate of RCC in (M ³)	Steel Weight (Ton)	Steel Volume in M ³	Cost of Steel Volume (Rs)
			1	2	3	4
			-	-	(Column 2/7.726*)	(1X3)
1	DHQ Hospital Batkhela	1-M/2-06-2017	6,620	1270.151	164.40	1,088,379
2	Estd. Of Govt. college at Kot	12-D/6-06-2017	7,500	319.138	41.31	309,803
3	Stand. Of high school 267/150145	10-D/6-06-2017	7,832	173	22.39	175,370
4	Estd. Of GGPS Randa Banda	8-D/6-6-2017	7,600	16.49	2.13	16,221
5	Estd of 160 PS GGPS Malik	3-D/1-6-2017	7,500	21.4	2.77	20,774
6	Cons. Of GHS 1 Alla Dand	2-D/1-6-2017	7,299	41.33	5.35	39,046
7	Upgradation of PS to MS	10-D/25-1-2017	6,879	22.4	2.90	19,944
8	GGHSS Sakhakot	8-D/18-1-2017	9,662	41.131	5.32	51,436
9	GGPS Koper	2-D/16-1-2017	7,300	25.9	3.35	24,472
10	CMS Thana	1-B/16-1-2017	8,000	17.75	2.30	18,379
11	GBS Colny Thana	33-M/26-1-2017	8,000	17.35	2.25	17,965
12	GGHS Khar	33-M/25-1-2017	9,000	63.87	8.27	74,402
13	GMPS Shagai Perkhail	22-M/20-1-2017	8,400	25.52	3.30	27,746
14	GGPS Kama Agra	19-M/19-1-2017	8,821	18.56	2.40	21,190
15	GGHSS Sakhakot/ 21-6-2016	56-D/21-6-2017	7,832	115.2	14.91	116,778
16	Girls Degree College Dargai	53-D/21-6-2017	6,500	28.17	3.65	23,700
17	GHSS Ghani Deri	47-D/21-6-2017	10,818	61.586	7.97	86,233
18	GGPS Dargai	39-D/19-6-2017	7,600	43.224	5.59	42,519
19	GGMS Ghundo Bala	19-D/12-6-2017	6,500	30.64	3.97	25,778
Total						2,200,137

* According to calculations 7.726 Ton steel contains 1 Cubic Meter volume

Annex-14**Para 1.2.2.17****Detail of non-adjustment of Income Tax**

Sub head	Payment (Rs)	7.5% Income Tax (Rs)
PACKAGE NO.I	11,734,400	880,080
PACKAGE NO.III	1,438,800	107,910
PACKAGE NO.IV	542500	40,688
TREATMENT PLANT. (Slow sand filter & allied work.	4,459,900	334,493
Staff Quarter/Store Room.	250900	18,818
Sub Head: - Intake Structure work.	158500	11,888
ROAD MAINTENANCE.	433300	32,498
FLOOD PROTECTION WORK.	184100	13,808
ESCALATION	2463300	184,748
COMPOUND WALL.	776700	58,253
Pre-Fabrication Plant.	400000	30,000
Chlorination of Plant House.	200000	15,000
Supply & Installation of Pumping Machinery.	370000	27,750
Total	23,412,100	1,755,910