



AUDIT REPORT
ON
THE ACCOUNTS OF
DISTRICT GOVERNMENT
LAKKI MARWAT
AUDIT YEAR 2016-17

AUDITOR GENERAL OF PAKISTAN

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ABBREVIATIONS AND ACRONYMS

AA	Administrative Approval
AP	Advance Para
ADP	Annual Development Plan
AOM&R	Annual Ordinary Maintenance and Repair
BOQ	Bill of Quantity
CPWA Code	Central Public Works Account Code
CPWD Code	Central Public Works Department Code
CSR	Composite Schedule of Rate
C&W	Communication and Works
DAC	Departmental Accounts Committee
DC	Deputy Commissioner
DG	Director General
GFR	General Financial Rules
HPA	Health Professional Allowance
IPSAS	International Public Sector Accounting Standards
LGO	Local Government Ordinance
MFDAC	Memorandum for Departmental Accounts Committee
NPA	Non Practicing Allowance
NIT	Notice Inviting Tender
PAO	Principal Accounting Officer
PAC	Public Accounts Committee
PC-I	Planning Commission One
PCC	Plain Cement Concrete
PHE	Public Health Engineering
RCC	Reinforced Concrete Cement
RDA	Regional Directorate of Audit
RHC	Rural Health Center
R&E	Revenue and Estate
TS	Technical Sanction
WSS	Water Supply Scheme
XEN	Executive Engineer
ZAC	Zilla Accounts Committee
SOAE	Schedule of Authorized Expenditure
PEC	Pakistan Engineering Council

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 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, Lakki Marwat for the financial year 2015-16. The Director General of Audit, District Governments, Khyber Pakhtunkhwa conducted audit during 2016-17 on test check basis with a view to report significant findings to the relevant stakeholders. The main body of the audit report includes the systematic issues and significant audit findings. Relatively less significant issues are listed in the Annexure-Aof the Audit Report. The Audit observations listed inAnnexure-Ashall 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 meeting was convened on the Advance Paras pertaining to District Account-IV.

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:

(Rana Assad Amin)
Auditor General of Pakistan

EXECUTIVE SUMMARY

The Director General District Governments Audit, Khyber Pakhtunkhwa carries out the audit of 25 District Governments. Regional Directorate of Audit Bannu, on behalf of the DG District Governments Audit, Khyber Pakhtunkhwa carries out the audit of two District Governments namely Bannu and Lakki Marwat.

This Regional Directorate of Audit has a human resource of 5 officers and staff with a total of 1250 man-days. The annual budget amounting to Rs 11.189 million was allocated to it during financial year 2016-17. The office is mandated to conduct regularity (financial attest audit and compliance with authority audit) and performance audit of programs/ projects.

District Government, Lakki Marwat 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 124 formations in District Lakki Marwat out of which the accounts of four formations were examined in detail. These formations were selected for detailed audit by excluding the last year entities keeping in view the available man days.

The total expenditure of District Government Lakki Marwat for the Financial Year 2015-16 was Rs2,996.929 million. Out of this, RDA Bannu audited an expenditure of Rs,1310.349 million which, in terms of percentage, was 44% of auditable expenditure.

The receipts of District Government Lakki Marwat for the Financial Year 2015-16, were Nil as all receipts were credited to Provincial Account-I.

b. Recoveries at the instance of audit

Recoveries of Rs 522.071 million were pointed out during the audit. Out of the total recoveries pointed out, Rs 457.209 million were not in the notice of the executive before audit.

c. Audit Methodology

Audit was conducted after understanding the business processes of District Government Lakki Marwat 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 to the management. However, no impact was visible as the management failed to reply and the irregularities could not come to the light in the proper forum i.e. DAC.

e. Comments on Internal Control and Internal Audit department

The purpose of internal control system is to ensure effective operation of an organization. It consists of measures employed by the management to achieve objectives, safeguard assets, ensure accuracy, timeliness and reliability of financial and accounting information for decision making.

Another basic component of internal control, as envisaged under section 37(4) of LGA 2013, is internal audit which was not found in place in the domain of District Government.

f. Key audit findings of the report;

- i. Fraud / Misappropriation of Rs 7.723 million was noted in five cases¹
- ii. Non Production of Record of Rs 337.488 million was noted in one case. 2
- iii. Irregularities / noncompliance of Rs 576.061 million was noted in twenty nine cases³

¹1.2.1.1 to 1.2.1.5

²1.2.2.1

- iv. Internal control weakness of Rs 512.434 million was noted in twenty six cases.⁴

Minor irregularities/weaknesses pointed out during the audit are being pursued separately with the authorities concerned, as detailed at Annex-A.

g. Recommendations

- i. Corrective actions/ Disciplinary actions need to be taken to stop the practice of violation of the rules and regulations in spending the public money.
- ii. Strenuous efforts need to be made by the departments to recover long outstanding dues on account of water charges.
- iii. 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.
- iv. Deduction of taxes on supplies and contracts need to be ensured.
- v. Inquiries need to be held to fix responsibility for losses, irregular payments and wasteful expenditure.

