



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

**AUDIT YEAR 2017-18**

**AUDITOR GENERAL OF PAKISTAN**

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## ABBREVIATIONS AND ACRONYMS

ADP	Annual Development Program
AIR	Audit and Inspection Report
AP	Advance Para
BHU	Basic Health Unit
BOK	Bank of Khyber
BOQ	Bill of Quantity
B&R	Building & Road
CPEC	China Pakistan Economic Corridor
CTR	Central Treasury Rules
C&W	Communication and Works
CPWA	Central Public Works Accounts
CPWD	Central Public Works Department
DC	Deputy Commissioner
DAC	Departmental Accounts Committee
DAC	District Accounts Committee
DDO	Drawing and Disbursing Officer
DEO	District Education Officer
DHO	District Health Officer
DSM	District Support Manager
ECE	Early Childhood Education
EPA	Environmental Protection Agency
GFR	General Financial Rules
GPS	Government Primary School
HRA	House Rent Allowance
IPC	Interim Payment Certificate
IPSAS	International Public Sector Accounting Standards
KM	Kilometer
LGA	Local Government Act
LGE&RD	Local Government, Election & Rural Development

MB	Measurement Book
MFDAC	Memorandum for Department Accounts Committee
MOU	Memorandum of Understanding
MRS	Market Rate System
NAM	New Accounting Model
PAC	Principal Accounting Officer
PAO	Principal Accounting Officer
PC-I	Planning Commission One
PHE	Public Health Engineering
PTC	Parent Teacher Council
RDA	Regional Directorate Audit
SDEO	Sub District Education Officer
TORs	Terms of Reference
WBM	Water Bound Macadam
WSS	Water Supply Scheme
XEN	Executive Engineer

## **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 Local Government Act 2013 require the Auditor-General of Pakistan to conduct audit of the receipts and expenditure of each District Government.

The report is based on audit of the accounts of various offices of District Government, Mansehra 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. In all cases where the PAO does not initiate appropriate action, the audit observations 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. DAC meetings were not be convened inspite of 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 the 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 Abbottabad, on behalf of the Director General Audit, District Governments, Khyber Pakhtunkhwa, carried out the audit of six Districts namely Abbottabad, Haripur, Mansehra, Battagram, Kohistan and Tor Ghar.

The Regional Directorate has a human resource of thirteen officers and staff with a total of 3,250 man-days. The annual budget amounting to Rs 16.695 million was allocated to the office during Audit Year 2017-18. The office is mandated to conduct regularity (financial attest audit and compliance with authority audit) and performance audit of programs/ projects.

District Government, Mansehra 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 two hundred & five departments in District Mansehra out of which the accounts of five departments were examined in detail. These departments were selected for detailed audit by excluding the last year audited entities keeping in view the available man days.

The total expenditure of the District Government Mansehra for the Financial Year 2016-17, was Rs 7,913.388 million. Out of this, RDA Abbottabad audited an expenditure of Rs 2,011.223 million which, in terms of percentage, was 25.42% of auditable expenditure. The receipts of District Government Mansehra, for the Financial Year 2016-17, were nil.

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

Recovery of Rs 86.892 million was pointed out during the audit. Out of the total recoveries pointed out, Rs 16.892 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 Mansehra with respect to their functions, control structure and key controls. This helped auditors in understanding the systems, procedures, environment, of 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, 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 District Government.

**f. Key audit findings of the report;**

- i. Irregularity & Non-compliance of Rs 2,970.035 million were noticed in fifteen cases<sup>1</sup>.
- ii. Internal Control Weakness of Rs 214.536 million was noticed in four cases<sup>2</sup>.

**g. Recommendations**

- i. Compliance with authority should in variably be ensured and practice of violation of rules and regulations in spending public money should be stopped. Inquiries need to be held to fix responsibility for losses, over and irregular payments.
- ii. Strenuous efforts need to be made by the departments to recover penalties, taxes and water charges
- iii. HRA from employees residing in Government accommodation should immediately be recovered and deposited into Government treasury, besides action against the person(s) at fault.
- iv. Departments need to strengthen internal controls mechanisms to ensure that lapses of the kind reported in this audit report are preempted and fair value for money is obtained from public spending.

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<sup>1</sup> Para 1.2.1.1, 1.2.1.2, 1.2.1.4, to 1.2.1.8, 1.2.1.10 to 1.2.1.12, 1.2.1.14, 1.2.1.17, 1.2.1.18. 1.2.1.21, 1.2.2.2

<sup>2</sup> Para 1.2.2.13, 1.2.2.15, 1.2.16, 1.2.2.5



## 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	7,913.388	-	7,913.388
2	Total formations in audit jurisdiction	205	7,913.388	-	7,913.388
3	Total Entities (PAO) Audited	01	2,011.223	-	2,011.223
4	Total formations Audited	05	2,011.223	-	2,011.223
5	Audit & Inspection Reports	05	2,011.223	-	2,011.223
6	Special Audit Reports	-	-	-	-
7	Performance Audit Reports	-	-	-	-
8	Other Reports	-	-	-	-

### II: Audit Observations classified by Categories

(Rs in million)

S. No.	Description	Amount Placed under Audit Observation
1.	Unsound asset management	55.000
2.	Weak financial management	137.840
3.	Weak Internal controls	240.133
4.	Others	2,838.490
	<b>Total</b>	<b>3,271.463</b>

### 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		782.847	-	1,228.376	2,011.223	1,379.608
2.	Amount Placed under Audit Observation / Irregularities of Audit		711.366	-	2,560.097	3,271.463	540.076
3.	Recoveries Pointed Out at the instance of Audit		12.171	-	74.721	86.892	63.215
4.	Recoveries Accepted /Established at the instance of Audit	-	-	-	-	-	-
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	2,970.035
2.	Reported cases of fraud, embezzlement, thefts and misuse of public resources.	0
3.	Accounting Errors (accounting policy departure from NAM <sup>3</sup> , 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 weaknesses of internal control systems.	214.536
5.	Recoveries and overpayment, representing cases of established overpayment or misappropriations of public monies	0
6.	Non-production of record	0
7.	Others, including cases of accidents, negligence etc.	0
	<b>Total:</b>	<b>3,271.463</b>

#### V: Cost benefit Ratio

(Rs in million)

S. No.	Description	Amount
1.	Outlays Audited (item 1 of Table 3)	2,011.223
2.	Expenditure on audit	0.225
3.	Recoveries realized at the instance of audit	0
	Cost-Benefit Ratio	-

<sup>4</sup>The Accounting Policies and procedures prescribed by the Auditor General of Pakistan which are IPSAS (Cash).

## CHAPTER-1

### 1.1 District Government, Mansehra

#### 1.1.1 Introduction

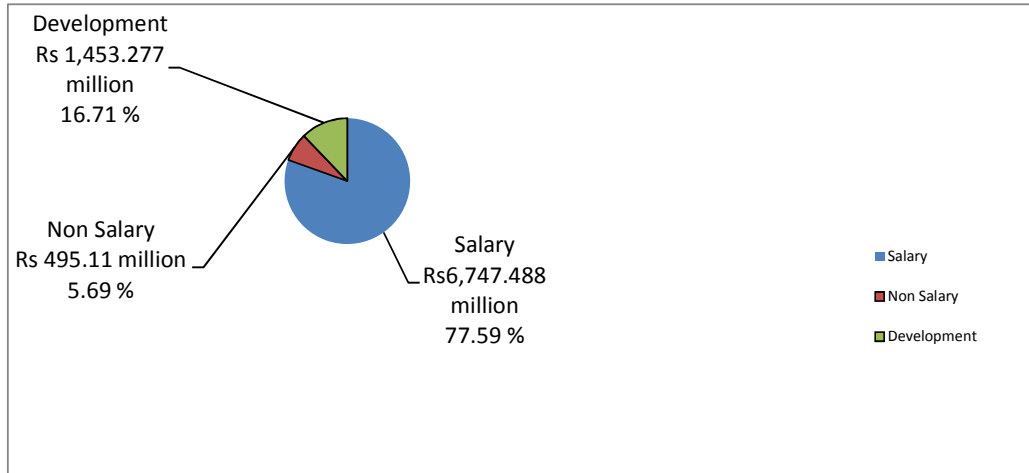
Activities of District Government are managed through offices of Deputy Commissioner and District Officers under Khyber Pakhtunkhwa Local Government Act 2013 (LGA 2013). Each group of District Offices consists of District Officer (DO). The DO by means of a standing order distributes the work among the officers, branches, and/or sections of each district office. The offices which manage the activities of District Government are Deputy Commissioner (DC), XEN C&W, XEN Public Health, District Officers Agriculture, Education, Health, Water Management, Fisheries, Population Welfare, LGE & RDD, Sports, Enterprises & Investment Promotion, Live Stock & DD, 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	Excess/(Saving)	%age
Salary	7,862.765	6,747.488	(1,115.277)	(14.18)
Non Salary	496.000	495.110	(0.89)	(0.18)
Developmental Account – IV	671.000	670.790	(0.21)	(0.03)
Developmental Account – I	782.847	782.487	0	0
<b>Total</b>	<b>9,812.612</b>	<b>8,695.875</b>	<b>(1,116.377)</b>	<b>(14.66)</b>
Receipts	0	0	0	

The savings of Rs 1,116.377 million indicate inefficiency in the capacity of District Government Departments to utilize the amounts allocated.