³1.2.3.1 to 1.2.3.29

⁴1.2.4.1 to 1.2.4.26

SUMMARY TABLES & CHARTS

Table 1: Audit Work Statistics

(Rs in million)

	Description	No.	Budget		
1	Total Entities (PAO) in Audit Jurisdiction	01			2,996.929
2	Total formations in audit jurisdiction	12 4			2,996.929
3	Total Entities (PAO) Audited	01			1,310.349
4	Total formations Audited	04			1,310.349
5	Audit & Inspection Reports	04			1,310.349
6	Special Audit Reports	-			-
7	Performance Audit Reports	-			-
8	Other Reports	-			-

Table 2: Audit observations Classified by Categories

(Rs in million)

Sr. No.	Description	Amount Placed under Audit Observation
1	Unsound asset management	0
2	Weak financial management	921.917
3	Weak Internal controls relating to financial management	160.383
4	Others	345.211

Total	1427.511
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Table 3: Outcome Statistics

(Rs in million)

S. N o	Description	Expenditure on Acquiring Physical Assets (Procurement)	Civil Works	Receipts	Others	Total Current year	Total last year
1	Outlays Audited	0	1.300	0	1309.049	1310.349	0
2	Amount Placed under Audit Observations /Irregularities of Audit	0	1,055.615	0	371.896	1,427.511	0
3	Recoveries Pointed Out at the instance of Audit	-	400	0	122.071	522.071	0
4	Recoveries Accepted /Established at the instance of Audit	-	-	-	-	-	-
5.	Recoveries Realized at the instance of Audit	-	-	-	-	-	-

Note: in addition, developmental budget of Rs 740.266 were released by the Provincial Government to the Communication and Works and PHE Division during the year 2015-16.

Table 4: 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	573.804
2	Reported cases of fraud, embezzlement, thefts and misuse of public resources	8.180
3	Accounting Errors (accounting policy departure from NAM ⁵ , 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.	508.036
5	Recoveries and overpayment, representing cases of establishment overpayment or misappropriations of public monies	0
6	Non-production of record	337.491
7	Others, including cases of accidents, negligence etc.	0
Total		1427.511

Table 5: Cost Benefit Ratio**(Rs in million)**

S #	Description	Amount
1	Outlays Audited (item 1 of Table 3)	1,310.349
2	Expenditure on audit	11.189
3	Recoveries realized at the instance of audit	0
	Cost-Benefit Ratio	1:0

⁵ The Accounting Policies and Procedures prescribed by the Auditor General of Pakistan which are IPSAS(Cash).

CHAPTER 1

1.1 District Government Lakki Marwat

1.1.1 Introduction

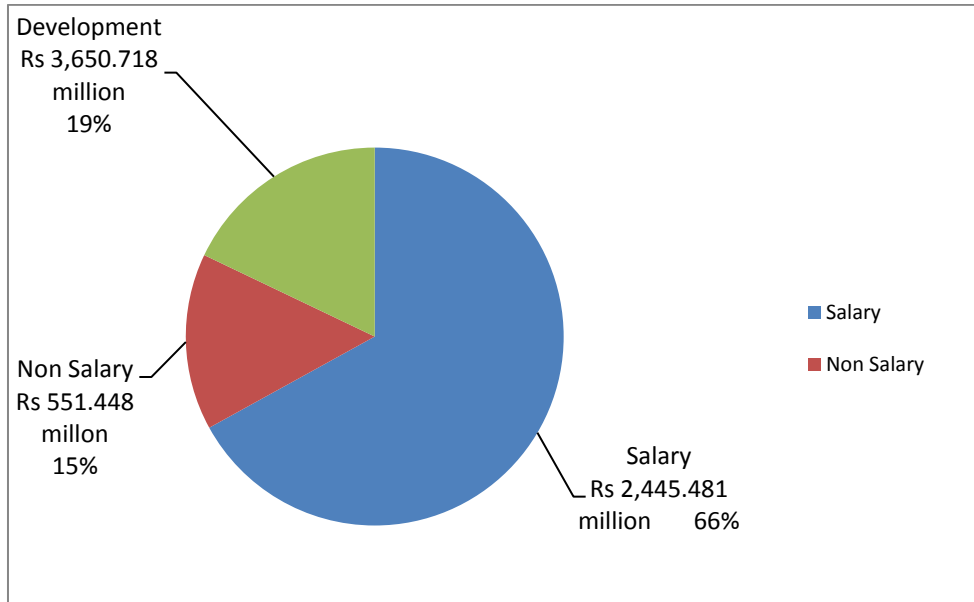
Activities of District Government are managed through offices of Deputy Commissioner and District Officers under Khyber Pakhtunkhwa Local Government Act 2013 (LGA 2013). Each group of District Offices is headed by a District Officer (DO). The DO by means of a standing order distributes the work among 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 Engineering, District Officers Agriculture, Education, Health, Water Management, Fisheries, Population Welfare, LG & 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)

2015-16	Budget	Expenditure	Saving/Excess	%age Excess/Saving
Salary	3,313.837	2,445.481	868.356	26%
Non-salary	551.448	551.448	0.00	0%
Developmental A/C-IV	1.300	1.300	0.00	0%
Developmental A/C-I	740.266	?????0		
Total	3,866.585	2,998.229	868.356	19%
Receipts	?????0	?????0	?????0	?????0

The savings of Rs 868.356 million indicate weakness in the capacity of District Government Departments to utilize the allocated budget.



1.1.3 Comments on the status of compliance with ZAC / PAC Directives

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

#	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

1.2 AUDIT PARAS

1.2.1 Misappropriation / Fraud

1.2.1.1 Misappropriation on account of missing items – Rs 2.566 million

Para 23 of the GFR Vol-I requires that 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 Lakki Marwat issued following items to Civil Hospital Serai Nourang valuing Rs 2,566,000 during Financial Year 2015-16. On physical verification dated: 25.07.2016 along with Doctor In-charge the following items were missing.

S. No.	Name of item	Date of issue	Page Number of main Stock Register	Quantity	Rate (Rs)	Amount (Rs)
1.	Insulin 70/30	08.02.2016	255	300	210	63,000
2.	Insulin 70/30	03.03.2016	255	300	210	63,000
3.	Insulin 70/30	03.05.2016	255	500	210	105,000
4.	Lap top Dell with Printer	28.10.2015	245	01	95,000	95,000
5.	Split Air Conditioners	20.12.2015	236	06	90,000	540,000
6.	Split Air Conditioners	20.12.2015	249	14	90,000	1,260,000
7.	Dengue Kit	08.08.2015	117	200	350	70,000
8.	Computer Dell with Printer/Scanner / UPS	20.12.2015	283	02	185,000	370,000
Total						2,566,000

Misappropriation occurred due to non-maintenance of proper record of issuance, which resulted in to loss to Government.

When reported in July 2016, Management stated that the entire items were issued to sub store and the physical inspection / issuance register report will be produced. However no report was produced.

In DAC meeting held on 24.11.2016, department reiterated their previous reply. DAC did not agree with the plea of the department and directed to produce detail record to Audit within 15 days otherwise recovery be made. However, nothing in this context was produced till finalization of this report.

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

AP 15 (2015-16)

**1.2.1.2 Embezzlement on account of non-availability of store items–
Rs 1.961 million**

According to Para 23 of the GFR Vol-I that, 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 Lakki Marwat issued various items during Financial Year 2015-16 valuing Rs 1,960,670. During physical verification on 25.07.2016, 27.07.2016 and 01.08.2016 it was noticed that no such items were handed over to that institutions (as also evident from the written statements of store keeper / in-charge).

Similarly DHO Lakki Marwat received 200,000 Tab Metronidazole during 2015-16. 160,000 quantity of said item were issued to health institutions leaving a balance of 40,000 Tab. During physical verification of main store of DHO office, no such item was physically available, which resulted in to embezzlement of Rs 39,200

Embezzlement was occurred due to non-maintenance of proper record of issuance, which resulted in to loss to Government.

When reported in July 2016, Management stated that the entire items were issued to sub store and the physical inspection / issuance register report will be produced. However no report was produced.

In DAC meeting held on 24.11.2016, department reiterated their previous reply. DAC did not agree with the plea of the department and directed to produce detail record to Audit within 15 days otherwise recovery be made. However, nothing in this context was produced till finalization of this report.

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

AP 25 (2015-16)

1.2.1.3 Misappropriation on account of Annual Maintenance & Repair –Rs 1.764 million

Executive Engineer Public Health Engineering Department Lakki Marwat vide letter No. 5475/M-2 dated: 03.08.2015 stated that entries regarding repair of water supply schemes log book may be ensured. Further the disorder of machinery and subsequent repair must be got verified by a designated mechanic.

Executive Engineer Public Health Engineering Department Lakki Marwat spent Rs 1,764,233 on account of AOM&R of various Water Supply and Sanitations during 2015-16.

During physical verification on 19.08.2016 of 09 number schemes, it was noticed that no repair work on machinery was carried out. Neither entries regarding AOM&R in log book were made nor was the disorder of the machinery verified by the concerned mechanic.

Misappropriation occurred due to non-maintenance of proper record of AOM&R, which resulted in to loss to Government.

When reported in August 2016, Management stated that proper entries have been made and site verification of the scheme is the responsibility of sub engineer. Reply was not tenable as neither record was produced nor verification certificate duly signed by the mechanic was produced.

In DAC meeting held on 24.11.2016, department reiterated their previous reply. DAC did not agree with plea of the department and directed to arrange physical verification of sites within 15 days. No progress was intimated till the finalization of this report.

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

AP 46 (2015-16)

1.2.1.4 Misappropriation on account of missing items Rs 1.310 million

According to Para 228 of CPWA Code, advance to contractors are as a rule prohibited, and every endeavor should be made to maintain a system under which no payments are made except for work actually done.

During physical verification on 19.08.2016 of water supply schemes Gambila Madrasa, Tajazai Ghafar, Pezu Madrasa, Pezu Adda it was noticed that in the said tube wells no voltage stabilizer / Regulators was found.

When pointed out it was replied by the concerned operator that the said stabilizer / regulator was handed over to SDO for repair ,When asked from SDO it was replied that no stabilizer / regulator was handed over to local office.

Misappropriation occurred due to non-maintenance of proper record which resulted in to loss to Government.

In DAC meeting held on 24.11.2016, department reiterated their previous reply. DAC did not agree with plea of the department and directed to arrange physical verification of sites within 15 days. No progress was intimated till the finalization of this report.

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

AP 48(2015-16)

1.2.1.5 Fraudulent drawl and fake measurement – Rs 0.579 million

According to Para-23 of GFR Vol-I, every Government Officer should realize fully and clearly that he would be personally responsible for any loss sustained by Government to fraud or negligence on his part or on the part of his subordinate.