### 1.1.3 Brief comments on the status of Compliance with PAC/ZAC Directives

The audit reports on the accounts of District Government Mansehra under LGA 2013 have not yet been discussed in PAC.

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

## **1.2 AUDIT PARAS**

### **1.2.1 Irregularity & Non-Compliance**

#### **1.2.1.1 Irregular execution of work without TS – Rs 166.640 million**

Para 178 of GFR Vol-I & Para-56 of CPWD Code provides that the work must not be started/ executed without technical sanction.

XEN PHE Mansehra incurred expenditure Rs 166.640 million on various developmental schemes during 2016-17 while technical sanctions were not accorded by the competent authority. Detail is given at Annexure -2.

Unauthorized payment occurred due to weak internal 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.

Irregularity was pointed out to the management in August 2017, management stated that detailed reply would be furnished after consultation of record. However, no reply was furnished till finalization of this report.

Request for convening DAC meeting was made in November 2017, however meeting of DAC could not be 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 Para No 15 PHE Mansehra 2016-17)**

#### **1.2.1.2 Non imposition of penalty for incomplete schemes - Rs 3.446 million**

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

XEN PHE Mansehra failed to impose penalty of Rs 3.446 million @ 10% of the estimated cost of Rs 34.457 million of three (03) schemes which were not completed in stipulated time period. Detail is given as under;

**Rs in million**

<b>Name of Scheme</b>	<b>Date of commencement</b>	<b>Due date of completion</b>	<b>Actual completion</b>	<b>Delay period</b>	<b>Bid cost</b>	<b>Penalty @ 10%</b>
WSS Janglian	21/4/2015	21.4.2016	12.6.2017	14months	12.051	1.205
WSS Salar chulandrian Phase-I	19/5/2015	19.5.2106	19.8.2016	3months	19.977	1.998
WSS Mangal Balakot	21/3/2016	21.3.2107	13.6.2107	3months	2.429	0.243
<b>Total</b>					<b>34.457</b>	<b>3.446</b>

Non-imposition of penalty occurred due to violation of rules, which resulted in loss to Government.

The Irregularity was pointed out in August 2017. Management stated that detail reply would be given after consulting the record. However, no progress was shown till finalization of this report.

Request for DAC meeting was made in November 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 penalty.

**(AIR Para No 14 PHE Mansehra 2016-17)**

**1.2.1.3 Non-deduction of sales tax and deposit of 1/5 thereof for supply of pipe – Rs 1.116 million**

- i. The sales tax special procedure (withholding) rules, 2007 issued vide Notification No. S.R.O. 660(I)/2007, dated 30th June, 2007 para (2) provides that a withholding agent, shall deduct an amount equal to one fifth of the total sales tax shown in the sales tax invoice issued by a registered person.

- ii. Government of Pakistan, Collectorate of Sales Tax & Federal Excise letter No.ST(Tech)Misc.Purchase.06/6097 dated 10/10/2006 provides that there is no sales tax on services of repair and Fixation of Pipes etc, however the material used in such services are chargeable to sales tax.

XEN PHE Mansehra paid Rs 32,827,451 to seven contractors till 30.06.2017 for provision of pipes. No other work i.e. extraction stacking and excavation was carried out. Sales tax of Rs 5,580,668 (Rs 32,827,451 x 17 %) was required to be deducted and Rs 1,116,134 (Rs 5,580,668 x 1/5) on account of 1/5 of deducted sales tax was required of be deposited which was not done. Detail is given at Annexure-3.

Audit is of the view that undue favour was extended to the contractor due to non-deduction/ recovery and deposit of 1/5 of sales tax. Chances of personal interest cannot be ruled out.

Irregularity was pointed out to management in August, 2017. Management stated that detail reply would be submitted after checking of relevant record. However no progress was shown till finalization of this report.

Request for convening DAC meeting was made in November 2017, however meeting of DAC could not be convened till finalization of this report.

Audit suggests action against the person(s) at fault and recovery of taxes.

**(AIR Para No 06 PHE Mansehra 2016-17)**

#### **1.2.1.4 Wasteful expenditure due to dispute and refusal by owner of source – Rs 55.935 million**

Para 23 of GFR Vol-I requires that every Government Officer should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other government officer.



XEN PHE Mansehra paid Rs 55,934,742 for construction of gravity based WSS Saldar Chalundrian to M/s Aurangzeb & Sons during 2016-17. The source is 22 kilometer away from storage tank in District Battagram at Balja area.

Following shortcomings were observed:

- i. Feasibility study a pre requisite was not available to ascertain the availability of water for the whole year and 22 km long pipe line passing through prosperities of various land owners.
- ii. Qomi Mahaz Battagram created dispute and approached court for stopping the water supply scheme on 02.11.2015. The District Judge Battagram granted stay on 16.12.2016 which was vacated on 06.02.2017 with direction to pursue case in trial court.
- iii. Court appointed commission to ascertain the complaint and commission in its report dated 07.04.2017 stated that water source is located in Katha Bach at Khasra No. 2164 instead of Khasra No. 1584 in Katha Balja.
- iv. The agreement with Mr. Muhammad Faiz Khan & Ayaz Khan owner of source at Katha Balja at Khasra No. 1584 was made without proper demarcation of area and confirmation from revenue record.
- v. The actual owners (Khasra No 2164) as per commission report did not agree to provide water through pipeline as this is seasonal water available in melting season. The local inhabitant uses water and it is enough only for local use.
- vi. Commission reported that they tried to patch up the matter but in vain.

It was further noticed that an amount of Rs 37,434,329 was paid during court case w.e.f. 02.11.2015 till 08.09.2016.

Audit is of the view that expenditure incurred so far due to non-availability of feasibility study, non-settlement of dispute, refusal by actual land owner and the most important without assurance of availability of water throughout the year was termed wasteful.

Wasteful expenditure occurred due to weak administrative control which resulted into loss to Government.

The irregularity was pointed out to the management in August 2017, management stated that detail reply will be submitted after checking of relevant record. However no progress was shown till finalization of this report.

Request for convening DAC meeting was made in November 2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends investigation and recovery under intimation to audit.

**(AIR Para No 07 PHE Mansehra 2016-17)**

**1.2.1.5 Non-energization of water supply schemes since 2013 – Rs 6.974 million**

According to the government of Khyber Pakhtunkhwa PHE department letter No. 11/G-10/PHE (N) dated 04-04-2016, water supply schemes should be energized without further delay.

XEN PHE Mansehra paid Rs 6,973,780 for energization of 07 water supply schemes upto November 2016. Poles was installed on two out of seven but not energized so far. Detail is given at Annexure-4.

Moreover, proper estimates were not framed to avoid the extraordinary delay. People were deprived of drinking water and on the other hand cost of these equipments/ transformers were increased with passage of time and price hike.

Audit is of the view that benefits from these schemes were delayed despite payments sine long but also caused loss to government regarding revenue generation due to poor estimation and lack of interest.

The irregularity was pointed out to the management in August 2017, management stated that detail reply will be submitted after checking of relevant record. However no progress was shown till finalization of this report.

Request for convening DAC meeting was made in November 2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends inquiry and earliest energization of schemes.

**(AIR Para No 08 PHE Mansehra 2016-17)**

**1.2.1.6 Undue favour to consultant due to payment against expired performance guarantee - Rs 5.424 million**

Contract clause (liabilities of the consultant) 4 provides that the consultant shall furnish performance security equal to ten percent (10 %) of the contract cost in the form of insurance guarantee issued by AA rating insurance company in favour of client for completion of services.