Executive Engineer Public Health Engineering Department Lakki Marwat drew Rs 578,950 on account of AOM&R of various schemes during 2015-16. Measurement of work done was made before the issuance of work order / commencement of work (detail as per annex-B). Further during physical verification of those sites 17.08.2016 the operator confirms the plea of audit as no work was carried out for the last three years.

Fraudulent withdrawal was occurred due to non-compliance of rules, which resulted in to loss to Government.

When reported out in August 2016, Management stated that measurement date was erroneously entered in the measurement book. Reply was not tenable as the tube well operators denied of execution of AOM&R.

In DAC meeting held on 24.11.2016, department reiterated their previous reply. DAC did not agree with the plea of the department and directed to conduct inquiry and the report may be submitted to Audit as well as administration within 15 days. No progress was intimated till the finalization of this report.

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

AP 47 (2015-16)

1.2.2 Non Production of Record

1.2.2.1 Non-production of record – Rs337.491 million

According to Section 14 (3) of the Auditor General’s (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 the Auditor General of Pakistan shall have access to all the books and documents pertaining to the accounts and may also examine any public servant or premises of the Local Government concerned.

The following departments did not produced records pertains to financial year 2015-16 despite repeated requests.

Sr. No.S. No	Name of Department	Amounts
1	DHO Department Lakki Marwat	165.117
2	XEN C&W Department Lakki Marwat	158.279
3	XEN PHE Department Lakki Marwat	7.092
4	Deputy Commissioner office, Lakki Marwat	7.003
	Total	337.491

Non-production of record was occurred due to non-compliance of rules which resulted into non-authentication of public spending.

When reported in July 2016, management of Health Department stated that record was in the custody of DSM PPHI and they were directed to produce the complete record. Reply was not tenable as no record was produced.

When reported in August 2016, Management of DC office stated that record will be produced. However no record was produced.

In DAC meeting held on 24.11.2016, department reiterated their previous reply. DAC did not agree with the plea of the department and directed to produce

record within two weeks. However no record was produced till finalization of this report.

Audit recommends production of record and action against the person (s) at fault.

AP 3, 4, 17, 22 & 42 (2015-16)

1.2.3 Irregularity / Non-compliance

1.2.3.1 Irregular award of work on account of non-deposit of 8% additional security–Rs 94.00 million

Para 227 of CPWA code states that ^{No financial aid is} given to the contractor in any form. As per NIT condition an additional amount of 8% security was to be recovered from the contractor before the award of contract.

Executive Engineer C&W Lakki Marwat during financial year 2011-12 award work “Retrofitting of City Hospital” to Contractor. Before issuance of Work order, notice for depositing 8 % additional security was served to the contractor vide No.2111/4-M dated 24-03-2012 and Vide No.CEC/GST/7-4/2499 dated 28/04/2012. Three days were required to deposit the additional security, in case of failure the earnest money Rs.1.88 million was required to be forfeited and contract may be awarded to the next lowest bidder.

The work was intentionally delayed till 05-08-2016, as the required date of completion was 22-07-2014. The 2nd lowest but on the same rate 10% below, bidder in Package –I, was available and in the package–II the 2nd lowest bidder was another contractor which was 6% below, whereas 7% below rate was quoted by the contractor, who executed the work.

When pointed out the department replied that, the Contractor submit case in the court against the notice of depositing 8 % additional security ,The reply was not tenable as the case was submitted on 20/07/2012 i.e. after four months, whereas three days were given to deposit the additional security. The old building was demolished but record in support of auction did not provide inspite of repeated requests. The estimated value of the demolished building was Rs 500,000.

Irregular award of work occurred due to non-compliance of rules, which resulted in to loss to Government.

When reported in August 2016, management stated that the contractor submit case in the court against the additional security. The reply is not tenable as the case is submitted in court on 20.07.2012 after four months.

Request for convening of DAC meeting was made on 19.08.2016, which could not be convened till finalization of this report.

Audit recommends inquiry besides recovery of earnest/auction money and action against person (s) at fault.

AP 15(A/C-I-2015-16)

1.2.3.2 Execution of work without technical sanction– Rs 89.668 million

Para 32 of CPWA code states that no work shall be executed without obtaining T.S and A. A.

Executive Engineer, Communication and Works Department Lakki Marwat spent Rs 89,668,000 on the execution of developmental schemes without obtaining Technical Sanction of each schemes during financial year 2015-16. (Detail as per Annex-C)

Execution of the work without technical sanction occurred due to non-compliance of rules, which resulted into violation of the rules.

When reported in August 2016, management stated that Technical Sanctions are under process. Reply was not tenable as TS was not produced.

Request for convening of DAC meeting was made on 19.08.2016, which could not be convened till finalization of this report.

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

AP 68 (A/C-I-2015-16)

1.2.3.3 Irregular payment on account of substandard works – Rs 73.392 million

B & R Code Para 1.58 states that the Divisional Officer is responsible to organize and supervise the execution of works and to see that they are suitably and economically carried out with material of good quality.

As per Deputy Commissioner and XEN C&W Division Lakki Marwat report, the work was declared substandard vide letter 9092-97/AC-VI dated 16-05-2016 and 1275/4-M dated 12-01-2015.