XEN C&W Division Mansehra made an agreement for consultancy services with M/s NesPak for feasibility study to assess the infrastructure, detail design and supervision of 200 higher secondary schools in KPK on 14.03.2016. The consultant provided Performance bank guarantee of Rs 20.936 million for a period of two years with effect from 01.09.2015 to 28.02.2017. Local office paid second running bill of Rs 5.424 million to consultant vide cheque No 681270, dated 22.06.2017 after expiry of the guarantee.

Audit is of the view payment to consultant on expired performance guarantee was undue favour at the cost of public exchequer and violation of contract agreement.

The irregularity was pointed out to the management in November 2017, management stated that detail reply would be given after consulting the record. However no progress was shown till finalization of this report.

Request for convening DAC meeting was made in November 2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends that responsibility may be fixed on person at fault under intimation to audit.

**(AIR Para No 11 C&W Mansehra 2016-17)**

**1.2.1.7 Unjustified payment on account of item of work without detail measurement – Rs 3.179 million**

According to GFR-23 every Government officer shall be held personally responsible for any loss sustained to Government through negligence or fraud on his part or on the part of his subordinate staff.

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

XEN C&W Division Mansehra paid an amount of Rs 62.702 million to M/s Zahid Bashir for improvement of road from Khaki to Afzalabad upto 15<sup>th</sup> running bill till June 2017.

It was observed that the work “Roadway excavation in surplus/ unsuitable common material” was paid for 3,178 cu.m without recording detail measurement of the item. In absence of detail measurement, the payment Rs 3,178,600 (3,178 cu.m x Rs 1,000) was doubtful.

Audit is of the view that undue was extended to the contractor and caused loss to government due to weak internal controls.

The irregularity was pointed out in November 2017, management stated that detail reply would be given after consulting the record. However no progress was shown till finalization of this report.

Request for convening DAC meeting was made in November 2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends investigation and recovery.

**(AIR Para No 20 C&W Mansehra 2016-17)**

#### **1.2.1.8 Irregular execution of work without TS – Rs 469.847 million**

Para 178 of GFR Vol-I & Para-56 of CPWD Code provides that the work must not be started/ executed without technical sanction.

XEN C&W Division Mansehra incurred expenditure of Rs 469.847 on fifty two (52) developmental schemes during 2016-17 while technical sanctions were not accorded by the competent authority. Detail is given at Annexure-5.

Unauthorized payment was made due to weak internal 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 the management in November 2017, management stated that detailed reply would be furnished after consultation of record. However, no reply was furnished till finalization of this report.

Request for convening DAC meeting was made in November 2017, however meeting of DAC could not be 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 Para No 28 C&W Mansehra 2016-17)**

#### **1.2.1.9 Overpayment for PCC due to re-measurement – Rs 1.004 million**

CPWA code 209(d) provides that as all payments for the works or supplies are based on quantities recorded in measurement book, it is incumbent upon the person taking measurement to record the quantities clearly and accurately.

CPWA code 220 provides that before preparation of contractor bill, the entries in the measurement book relating to the description and quantities of work

should be scrutinized and the calculations of contents or area should be checked arithmetically.

XEN C & W Division Mansehra paid an amount of Rs 8.890 million to M/s Muhammad Saleem & Brothers for construction/ improvement of Dohdial to Shatay road(2.575 Km) upto 3<sup>rd</sup> running bill till June 2017.

It was observed that an item of work “PCC 1:2:4” was measured and paid for 696.14 cu.m vide 2<sup>nd</sup> running bill. The item was measured at KM 1 (0+575 to 1+000) and KM 2 (1+000 to 1+425) for length of 850 meters with 3.90 meter width & 0.21 meter height as recorded in MB No. 825 page No. 22.

The same area was again measured in 3<sup>rd</sup> running bill as shown at page 41 & 42 of MB No. 495 where width & height was increased to 4.5-5 meter & 0.22 meter respectively. The quantity of work was increased to 791 Cu.m from 558.96 cu.m for already paid area at KM 1 (0+490 to 1+000) & KM 2 (1+000 to 1+257.5) for length of 682.5 meters.

This resulted into overpayment of Rs 1,004,023 ( $791 - 558.96 = 132.86$  cu.m x Rs 7,557).

Overpayment occurred due to weak internal controls and caused loss to government.

The irregularity was pointed out in November 2017, management stated that detail reply would be given after consulting the record. However no progress was shown till finalization of this report.

Request for convening DAC meeting was made in November 2017, however meeting of DAC could not be convened till finalization of this report.

Audit holds that investigation be carried out and recovery may be made under intimation to audit.

**(AIR Para No 24 C&W Mansehra 2016-17)**

**1.2.1.10 Irregular expenditure without contract agreement – Rs 1.605 million**

Para 89(c) of the CPWD code provides that the agreement with the contractor selected must be in writing and should be precisely and definitely express, it should state the quantity and quality of work to be done and the terms upon which the payment will be made.

XEN C & W Division Mansehra paid an amount of Rs 1.605 million to M/s SEPCTRA Engineering Solutions Pvt. Ltd. for Feasibility study, design and supervision of Mansehra Bypass road (30 Km) under ADP No. 1120/ 160624 during June 2016-17.

It was observed that payment was made to the consultant without signing/ execution of formal contract agreement with the consultant. This resulted into irregular expenditure of Rs 1.605 million.

The Irregularity occurred due to weak internal controls which caused loss to government.

The irregularity was pointed out in November 2017, management stated that detail reply would be given after consulting the record. However no progress was intimated till finalization of this report.

Request for convening DAC meeting was made in November 2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends investigation for disciplinary action against the person (s) at fault beside regularization of the expenditure.

**(AIR Para No 25 C&W Mansehra 2016-17)**

**1.2.1.11 Unjustified payment for item of work at high rate– Rs 3.105 million**

Para 23 of GFR Vol-I requires that every Government Officer should realize fully and clearly that he will be held personally responsible for any loss

sustained by Government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other govt. officer.

XEN C & W Division Mansehra paid Rs 12.503 million to M/s Raja Adalat Khan & Sons for improvement & rehabilitation of Shakil Ghari Pairan road (6.51 KM) vide V. No. 5-MP dated 02.03.2017.

It was observed that an item of work “P/L & compaction of stone material (WBM) base course” was paid for 1,232 cu.m @ Rs 5,000 per cu.m. Rate analysis being item rate contract was not available to ascertain such high rate with comparison to MRS 2015 which provides rate of Rs 2,479.59 per cu.m. This resulted into unjustified expenditure of Rs 3,105,145 (Rs 5,000 – 2,479.59 = Rs 2,520.41 x 1,232 cu.m).

Irregularity occurred due to weak internal controls and loss to government.

The irregularity was pointed out in November 2017, management stated that detail reply would be given after consulting the record. However no progress was shown till finalization of this report.

Request for convening DAC meeting was made in November 2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends recovery besides taking disciplinary action against the person (s) at fault.

(AIR Para No 26 C&W Mansehra 2016-17)

**1.2.1.12 Wasteful expenditure for road under use of CPEC – Rs 3.501 million**

According to Para 11 of GFR Vol-I, each head of the Department is responsible for enforcing financial order and strict economy at every step.

XEN C & W Division Mansehra paid Rs 3.501 million to M/s SMS & Co. for construction/ rehabilitation & black topping of Chapra Bala & Payn road (1 KM) vide V. No. 32-MP dated 26.12.2016 upto 3<sup>rd</sup> running bill.



It was observed that the scheme is still incomplete despite execution of earthwork, drainage work, sub base and base (WBM) since commencement of work on 14.05.2015. Scrutiny of record revealed that an item of work “PCC 1:2:4” was measured for 800 meter length for 18” inch width & 4” inch height which shows that either pipe or cable was laid under this PCC surface.

Progress report provided to audit also shows that this road is under use of China Pakistan Economic Corridor (CPEC) as access road and work like sub base and base cannot be protected under movement of heavy machinery.

Audit is of the view that expenditure of Rs 3,501,200 incurred so far had gone waste as the entire work was the obligation of CPEC and not of the department.

Wasteful expenditure occurred due to weak financial & administrative controls and loss was caused to government.

When pointed out in November 2017, management stated that detail reply would be given after consulting the record. However no progress was shown till finalization of this report.

Request for convening DAC meeting was made in November 2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends investigation to determine responsibility and recovery.

**(AIR Para No 27 C&W Mansehra 2016-17)**

**1.2.1.13 Un-authorized drawl and disbursement of PTC funds-  
Rs 206.791 million**

According to S/No. 4 of financial procedures for PTCs in all Government schools notified vide No. BO-V/FD/3-10/2006-07 dated 09.06.2007, the DEO of respective district shall accord administrative approval and the finance shall issue financial sanction for the transfer of funds from the district account-IV to the

bank account of the PTCs. These funds shall be transferred/credited upfront in the bank account of the councils by the respective District Accounts Officers.

During 2015-16, District Education Officer (Male & Female) Mansehra irregularly drew Rs 206,791,000(Rs147,259,000 + 59,532,000) on account of repair of furniture, petty repair, class room consumables and re-appropriation for additional class rooms. These amounts were deposited in designated bank account No. 2988-4 & No. BOK- 37514-00-6 respectively and then shown disbursed to the respective bank accounts of PTCs in violation of above mention criteria. A balance of Rs 139,772,408 (Rs 94,276,198 + 45,496,210) remained undisbursed during the year which was shown disbursed after June 2016. Detail is given at Annexure-6.

Unauthorized drawl and disbursement resulted due to non-compliance which may lead to misappropriation of funds.

The irregularity was pointed out in May 2017, management stated that detail reply will be submitted within fifteen days. No progress was reported till finalization of this report.

Request for convening DAC meeting was made in November 2017, however meeting of DAC could not be convened till finalization of this report.

Audit suggests a fact finding inquiry to ensure that all the funds so allocated have been credited to bank accounts of respective PTCs besides disciplinary actions against the persons at fault.

**(AIR Para No 01 & 01 DEO (M&F)2015-16)**

**1.2.1.14 Loss to Government due to non-deduction of sales tax -  
Rs 3.947 million**

S/No. 2(2) of S.R.O. 660(I)/2007 dated Islamabad, the 30th June, 2007 provides, "A withholding agent shall deduct an amount equal to one fifth of the

total sales tax shown in the sales tax invoice issued by the supplier and make payment of the balance amount to him”.

DEO (M) Mansehra paid Rs 27,163,500 inclusive of sales tax worth Rs 3,946,833 to Asian Trading Company for purchase of furniture during 2015-16. The management did not deduct 1/5th of the sales tax resulted in loss to Government for Rs 3,946,833 as the remaining 4/5th was also not communicated to CBR.

Non deduction of sales taxes occurred due to weak financial management which resulted in loss to Government.

The irregularity was pointed out in May 2017, management stated that detail reply will be submitted within fifteen days. No progress was reported till finalization of this report.

Request for convening DAC meeting was made in November 2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends recovery of sales tax and deposit into Government treasury under besides fixing responsibilities intimation to audit.

**(AIR Para No 11 DEO(M) 2015-16)**

#### **1.2.1.15 Wasteful expenditure on account ECE – Rs 2.525 million**

According to Government of Khyber Pakhtunkhwa E&SE Department’s letter no. CPO/SPO-1/E&SE/1-1/A-A/2014-15/Mansehra dated 16.02.2015, Government of KP is pleased to accord Administrative Approval to the scheme “Construction of 5 early Childhood Education Classrooms (ECE) in District Mansehra” at a total cost of Rs 4.500 million which will be released in 3 installment as under:

<b>Financial year</b>	<b>Item of work</b>	<b>Amount per classroom</b>	<b>Total amount of 5 classrooms</b>
2014-15	Building cost	325,000	1,625,000
2015-16	Building cost	325,000	1,625,000
2015-16	Cost of equipments	250,000	1,250,000

DEO (M) paid Rs 975,000, as 1<sup>st</sup> installment, to three male primary schools for construction of one room in each school under the project early childhood education on 29.06.2015 and paid Rs 540,000 for purchase of equipments for the said room on 24.06.2016.

Similarly DEO (F) paid Rs 650,000 as 1<sup>st</sup> installment to two primary schools for construction of one room each under the project Early Childhood Education on 25.06.2015 and paid Rs 360,000 for purchase of equipments for the said rooms on 22.07.2016.

Audit held that the expenditure was wasteful as the rooms were not completed due to non-release of 2<sup>nd</sup> installments amounting to Rs 1,625,000. The local office did not take any initiative for the release of 2<sup>nd</sup> installment. Furthermore, payment of Rs 900,000 for the purchase of equipments for rooms which are not constructed was unjustified. Detail is as under:

S. No	Name of schools	Amount of 1 <sup>st</sup> installment	Amount for equipment	Total amount released/paid
1	GPS Sangar Balakot	325,000	180,000	505,000
2	GPS Oghi No.1	325,000	180,000	505,000
3	GPS Darband	325,000	180,000	505,000
4	GGPS Mari Shahwali	325,000	180,000	505,000
5	GGPS Azizabad	325,000	180,000	505,000
<b>Total</b>		<b>1,625,000</b>	<b>900,000</b>	<b>2,525,000</b>

Wasteful expenditure occurred due to weak internal & administrative control which resulted in violation of rules.

The irregularity was pointed out in May 2017, management stated that detail reply will be submitted as soon as possible. No progress was reported till finalization of this report.

Request for convening DAC meeting was made in November 2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends that the matter may be investigated for initiating disciplinary action against responsible officials besides completion of the task.

(AIR Para No 14 & 17 DEO (M&F)2015-16)

**1.2.1.16 Loss to Government due to irregular deduction of income tax – Rs 1.242 million**

Para 23 of the General Financial Rules Volume I requires that every Government Officer should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part.

NBP Mansehra deducted Rs 1,093,925 and Rs 147,935 on 22.06.2016 and 24.06.2016 respectively on account of income tax from SDEO (M) Mansehra designated bank account No. 4014089235. Deduction of income tax was irregular as the balance was not an income of an individual rather it contained different Government funds for onward transfer/distribution to PTCs' accounts of schools. The authority to levy tax on government funds, the taxable amount and rate of tax were not known. Furthermore, the local office did not make any effort to clear the matter with income tax authorities.

Irregular drawl of various funds and deposit into designated bank account instead of transfer of funds directly into PTC's accounts resulted in irregular deduction of tax and loss to Government.

The irregularity was pointed out in May 2017, management stated that detail reply will be submitted as soon as possible. No progress was reported till finalization of this report. DAC meeting was made in November 2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends investigation and recovery under intimation to audit.

(AIR Para No 21DEO (F) 2015-16)

**1.2.1.17 Loss to Government due to illegal occupation approximately – Rs 55.00 million**

According to Section 3 of the Khyber Pakhtunkhwa Public Property Act 1977, "If Government, or any authority or officer authorized by Government in

this behalf, is satisfied that any person is an un-authorized occupant, it or he may by order in writing, direct such person to vacate the public property and to remove the structures, if any raised by him on the public property, within such period as may be specified in the order; provided that such period shall not be less than three days.”

SDEO male Mansehra did not take any action to vacate Government properties/buildings which were illegally occupied by the land owners or others, resulted in loss to Government worth Rs 40.00 million plus. Detail is as under:

S. No.	School	Estimated construction cost	Remarks
1	GPS/GMS Shani bala	40,000,000	Occupied by land owner
2	GPS Bakrian	*Unknown	Occupied by unknowns as the said school has been merged and shifted to another. Whereas, the same was left on the disposal of the illegal occupants.
3	GPS Darra bala	Unknown	Occupied by ex-chowkidar
4	GPS Deran	Unknown	Occupied by land owner

\*The actual construction cost was not available with the department. However an approximate construction cost worked out to be Rs 5.00 million each school.

The illegal occupation occurred due to negligence and lack of interest towards public property.

The irregularity was pointed out in May 2017, management stated that detail reply will be submitted as soon as possible. No progress was reported till finalization of this report.

DAC meeting was made in November 2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends that the schools shall be vacated from illegal occupants and functionalized besides fixing responsibilities against the persons at fault.

**(AIR Para No 17 DEO(F)2015-16)**

### **1.2.1.18 Irregular construction of school – Rs 5.273 million**

According to Government of Khyber Pakhtunkhwa E&SE Department letter No.CPO/PO(SAC)/E&SE/1-1/A.A/2009-10/Mansehra dated 05.03.2010, the required land for construction of building would be mutated in the name of E&SE Department before starting of work and the terms & conditions mentioned in the original approval will be followed.

SDEO (F) incurred expenditure of Rs 5,273,000 on the construction of GGPS Khar Maira Kotky in 2013-14. The school was constructed on 2 kanal land which was not got mutated in the name of Government which was held irregular.

Irregularity occurred due to weak administration & financial management which resulted in violation of rules and putting the Government assets at risk.

The irregularity was pointed out in May 2017, management stated that detail reply will be submitted as soon as possible. No progress was reported till finalization of this report.