Executive Engineer C&W Lakki Marwat during financial year 2011-12 award work “Retrofitting of City Hospital” to contractor. Keeping in view the physical inspection of the hospital and various correspondences, the work at various stages was pointed out as substandard. It was clearly stated in the work order that each payment will be supported by the material test results, A test profile may be maintained for the project. Tensile strength test, Soil bearing capacity test and other material tests was not maintained, thus payment without tests are unjustified. Handing /taking over of the Hospital was still not made as evident from the letters attached.

Substandard work was executed due to non-compliance of rules, which resulted in to loss to Government.

When reported in August 2016, management stated that various test have been carried out and various blocks were handed over to the client department. Further the deficiency pointed out was removed. Reply was not tenable as the department failed to produce supporting documents in support of their reply.

Request for convening of DAC meeting was made on 19.08.2016, which could not be convened till finalization of this report.

Audit recommends inquiry besides fixing responsibilities and action against person (s) at fault.

1.2.3.4 Non-realization of water charges Rs 64.862 million

According to Para 26 & 28 of GFR Vol-I, that controlling officer is required to ensure that all sums due to government are regularly and promptly assessed regularized and duly credited in the government account and that no amount due to government should be left out standing without sufficient reasons.

Executive Engineer Public Health Engineering Division Lakki Marwat failed to recover the water charges of Rs 64.862 million recoverable from 5,365 connections up to 30.06.2016.

Non realization of water charges was occurred due to non-compliance of rules, which resulted in to loss to Government.

When reported out in August 2016, management stated that strenuous efforts are being made to recover the amount.

In DAC meeting held on 24.11.2016, department reiterated their previous reply. DAC did not agree with the plea of the department and directed to recover the full amount. However no progress was intimated till the finalization of this report.

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

AP No 31 (2015-16)

1.2.3.5 Irregular award of contract and expenditure on account of non-registration with PEC Rs 55.846 million

According to the condition of the NIT that the contractor having registration with Pakistan Engineering Council in relevant category will participate in the bid.

Executive Engineer Public Health Engineering Department Lakki Marwat awarded contract to contractors valuing Rs 55,846,000 during 2015-16 without having any registration with Pakistan Engineering Council in relevant category (CE-09). In most of the tenders, registered contractors were ignored and the contract was awarded to contractors having no license with PEC. Award of work to contractors without having registration is held as irregular and unauthorized.

Irregular award occurred due to non-compliance of rules, which resulted in to violation of rules.

When reported out in August 2016, management did not respond to Audit observation.

Request for convening of DAC meeting was made on 22.08.2016, which could not be convened till finalization of this report.

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

AP 05 (A/C-I-2015-16)

1.2.3.6 Unauthorized execution of work on account of technical sanction –Rs 36.377 million

According to S.No.21.1(d) of the Delegation of Powers under the Financial Rules and Powers of Re-Appropriation Rules-2001, Superintendent Engineer and Executive Engineers are empowered to accord technical sanction for ordinary and special repairs to roads up to Rs.2,000,000 and Rs.400,000 respectively.

Executive Engineer Communication & Works Department Lakki Marwat executed AOM&R of Roads valuing Rs 36,377,000 during financial year 2015-16. The technical sanction was required from the Chief Engineer (Detail as per **annex-D**).

Unauthorized execution of work occurred due to non-compliance of rules, which resulted in to violation of rules.

When reported in August 2016, management stated that the ex-post facto Technical sanction will be obtained from Chief Engineer.

Request for convening of DAC meeting was made on 19.08.2016, which could not be convened till finalization of this report.

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

AP 52 (A/C-I-2015-16)

1.2.3.7 Irregular drawl and non-availability of APRs on account of polio campaign Rs 29.191 million

Under Rule-283 CTR, each head of office is responsible for the amount drawn is duly paid to person entitled to received it and obtain acquaintance on bill or TR form-28.

District Health Officer Lakki Marwat drew Rs 29,191,750 on account of polio campaign without obtaining sanction of the competent authority.

Audit observed that:-

1. No approved work plan was available on record.
2. No detail of polio campaign was available on record.
3. Name of persons engaged in polio campaign was not available on record.
4. Acknowledgment to whom payment made was not available on record.
5. Approved date on which polio campaign was made was not known to audit.

Irregular withdrawal occurred due to non-compliance of rules, which resulted into loss to Government.

When reported in July 2016, management stated that all the record was available on record. However no record was produced.

In DAC meeting held on 24.11.2016, department reiterated their previous reply. DAC did not agree with the plea of the department and directed to produce the record within two weeks. No progress was intimated till the finalization of this report.

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

AP 30 (2015-16)

1.2.3.8 Irregular award of contract Rs 15.930 million Overpayment on account of cost factor Rs 1.011 million

Clause- 2 of contract agreement requires the imposition of penalty @ 1 % per day subject to maximum 10% of the estimated cost of the work that remained un-complete/un-finished after the proper dates.

Executive engineer C&WLakki Marwat awarded the following contracts during 2015-16. Audit observed the following irregularities.

1. Contract was awarded to the contractors for the schemes of science Labs in various high schools on bid cost, whereas payment was authorized by adding cost factor, which comes Rs 1,011,000.
2. Work orders was awarded with the condition that works may be started within 7 days after the issue of work order but works was started after the required time, therefore the earnest money was required to be forfeited and work is required to be retender.
3. Work was required to be completed within the stipulated period of time, which was not done, thus penalty @ 10 % was required to be imposed.
4. Material test results were not provided, to Audit, as required in the work order, in the absence of material tests the payment is held as unauthorized.