DAC meeting was made in November 2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends mutation of land in the name of Government without any further delay and action against the persons at fault.

**(AIR Para No 05 DEO (F)2015-16)**

### **1.2.1.19 Overpayment due to non-deduction of 11 % voids from dry masonry - Rs 1.267 million**

Clause 20 (d) of contract agreement provides that 11% deduction of voids is required to be made on random rubble stone masonry laid dry in retaining wall and stone filling behind retaining wall.

XEN C & W Division Mansehra paid Rs 11.516 million for item of work “Random Rubble dry stone masonry” to various contractors during 2016-17.

It was observed that 11 % voids were required to be deducted but no such deduction/ adjustment was made. This resulted into overpayment of Rs 1,266,706 .Detail is given at Annexure-7.

Audit is of the view that undue favour was extended to the contractor which caused loss to government due to weak internal controls.

The irregularity was pointed out in November 2017, management stated that detail reply would be given after consulting the record. However no progress was shown till finalization of this report.

DAC meeting was made in November 2017, however meeting of DAC could not be convened till finalization of this report.

It is held that responsibility for overpayment be fixed and recovery may be made.

**(AIR Para No 17 C& W Mansehra 2016-17)**

**1.2.1.20 Unauthorized retention of government money by PPHI –  
Rs 70.000 million**

According to Health Department Letter No. SOB-II/HD/4-29/2103-14 / PPHI dated 01/12/2106 agreement between Health department and SRSP ended on 30 September 2016, resultantly the SRSP was bound to submit the unutilized amount into the public exchequer under relevant heads of accounts. Minutes of Meeting regarding closure of PPHI operations of SRSP under the chairmanship of DC Mansehra endorsed vide No. 18643-48/DC(M) dated 01/12/2016 requires that freezing of bank accounts of PPHI, stoppage of further expenditure on salary and non salary, provision of upto date bank statement, stock taking of articles/equipments and medicines and termination of staff hired by PPHI.

DHO Mansehra did not recover Rs 70,000,000 as unspent balance of government funds from District Support Manager (DSM) of PPHI on 30 September 2016.

Non recovery of government funds occurred due to weak internal managerial control which resulted in loss to government.



Irregularity was pointed out in August 2017. Management replied that DSM PPHI was approached to submit the money. No progress was shown till finalization of this report.

Request for DAC meeting was made in November 2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends recovery of the government funds and medicines stock and action against the person(s) at fault.

(AIR Para No 07 DHO Mansehra 2016-17)

**1.2.1.21 Loss due to non-imposition and recovery of penalty - Rs 15.346 million**

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

XEN C&W Division Mansehra failed to impose penalty of Rs 15.346 million @ 10% of the estimated cost of Rs 153.462 of seven (07) schemes which were not completed in stipulated time period. Detail is attached at Annexure-8.

Non imposition of penalty occurred due to violation of rules, which resulted in loss to Government.

Irregularity was pointed out in November 2017. Management stated that detail reply would be given after consulting the record. However no progress was shown till finalization of this report.

Request for DAC meeting was made in November 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 penalty.

(AIR Para No 14 C&W Mansehra 2016-17)

## **1.2.2 Internal Control weakness**

### **1.2.2.1 Non-recovery of rent of cabins/ shops on allotted space since 2012 – Rs 3.072 millions**

Para 26 of GFR Vol-I requires that it is the duty of the Departmental Controlling Officers to see that all sums due to Government are regularly and promptly assessed, realized and duly credited in the Public Account.

Deputy Commissioner Office Mansehra failed to recover rent of Rs 3,071,784 for allotted space to different lawyers (Rs 1,728,357) and shop owners for hotels and photocopy etc. ( Rs 1,343,427) in the vicinity of DC office/ district courts. Detail is given at Annexure –9.

The designated space was allotted on nominal monthly rent of Rs 1.50 per Sft and Rs 3 per Sft which was enhanced to 05 per sft and Rs 10 per Sft on 01.09.2013 respectively. No effort was made to collect the government long outstanding dues since 2012 in most of the cases especially from occupant lawyers. Moreover rates were not revised since September 2013 as no policy was devised to enhance the rent on periodic basis.

Audit is of the view that undue favour was extended due to non-recovery of outstanding rent and non-enhancement of rent. Personal interest at the cost of public property cannot be ruled out.

The irregularity was pointed out in July 2017, management stated that necessary steps are being taken to streamline the issue. Reply is not convincing because recovery was required to be made as & when become due.

Request for DAC meeting was made in November 2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommended that investigation may be carried out to fix responsibility, recovery of all outstanding dues, regular enhancement of rates and vacation of space from defaulters for fresh allotment.

(AIR Para No 10 DC Mansehra 2016-17)

**1.2.2.2 Non-utilization of land acquisition funds deposited with DC – Rs 2,170.813 million**

According to GFR-23 every Government officer shall be held personally responsible for any loss sustained to Government through negligence or fraud on his part or on the part of his subordinate staff.

DC Mansehra being land acquisition collector is responsible for land acquisition in the district whenever required. 11 awards valuing 2,849.68 million was announced during 2016-17. Payment process could not be completed and only Rs 678.877 million was disbursed till 30.06.2017 against 06 out of 11 awards. Balance of Rs 2,170.813 lying with DC Office, clearly indicating the lack of interest and ill planning on the part of management. Detail is given at Annexure-10.

Undue blockage of funds, non-disbursement to avoid the future litigation and delay in start of execution will further add to the suffering of the community.

The irregularity was pointed out in July 2017, management stated that the progress would be submitted but nothing has been intimated so far.

Request for convening DAC meeting was made in November 2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends inquiry for fixing responsibility against person at fault.

(AIR Para No 22 DC Mansehra 2016-17)

**1.2.2.3 Unauthorized payment of house rent allowance, conveyance allowance and non-deduction of 5% maintenance charges – Rs 1.649 million**

According to para 10 of the Divisional/District Administration, Residential accommodation management and allotment rules 2010. No. Housing/Allotment Rules 2010-6598-6602 dated 29/07/2010, all allotments shall be subject to payment of monthly rent at the rate of 5 % of the salary of the civil servant.

According to para 2 (iv) of Accountant General Khyber Pakhtunkhwa letter No. Computer/HR-LAB/CIC/203 dated 04/08/2011, “Conveyance allowance is not admissible to Government Servants who resides in the office premises”.

Para 8 and 26 of the General Financial Rules Volume I require each administrative department to see that the dues of the government are correctly and promptly assessed, collected and paid into Government Treasury.

DHO Mansehra, did not deduct Rs 1,649,616 from officer/officials availed designated accommodation during 2016-17. The deduction was required to be made on account of House Rent Allowance for Rs 522,360, Conveyance Allowance for Rs 1,041,132 and 5% maintenance charges amounting to Rs 86,124 from officer/officials availing designated accommodation, as per Annexure-11.

Unauthorized payment occurred due to weak financial control which resulted in loss to Government.

The irregularity was pointed out in August 2017, management stated that recovery of HRA and conveyance Allowance has been started from the concerned officer/officials. No recovery was shown till finalization of this report.

Request for DAC meeting was made in November 2017, however meeting of DAC could not be convened till finalization of this report.

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

(AIR Para No 04 DHO Mansehra 2016-17)

**1.2.2.4 Loss due to non collection of water charges - Rs 8.784 million**

Rule 1 of annexure A to Para 38 of GFR Vol – 1 requires that departmental authority to see that all revenue due to Government which have been brought to account are correctly and promptly assessed, realized and credited into Govt account.

XEN PHE Mansehra did not collect Rs. 8,784,094 from water users on account of water charges during 2016-17. The local office incurred a huge expenditure on repair and maintenance of water supply schemes every year but no attention was paid to collect revenue and a huge amount remained blocked.

The irregularity was pointed out in August, 2017 management stated that detail reply would be submitted after checking of relevant record. However, no progress was shown till finalization of this report.

Request for DAC meeting was made in November 2017, however meeting of DAC could not be convened till finalization of this report.

The matter requires investigation besides immediate recovery under intimation to audit.

(AIR Para No 14 PHE Mansehra 2016-17)

**1.2.2.5 Non-crediting of deducted penalty & recovery on account of deficiencies/defective items from the contractors - Rs 3.978 million**

Superintending Engineer Communication & Works Circle Battagram vide office order No. 2366/2-M, 2367/2-M and No.2368/2-M dated 12.06.2017 imposed 1% penalty due to execution/slow progress of work.

Executive Engineer Communication & Works Division, Mansehra imposed penalty @ 1% of the bid cost and recovered from the securities of contractors which was transferred to V-deposit. Detail as given as under:-

S. No	Name of contractor	Name of work	TE No and month	Bid cost (Rs)	Amount (Rs)
1	GHSS Behali	M/s Wali Muhammad	09 for 06/2017	55,090,752	550,907
2	GHSS Thathi Khurd	M/s Ahmed Nawaz Khan	12 for 06/2017	39,830,259	199,151
3	GHSS Dhodial	M/s Mir Muhammad Khan	12 for 06/2017	27,110,000	271,100
4	GHSS Phulra	M/s Badi uz zaman	11 for 06/2017	14,041,841	140,418
<b>Total</b>					<b>1,161,576</b>

Similarly local office recovered Rs 2,817,000/- from security (2<sup>nd</sup> Deposit) vide Transfer Entry No. 01 for the month of 06/2017 from M/s Raja Adalat Khan and credited to V-Deposit on account of deficiencies/defective items.

The local office was required to credit the amount of Rs 3,978,576 (Rs 1,161,576 + 2,817,000) into government revenue from V-deposit but not done.

Non-crediting of recovered amount occurred due to weak internal control system in the office which resulted in loss to government.

The irregularity was pointed out in November 2017, management stated that detail reply would be given after consulting the record. However no progress was reported till finalization of this report.

Request for DAC meeting was made in November 2017, however meeting of DAC could not be convened till finalization of this report.

Audit held that amount may be credited to government revenue under intimation to audit.

**(Para No 02 & 03 C&W Mansehra 2016-17)**

### **1.2.2.6 Illegal occupation of 14 Marla school land**

According to Section 3 of the Khyber Pakhtunkhwa Public Property Act 1977, “If Government, or any authority or officer authorized by Government in this behalf, is satisfied that any person is an un-authorized occupant, it or he may by order in writing, direct such person to vacate the public property and to remove the structures, if any raised by him on the public property, within such period as may be specified in the order; provided that such period shall not be less than three days.”

Mr. Attaye Khan donated/mutated 2 kanals land for construction of GGHS Jareed. Later on during re-measurement of the subject land for the reconstruction of the said school destroyed in 2005 earth quack it was noticed that the actual available land was 1 kanal & 6 marlas which was short by 14 marlas and now the successor of late Mr. Attaye Khan not willing to hand over the remaining land.

Illegal occupation of school land occurred due to weak administrative control which resulted into loss to Government.

The irregularity was pointed out in May 2017, management stated that detail reply will be submitted as soon as possible. No progress was reported till finalization of this report.

Request for convening DAC meeting was made in November 2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends demarcation of school land immediately to safe guard the Government assets.

**(AIR Para No 12 DEO (F)2015-16)**

## ANNEXURES

### Annexure-1

#### Detail of MFDAC Paras

(Rs in million)

S. No	AP No.	Gist of Para	Amount
1.	02	Non/Less-deduction of Taxes	0.131
2.	14	Non-imposition of penalty on delay/non-supply of medicines	0.128
3.	15	Non-deposit of receipts into Government treasury	0.919
4.	16	Non-carrying of physical verification of store/stock and non-disposal of unserviceable articles/vehicles	---
5.	20	Loss to government due to expired medicines	---
6.	24	Irregular expenditure on account of repair of X-Ray machine	0.264
7.	30	Irregular expenditure out of M&R	0.699
8.	09	Overpayment due to overlapping of pipes	0.467
9.	94	Loss to government due to undue favour extended to contractor	0.380
10.	95	Overpayment due to allowing excessive day night charges	0.018
11.	97	Doubtful payment on account of MRC	0.108
12.	108	Unjustified allocation & transfer of CRC & petty repair	0.077
13.	113	Loss due payment of salary for absent period	---
14.	125	Non-credit of provincial share of girls guide fund	0.373
15.	140	Waste of public property due to non-functional school	0.017
16.	19	Overpayment due to allowing cost factor twice	0.149
17.	24	Overpayment of prime coat & asphalt	0.535
18.	38	Non-auction of unserviceable machinery	---



**Annexure-2**  
**Para No 1.2.1.1**

**Detail of schemes without TS**

<b>S.No</b>	<b>Name Of scheme</b>	<b>Amount</b>
1	WSS Kullegah Bangian	25.549
2	WSS Chatta surrounding Area	9.893
3	WSS Harrori	11.475
4	WSS Shagai Kotli Payeen	3.597
5	WSS Ban Nasardi Dhamori Nakka	3.990
6	WSS Maira Shakooki	3.376
7	WSS Perhinna	3.376
8	WSS Nawansher	3.376
9	Reh: of WSS Reharr	2.483
10	Reh: of WSS Mansehra city	2.00
11	Reh: of WSS Chakiyah	7.100
12	Reh: of WSS Cherh	6.691
13	Reh: of WSS Chomarah Ghazikot Hyraila phase-II	5.000
14	Reh: of WSS Mongan Machipole	1.800
15	WSS Lundi Sughdar	1.499
16	Const of WSS at Thoor Shamliyat	10.00
17	Reh of WSS Malik Pur	5.00
18	WSS Mujahidabad	10.787
19	WSS Salar Chalundrian Phase-II	49.648
	<b>Total</b>	<b>166.64</b>

**Annexure-3**  
**Para 1.2.1.3**

**No-deduction of Sales Tax**

<b>S. No</b>	<b>Name of Scheme</b>	<b>Date of award</b>	<b>Payment for pipes only Rs</b>	<b>Sales Tax @ 17 % Rs</b>	<b>1/5 of Sales Tax to be deposited Rs</b>
1	CPEC rehabilitation	21.10.2016	3,131,358	532,331	106,466
2	WSS Khangiri	07.10.2016	11,375,709	1,933,871	386,774
3	WSS Chayan to Bhangian	24.1.2016	8,739,794	1,485,765	297,153
4	WSS Mujahid Abad	23.01.2017	4,625,051	786,259	157,252
5	WSS Giralat Narrah	01.06.2017	1,071,579	182,168	36,434
6	WSS Koy Gali	20.09.2016	1,111,463	188,949	37,790
7	WSS Cher	20.03.2015	2,772,497	471,325	94,265
<b>Total</b>			<b>32,827,451</b>	<b>5,580,668</b>	<b>1,116,134</b>

**Annexure-4**  
**Para 1.2.1.5**

**List of non-energized schemes**

<b>S. No.</b>	<b>Name of Scheme</b>	<b>Amount Paid</b>	<b>Remarks</b>
1	WSS Datta	1,860,050	Additional amount due to revised rated was also paid during January 2016
2	WSS Maira Jan	643,450	Demand for additional poles was paid during March 2016
3	WSS Brat Jinkari	2,234,400	Only pole installed since June 2013
4	WSS Palsala	1,043,980	No physical progress despite wiring test since June 2013
5	WSS Guli Bagh	364,600	Pole shifted and transformer not installed i.e. April 2014
6	WSS Phulra	764,700	No physical progress despite wiring test (June 2014)
7	WSS Shah Khail Garhi	62,600	No physical progress despite payment for additional pole since February 2016
<b>Total Rs</b>		<b>6,973,780</b>	

**Annexure-5**  
**Para No 1.2.1.8**

**Detail of schemes without TS**

S. No	ADP No	Name of work	AA	TS	Previous expenditure	Expenditure during the		Total expenditure
						Month	C.F.Y	
1	1062	Kulhari Gharbi Road (2.5 Kms) (b) PCC Road from GHSS Baffa to Kharah (Kulhari Sharqi)	50.000 3-2-2015		23.60	1.606	7.600	31.200
2	1063	Sabir Shah Nakot Bridge, Mansehra.	122.187 24/3/15		20.95		18.750	39.695
3	1064	Construction of Sum Bridge Mansehra. (PK-55)	46.516 3/2/15		40.89		3.000	43.893
4	1066	(1) Chor Kalan Road (2) Jabori to Methal Kayian road via Banda Gee Such, Mansehra	120.000 30/1/2015		26.57	15.500	20.250	46.818
5	1067	Road Darband to Kandran Road (2 Kms)				2.086	5.301	5.301
6	1068 1	PCC Road Darband to Mehran (0.40 Km)					1.065	1.065
7	2	PCC Road Karori to Kharyala (0.40 Km).					2.091	2.091
8	3	PCC Road Kotla Batsangar (0.65 Km)					1.839	1.839
9	4	PCC Road Mohar to Lassan (0.75 Km).					5.217	5.217
10	1069	Chakia Junglan Sundar Kalarian road & Shahkhail Garhi Pairan Road	100.000 8/10/2015		7.500		4.750	12.250
11	1071 (1)	Oghi to Ahl Road 1 Km			0.309		2.577	2.886
12	2	PCC Chulandrian Road U/C Battal (1 Km). (PK-56)			0.009		0.009	0.018
13	3	PCC Jiskot Road (1 Km).			2.009		2.398	4.407
14	4	PCC Retira Road (1 km).			0.809		4.848	5.657