5. additional security Rs 582,405 was not deposited by the contractor as the offered was 27.76% below in the scheme GHS Kaka Khel.
6. Contract was awarded on Rs 1,673,346. Payment was made Rs 1,906,984 thus overpayment made Rs 233,638. Further Additional security Rs 382,675 was not deposited, therefore security was required to be forfeited and the work was required to be awarded to next bidder. Contract Agreement was also not found on the record in the scheme of GHS Shamoni Khattak.

Irregular award of contract occurred due to non-observance of the rules due to weak internal control and loss was given to the Government.

When reported in August 2016, Management stated that work was stated when site is handed over by client department and various material test have been conducted. Reply was tenable as neither the test result were produced nor handing over of the site was justified by documentary evidence.

Request for convening of DAC meeting was made on 19.08.2016, which could not be convened till finalization of this report.

Audit recommends recovery of the Penalty and overpaid amount.

AP 59 (2015-16)

1.2.3.9 Irregular award of work Rs 14.511 million and non-forfeiture of earnest money on account of agreement – Rs 0.29 million

Work order issued to contractor for establishment of playground in High School No. 2 Lakki Marwat condition states that in case of failure of signing the contract agreement within seven days after the issue of work order, the earnest money will be forfeited and work will be put to re-tender.

Executive Engineer C&W Lakki Marwat awarded the work to the contractor during financial year 2015-16 "Establishment of play ground in high school no.2 Lakki Marwat". Work order was issued on 17/06/2015 but the condition referred above was not fulfilled.

Audit observed that the contract was not signed till 14/06/2016 as evident from the letter no.63131/LM.

Irregular award was occurred due to non-compliance of rules, which resulted in to violation of rules.

When reported out in August 2016, Management did not respond to Audit observation.

Request for convening of DAC meeting was made on 22.08.2016, which could not be convened till finalization of this report.

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

AP 63 (2015-16)

1.2.3.10 Nonimposition of penalty on accounts of non-completion of work within the stipulated time period– Rs 13.804 million

Clause-5 of the contract agreement states that application for extension of time within 30 days of hindrance in work may be submitted to Divisional Officer.

Executive Engineer C&W Lakki Marwat awarded the following contracts during financial year 2015-16. The works were not completed within stipulated time. Penalty @ 10% was not imposed. Detail are as under

Name of scheme	Dated of commencement	Required date of completion		Estimated cost	Penalty @10 %
Retrofitting of City Hospital	16/01.2013	30.06.2016		96,105,000	9,610,000
Construction of Examination Hall of GHSS Landiwah	18.06.2015	30.06.2016		9,543,000	654,300
Veterinary Hospital at SeraiNaurang	14.07.2015	30.06.2016		6,020,000	602,000

Volley Ball Court at SeraiNuarang	14.05.2015	21.05.2016		5,673,000	567,300
Up gradation of GPS Umar Titter Khel	09.06.2015	16.06.2016		9,976,000	997,600
B/T of Road from Highway to GandiUmerChiker of Ozakai	7.11.2014	20.11.2015		9,900,000	99,000
Establishment of Pry: School (GPS) at Bragi	12.06.2015	20.06.2016		12,742,000	1,274,200
13,804,400					

Non imposition of penalty occurred due to non-observance of the rules due to weak internal control and loss was given to the Government.

When reported in August 2016, management did not furnish any reply.

Request for convening of DAC meeting was made on 19.08.2016, which could not be convened till finalization of this report.

Audit recommends recovery of the Penalty.

AP 17, 27, 36, 37, 32,46& 50 (A/C-I-2015-16)

**1.2.3.11 Irregular & Unauthorized expenditure on account of AOM&R
- Rs 12.322 million**

Government of Khyber Pakhtunkhwa Finance Department letter No. BOI/2-7(2005-06)/FD dated: 23-06-2006 state that, all PC-I for M&R works for Rs 0.500 million and above shall require the approval of DDC concerned. According to delegation of financial and re-appropriation rules 2001 Note (a) S. No21-1 (d), AOM&R works may be got approved from the Zilla Council or Government as the case may be.

Executive Engineer Public Health Engineering Division Lakki Marwat spent Rs 12,321,647 on AOM&R of water supply schemes during financial year 2015-16. The expenditure were incurred without the approval of District Development Committee and technical sanction was also not obtained. Further PC-I of the schemes were also not available on record of the local office.

Irregular and Unauthorized payment occurred due to non-compliance of rules, which resulted in to loss to Government.

When reported in August 2016, management stated that the expenditure was incurred against AOM&R already approved in the annual budget. Reply was not tenable as approval from DDC was not obtained.

In DAC meeting held on 24.11.2016, department reiterated their previous reply. Department did not agree with the department and directed to produce the sanction of Finance Department. No progress was intimated till the finalization of this report.

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

AP 39 (2015-16)

1.2.3.12 Irregular execution of work Rs.9.7 million and overpayment of Rs.1.286 million

Para 96 of GFR states that it is contrary to the interest of the state that money should be spent hastily or in an ill-considered manner merely because it is available or that the lapse of a grant could be avoided. A rush of expenditure particularly in the closing month of financial year will ordinarily be regarded as breach of financial regularity.