15	5	B.T / Rehabilitation of Chapra Bala & Payen Road (1 Km).			1.009		2.509	3.518
16	6	PCC Jacha Road Devli (1 Km).			0.009	1.007	1.016	1.025
17	7	PCC CHijri Road 1 Km			1.328	0.547	1.445	2.773
18	8	PCC Khabal Road (1 Km).			0.009		0.009	0.018
19	1072 (1)	Safaida Road U/C Oghi (1 Km)			0.709		0.932	1.641
20	2	PCC Ghania Kango Road 1Km			1.712		0.009	1.721
21	4	PCC Deedwar / Tarwi Road (1 Km).			0.009		5.261	5.270
22	5	B.T/Rehabilitation of Tatoli Road U/C Kathai (1 Km).			0.009		5.341	5.350
23	6	B.T/Rehabilitaiton of Belian Road U/C Belian (2 Kms).			1.725		8.216	9.941
24	8	PCC Sheikh Abad / Guldhery Road (1 Km)			1.309		3.281	4.590
25	9	PCC Gorian Road (1 Km).			1.509	0.055	1.644	3.153
26	1120	Feasibility Study, Design and Supervision of Mansehra Bye Pass District Mansehra	(PC-II) 20.000 18/8/2016			1.700	1.700	1.700
27	216 3	GGPS Khait Chor Banda U/C Sum	15.000		7.344		2.034	9.378
28	4	GPS Sarhan	15.000		3.402	0.900	1.385	4.787
29	5	GGPS Ghamian Seri	15.000		13.202	0.271	0.491	13.693
30	217 (1)	GMPS Bela Baddan	30.000 6/7/2015		5.000	2.510	6.473	11.473
31	219 i	GPS Dehrian			5.043	2.167	2.898	7.941
32	iii	GPS Samaisar			1.155	1.957	2.686	3.841
33	v	GGPS Kajila			3.388	3.519	4.774	8.162
34	vi	GGPS Kolary Gharbi			2.511	5.032	6.614	9.125
35	vii	GGPS Javer (PK-57)			1.944	3.296	4.294	6.238
36	220 ii	GGPS Susal Gali	16.739 26/9/16			0.858	1.171	1.171
37	iv	GGPS Chowki Khair Abad	16.739			2.500	2.500	2.500

38	vi	GGPS Jaggi Bala	16.739			1.300	1.300	1.300
39	418	Up-gradation of 10 BHU to RHC in KPK on need basis Sub Head: - BHU Naran.	R=76.122 23/11/16		47.12	3.035	5.500	52.619
40	458 (1)	BHU Pairan Khairabad SH: - Construction of R/Wall.	6.555 (M)		5.849	0.700	0.700	6.549
41	104	6 Nos. suits in Mansehra.	36.209 26/6/14		25.901	1.634	3.000	28.901
42	33	Veterinary Civil Dispensary Mohar.	4.800 10/02/15		2.150	0.315	1.656	3.806
43	730	Rural road in selected District KPK (CM Directive)	40.000 (M) 28/2/17				0.050	0.050
44	345	Food Grain Godown Mansehra.	5.458		0.041	0.251	1.000	1.041
45	711	Boundary Walls / Security Pickets / Court Rooms with allied facilities	2.500			2.100	2.100	2.100
46	66	3 Nos Patwar Khanas	14.68		6.894		0.000	0
47	2	Potha. PK-53	4.895 (M)		0.033		0.380	0.413
48	3	Dhodial. PK-55	4.895 (M)		2.672		1.141	3.813
49	69	Service Delivery Centre Mansehra.	111.273		6.000	10.485	0.000	0.000
50	(ii)	Service Delivery Center at Balakot.	46.281 28/12/15		2.875	10.485	20.870	23.745
51	(iii)	Service Delivery Center at Oghi.	35.255		2.125		5.539	7.664
52	619	Missing Facilities for Staff & Prisoners in Jails	16.354 11/8/16			1.265	3.500	3.500
							<b>205.114</b>	<b>469.847</b>

**Annexure-6**  
**Para 1.2.1.13**

**PTC Funds**

<b>S. No.</b>	<b>Office</b>	<b>Fund</b>	<b>Drawn vide Cheque No./date</b>	<b>Amount</b>
1	DEO (M)	Repair of furniture GHS	0561541 / 10.02.16	1,020,000
2		CRC and petty repair for HSSs /GHSs /GMSs	0561541 / 10.02.16	5,766,000
3		CRC and petty repair for GHSSs/ GHSs/ GMSs	0561549 / 10.02.16	3,400,000
4		CRC and petty repair for GPSs	0561818 /08.03.16	3,245,000
5		CRC and petty repair for GHSSs/ GHSs/ GMSs	0562256 / 22.04.16	9,934,000
6		Repair of furniture GHS	0562256 / 22.04.16	540,000
7		Repair of furniture GMS	0562942 / 13.06.16	540,000
8		Re-appropriation for additional class rooms	0563119 /13.06.16	93,600,000
9	DEO (F)	CRC and petty repair for GGHSs and GGPSs	0561877 / 14.03.16	14,345,000
10		CRC for GHSSs and GGMSs	0562944 / 09.06.16	1,890,000
11		Petty repair for GHSSs and GGMSs	0562952 /09.06.16	3,336,000
12		Repair of furniture	0562122 / 11.04.16	1,320,000
13		Conditional grant	0563418 / 20.06.16	38,641,000
<b>Total Rs</b>				<b>206,791,000</b>

**Annexure-7**  
**Para 1.2.1.19**

**List of works where dry stone masonry paid**

S.No	Name of work	Contractor	V. No.	Date	Qty Cu.m	Rate Rs	Amount Rs	11% Voids Rs
1	Darband to Kandgran	M/s Muhammad Fawad Khan & Co.	3-O	06.06.17	493.44	2,715.89	1,340,128.76	147,414
2	PCC Chijri road	M/s Umer Khitab Khan	2-O	06.06.17	347.68	3,200	1,112,576	122,383
3	PCC road Gorian	M/s	22-O	27.12.16	635.52	2,813	1,787,718	196,649
4	Gali Badral to Labour road	M/s Muhammad Irshad	3-H	25.05.17	315.75	2,715.59	225,065.67	24,757
5	Hawa Gali road	M/s Zahid Bashir	25-O	26.05.17	73.61	800	58,888	6,478
6	Tarwari road	M/s Ghulam Sadiq & Sons	36-O	26.05.17	67.76	2,800	189,644	20,861
7	Tatoli road	M/s Ghulam Sadiq & Sons			99.55	2,800	278,740	30,661
8	Shahkot Chulindrian road	M/s Ghulam Sadiq & Sons			248.25	3,000	744,750	81,923
9	Protection Wall in Government Degree College, Balakot	M/s Muhammad Irshad & Co			3,210	1,800	5,778,000	635,580
<b>Total Rs</b>							<b>11,515,510.43</b>	<b>1,266,706</b>



**Annexure -8**  
**Para 1.2.1.21**

**Penalty**

**Rs in million**

<b>S.No</b>	<b>Name of Scheme</b>	<b>Name of Contractor</b>	<b>Date of Commencement</b>	<b>Date of Completion</b>	<b>Contract Cost</b>	<b>10% LD/ penalty</b>	<b>Physical Progress as on 30-06-17</b>
1	Khaki Afzal Abad Road	M/s Zahid Bashir	15-05-2015	14-05-2017	83.995	8.399	82%
2	GHS Baffa	M/s Salman & Brother	29-05-2015	28-05-2017	41.392	4.139	62%
3	Science Lab GHS Battal	M/s M.Ayub	08-05-2015	07-11-2015	1.963	0.196	88%
4	GGMS Devil	M/s M.Khan	13-03-2015	12-09-2016	12.406	1.241	47%
5	Science Lab GHS Bhong	M/s Pearl Hazara Co	16-06-2015	12-05-2015	2.092	0.209	61%
6	GPS chakkia Ganeela	M/s Shamas Khan	09-04-2015	08-04-2016	7.814	0.781	42%
7	Civil Dispensary Mohar	M/s	20-03-2015	19-09-2015	3.800	0.380	73%
<b>Total</b>					<b>153.462</b>	<b>15.346</b>	