Para 220 & 221 of CPWA Code states that 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.

Executive engineer C&W Lakki Marwat executed M&R Road Sub head “Tajori to Tari road” and paid Rs.9,726,651/-

Following Irregularities were noticed as under.

1. 7349 M2 TST for Rs.4,159,743 was made without water bound macadam and 840 M3 water bound macadam for Rs.2081839/- was made without TST which is unjustified.
2. 1565.81 M3 Granular sub Base for Rs.2383773 executed without any other relevant work.
3. Twenty six number first and final bills were prepared in the month of June and awarded contract to one number contractor M/S Sher wali.
4. Exact location where the work was carried out was not mentioned in MB in absence of RD the actual work cannot be evaluated.
5. Water bound macadam of the six number first and final bills were added which comes to 840 m3 and TST comes to 4215.6 m2 over payment calculated Rs 1286743 was as under.

$$840\text{m}^3 \times 35.32 = 29669 \text{ cft} / .25 = 118675 \dots\dots$$

$$4215.6 \times 10.76 = 45360$$

$$73315 \times .25 = 18329 / 35.32 = 519\text{m}^3 \times 2479.59 = 1,286,743$$

6. Work order, contract agreement, NIT, A.A and inventory book was not provided.

Irregular award occurred due to non-compliance of rules, which resulted into violation of rules.

When reported out in August 2016, management did not respond to Audit observation.

Request for convening of DAC meeting was made on 22.08.2016, which could not be convened till finalization of this report.

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

AP 56 (2015-16)

1.2.3.13 Irregular execution of work Rs 8.678 million and over payment beyond the administrative approval Rs 3.265 million

Para 96 of GFR states that it is contrary to the interest of the state that money should be spent hastily or in an ill-considered manner merely because it is available or that the lapse of a grant could be avoided. A rush of expenditure particularly in the closing month of financial year will ordinarily be regarded as breach of financial regularity.

Para 220 & 221 of CPWA Code states that 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.

Para 54 of CPWD Code states that for every work it is necessary to obtain, in the first instance, the concurrence of the administrative department requiring the work.

Executive engineer C&W Lakki Marwat executed M&R Road Sub head “Umar Adda to Tabi Murad road” and paid Rs.8,678,413 during financial year 2015-16.

Following irregularities were noticed as under.

1. Seventeen number first and final bills were prepared in the month of June and awarded contract to one number contractor which is held irregular.
2. Running distance for the said work in the MB were not mentioned, in the absence of RD the actual work cannot be evaluated.
3. Water bound macadam of the Seventeen number first and final bills were added which comes to 281 m³ and TST comes to 8526 m².over payment calculated Rs.3,265,885/- was as under.

$$281\text{m}^3 * 35.32 = 9935 \text{ cft} / .25 = 39741 \text{sq.ft}$$

$$8526 * 10.76 = 91740 \text{sq.ft-}$$

$$39741 \text{sq.ft} = 51999 / 10.76 = 4833 \text{m}^2 * 675.80 = \text{Rs.}3,265,885/-$$

4. Work order, contract agreement, NIT, A.A and inventory book for the road to authenticate the road comes under the jurisdiction of C & w or not was not provided to Audit. Execution of work without adopting formal procedures is required justification from the Executive Engineer. M & R work required inquiry/physical verification. Overpaid amount may be recovered from the contractor.

Irregular award of contract occurred due to non-compliance of rules, which resulted in to loss to Government.

When reported in August 2016, management stated that contract was awarded for Rs 10.00 million and the SDO was directed to furnish complete measurement of MB. Reply was not tenable as no record was produced.

Request for convening of DAC meeting was made on 22.08.2016, which could not be convened till finalization of this report.

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

AP 55 A/C-I(2015-16)

1.2.3.14 Irregular execution of work Rs.7.916 million

Para 96 of GFR states that it is contrary to the interest of the state that money should be spent hastily or in an ill-considered manner merely because it is available or that the lapse of a grant could be avoided. A rush of expenditure particularly in the closing month of financial year will ordinarily be regarded as breach of financial regularity.

Para 220 & 221 of CPWA code states that 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.

Executive Engineer C&W Lakki Marwat executed M&R Roads in Pk-76

.Sub head “ Begu Khel to Shahbazkhel Road” and paid Rs.1,781,486/-
sub head “Mianwali to DabakMandraKhel” paid Rs.2,384,952/-and sub head
“Mangiwal to IhsanPur” paid Rs.3,750,517

Following Irregularities were noticed as under.

1. 316 M3 water bound macadam for Rs.758,616 was made without TST.
2. 67.95 M3 Granular sub Base for Rs.33,975executed without any other relevant work, which is not only unjustified but leads to misappropriation.

3. First and final bills were prepared in the month of June and awarded contract to one number contractor
4. Running distance for the said work in the MB were not mentioned, in the absence of RD the actual work cannot be evaluated.
4. Record/vouchers in support of Sub head “Begu Khel to Shahbaz khel Road” and “Mianwali to Dabak mandra khel” was not produced to Audit
5. Work order, contract agreement, NIT, A.A and inventory book was not provided.

Irregular award was occurred due to non-compliance of rules, which resulted in to violation of rules.