**Annexure-9**  
**Para No 1.2.2.1**

**List of rent arrear from cabin / shops**

S. No	Name of allottee	Area allotted	Rate per sft w.e.f 01.09.2013	Arrear since	Total Arrear
1	Mst. Maruf Sultan	550sft	Rs 10 per sft	01.07.2016	---
2	Mr. Javeed S/o M. Anwar	300		01.07.2016	181,800
3	Mr. Shah Hussain	224		Jun-17	44,112
4	Mr. Samer Islam S/o Noor Islam	18		Jun-12	10,608
5	Mr. Umer Islam S/o Noor Islam	42		Jun-12	32,046
6	Mr. Naseer Ahmed S/ o Fayyaz	240		Jun-12	185,610
7	Mr. Ali Khan	196		Jun-12	116,898
8	Mr. Ali Zaman S/o M Irfam	105		Jun-12	59,475
9	Khawaja Abdul Qadoos	81		Jun-12	59,475
10	Mr. Suleman S/o Naik Muhammad	180		Jun-12	124,445
11	Mr. Idrees Abbassi S/o Abdul Ghani	221		Jan-17	92,626
12	Mr. Ghulam Hussain alais Sain	130		Mar-17	17,680
13	Mr. Muhammad Saleem through Gul Hussain	64		Jul-16	21,248
14	Mr. Muhammad Kamran through Yousaf	80		Jul-16	80,048
15	Mr. Akmal Hussain Shah	50		Nil	800
16	Mr. Muhammad Yousaf	120		May-17	2,280
17	Mr. Abid Taj	408		Jul-16	162,384
18	Abdul Aziz Shah	36		May-17	---
19	Mr. Adeel Shah				28,352
20	Mr. Maroof Shah				123,540
<b>Total</b>					<b>1,343,427</b>

**List of rent outstanding against cabins/ shops allotted to lawyers**

S. No	Name of allottee	Area allotted	Rate per sft	Arrear since	Total Arrear
1	Mr. Muhammad Ahmed Shah	192	Rs 05 per sft	Jan-16	16,200
2	Mr. Shsh Jehan Khan Swati	180		February 2016	5,400

3	Mr. Muhammad Naeem Khan	109		2006	45,758
4	Syed Waqar Ahmed Shah	180		Apr-07	93,375
5	Mr. Muhammad Rafique Gholara	96			46,206
6	Mr. Shaheen Akhtar	109			54,870
7	Mr. Mukhtair Alam Khan	96		2002	37,169
8	Abdul Latif Khan	313		2006	177,601
9	Syed Sajjid Hussain Shah	160		2012	75,160
10	Mr. Zeenat Khan	80		2012	47,080
11	Mr. Muhammad Wajid Khan	80		Jun-12	47,660
12	Mr. Zulfiqar Sultan	32		2011	8,684
13	Mr. Tahir Mehmood Khan	120		Jun-12	81,241
14	Mr. Muhammad Nawaz Khan	200		Jun-12	108,800
15	Mr. Salim Khan	160		Jun-13	37,280
16	Mr. Muhammad Ali Khan	108		Jun-12	64,842
17	Mr. Anwar Lughmani	112.5		Jun-12	91,059
18	Mr. Saeed Ahmed Khan	81		Jun-12	42,155
19	Mr. Pervaz Akhtar Khan	225		Jun-12	146,306
20	Mr. Aurangzeb Khan	129		Jun-12	38,150
21	Mr. Shahzad Muhammad Asif	544		Jun-12	341,225
22	Mr. Shad Muhammad Khan	408		Jun-12	117,209
23	Sardar Muhammad Suleman	49		Jun-12	1,567
				<b>Total</b>	<b>1,724,997</b>

**Annexure-10**  
**Para No 1.2.2.2**

**Land acquisition**

<b>S. No</b>	<b>Name of scheme</b>	<b>Award No.</b>	<b>Date of award</b>	<b>Award amount</b>	<b>Payment Upto 30.06.2017</b>	<b>Amount with DC Office</b>
1	Sum Bridge	284	01.09.2016	901,338	596,480	304,858
2	JLA Shinkiari	286	28.10.2016	380,095,461	85,596,036	294,499,425
3	870 MW Suki Kinari Power Project	287	18.11.2016	1,617,063,794	232,630,163	1,384,433,631
4	Girls College Oghi	288	29.11.2016	5,910,877	1,911,281	3,999,596
5	Offices of DFO Wildlife	290	23.12.2016	9,595,992	0	9,595,992
6	Industrial Estate	291	01.02.2017	124,689,724	0	124,689,724
7	Defence	292	24.02.2017	403,667,166	298,030,429	105,636,737
8	Defence	293	24.02.2017	126,533,346	60,112,232	66,421,114
9	Defence	294	24.02.2017	36,000,781	0	36,000,781
10	870 MW Suki Kinari Power Project	295	05.06.2017	145,231,114	0	145,231,114
<b>Total</b>				<b>2,849,689,593</b>	<b>678,876,621</b>	<b>2,170,812,972</b>

**Annexure- 11**  
**Para 1.2.2.3**

**HRA, Conveyance and maintenance charges**

S. No	P.NO	Name of Officer/ Officials	Designation	BPS	B.Pay	HRA	C/ All	5% on B.Pay	Total D/d 01 Month	Total D/d 12 Month 2016-17
1	825030	Dr. Nasir Rabbi	MO	17	25440	2955	5000	1272	9227	110724
2	834185	Dr. Shiza Naeem	MO	17	25440	2955	5000	1272	9227	110724
3	840411	Dr. Ayesha Aziz	MO	17	25440	2955	5000	1272	9227	110724
4	443261	Khalid Aziz	PHCT (MP)	17	15940	1307	2856	797	4960	59520
5	219919	Zainab Bibi	PHCT (MP)	12	23940	1307	2856	0	4163	49956
6	498541	Saima Aslam	PHCT (MP) MCH	12	15940	1307	2856	0	4163	49956
7	349036	Mr. Sijjad	CD Pharmacy	12	26340	1307	2856	0	4163	49956
8	549221	Mr. Sabir	PHCT (MP)	12	16740	1307	2856	0	4163	49956
9	805988	Dr. Raja Uzair	MO	17	25440	2955	5000	1272	9227	110724
10	225308	Zainab Bibi	PHCT (MP)	12	26340	1307	2856	0	4163	49956
11	552881	Akbar	PHCT (MP)	12	15940	1307	2856	0	4163	49956
12	579772	Wasim Akram	JCT (Pathology)	12	15140	1307	2856	0	4163	49956
13	221311	Amjad	PHCT (MP)	12	31140	1307	2856	0	4163	49956
14	216902	Chand bibi	PHCT (MP)	14	34280	1474	2856	0	4330	51960
15	226573	Tariq	PHCT (MP)	12	31140	1307	2856	0	4163	49956
16	223326	Sajida Ashraf	PHCT (MP)	12	26340	1307	2856	0	4163	49956
17	217536	Farah Jamal	PHCT (MP)	14	34280	1476	2856	0	4332	51984
18	221670	Munsif	JCTPharmacy	12	26340	1307	2856	0	4163	49956
19	225033	Shamsul Haq	Chowkidar	4	14940	972	1785	0	2757	33084
20	219358	Farzana	PHCT (MP) MCH	12	19140	1307	2856	0	4163	49956
21	226307	Jamila	PHCT (MP)	12	23940	1307	2856	0	4163	49956

22	226778	Samina	PHCT (MP) MCH	12	26340	1307	2856	0	4163	49956
23	219118	Dilfaraz	Sweeper	2	13920	1307	2856	0	4163	49956
24	315570	Nazia Dilnasheen	PHCT (MP) MCH	12	16740	1307	2856	0	4163	49956
25	155278	R. Waheed Murad	PHCT (MP)	12	29540	1307	2856	0	4163	49956
26	400120	Kausar	PHCT (MP)	12	16740	1307	2856	0	4163	49956
27	831612	Dr. Farasat Umar	MO	17	25840	2955	5000	1292	9247	110964
<b>Total Rs</b>						<b>43530</b>	<b>86761</b>	<b>7177</b>	<b>137468</b>	<b>1,649,616</b>
						Total HRA = 43530*12	=	522,360		
						total CA = 86,761*12	=	1,041,132		
						total 5% =7,177*12	=	86,124		
						<b>Grand total</b>	=	<b>1,649,616</b>		