When reported in August 2016, management stated that no water bound macadam was executed without TST. Reply was not tenable as no proof was produced in support of their reply.

Request for convening of DAC meeting was made on 22.08.2016, which could not be convened till finalization of this report.

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

AP 58 A/C-I(2015-16)

1.2.3.15 Unauthorized expenditure on account of electricity charges and salary of staff on damage tube wells - Rs 10.488 million

According to Sub Divisional Officer PHE Division Lakki Marwat letter No. 3446/AC-2 dated: 24.05.2016, that the 36 number water supply schemes were damaged since last two years.

Executive Engineer Public Health Engineering Department Lakki Marwat paid Rs 7,344,000 as salaries and Rs 3,144,435 as electricity charges during financial year 2015-16 on damage water supply schemes.

Unauthorized expenditure occurred due to non-compliance of rules, which resulted in to loss to Government.

When reported in August 2016, management stated that at least one person is necessary on tube well for safe guard. Reply was not tenable as the department deputed them in other water supply schemes.

In DAC meeting held on 24.11.2016, department reiterated their pervious reply. DAC did not agree with the plea of the department and directed to regularized the services of all the surplus staff.

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

AP 36 & 37 (2015-16)

1.2.3.16

Irregular execution of work Rs 6.44 million

Para 96 of GFR states that it is contrary to the interest of the state that money should be spent hastily or in an ill-considered manner merely because it is available or that the lapse of a grant could be avoided. A rush of expenditure particularly in the closing month of financial year will ordinarily be regarded as breach of financial regularity.

Para 220 & 221 of CPWA code states that 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.

Executive Engineer C&W Lakki Marwat executed M&R Road Sub head “Gambila to Phar Khel Road” and paid Rs.6,443,915/-Following irregularities were noticed as under.

1. Seventeen number first and final bill were prepared in the month of June and work was awarded to M/S Mian Ghazi, which is held irregular.
2. Exact location of the work was not mentioned in the M B, in the absence of RD the actual work cannot be evaluated.
3. Work order, contract agreement, NIT, A.A and inventory book was not provided.

Irregular execution of work occurred due to non-compliance of rules, which resulted in to loss to Government.

When reported in August 2016, management stated the work was awarded to contractor for Rs 10.00 million and the work executed was in excess of measurement quantity. Reply was not tenable.

Request for convening of DAC meeting was made on 19.08.2016, which could not be convened till finalization of this report.

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

AP 53 A/C-I(2015-16)

1.2.3.17 Unauthorized use of electricity by private persons and payment of by Government Department Rs 6.387 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 either on his part or on the part of his subordinate staff. Executive Engineer Public Health Engineering Department made payment of Rs 6,387,200 as electricity charges during financial year 2015-16, neither the sub engineer Nor any authority in public health Department visit those water supply schemes since long

During physical verification of 07 number schemes on 15.08.2016, it was noticed that the operators of the said schemes made illegal / unauthorized connection of electricity from the meter installed for water supply schemes since one year for private use. Detail are as under:

Sr. No.	Name of scheme	Electricity bills
1.	WSS Gambila madrasa Sadullah	4,043,483
2.	WSS AttashiMachenKhel	398,700
3.	WSS Hameed Abad	129,222
4.	WSS Adam Zai	694,367
5.	WSS PaharKhelThal	127,802
6.	WSS BehramKhel	513,019
7.	WSS Kalan	480,607

Total	6,387,200
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Unauthorized use of electricity occurred due to non-compliance of rules, which resulted in to loss to Government.

When reported in August 2016, management stated that payment was made according to the electricity bills of the PESCO authorities.

Reply was not tenable as the Sub Divisional Officer of PHE Sub Division Lakki Marwat also raised the issue with the Executive Engineer PHE Lakki Marwat during financial year 2015-16 but no action was initiated.

In DAC meeting held on 24.11.2016, Department reiterated their previous reply. DAC did not agree with the plea of the department and directed to recover the amount from person (s) at fault and also initiating disciplinary action against the person (s) at fault.

Audit recommends high level inquiry besides recovery and action against the person (s) at fault.

AP 49 (2015-16)

1.2.3.18 Loss to the Government on accounts of re-award of contract on the higher bid – Rs 4.336 million

According to NIT Clause 4-General instruction (e) vide Finance Division Notification No. SO(FR)FD/9-7/2011/Vol-1 dated 05.11.2014 “in case of failure by depositing the additional sum by the due date, the 2% earnest money already deposited by him will be forfeited in favor of Government and the lowest bidder (& so on), will be considered for bid and the defaulting bidder will be recommended for blacklisting in addition to forfeiture of their earnest money”.

Executive Engineer Communication and Works Department Lakki Marwat awarded the Works i.e. “Up-gradation of 40 Middle to High Schools SH: GMS Landi Mir Salam SW: PK-74” during 2015-16 to the following contractors as per terms & Conditions stated below:

S. No	Contractors	NIT cost	Bid cost	Below	Remarks
1st Bidder	Main Ghazi Enterprises	12,227,000	9,140,663	25.24%	Due to non-depositing of additional security, rejected.
2nd Bidder	H. Jumaraz Khan & Sone	12,227,000	10142330	17.05%	Due to non-depositing of additional security, rejected.
3rd Bidder	M/S Bhattani Enterprises	122,227,000	10760097	12.00%	Rejected as he has no CE-10 License

Audit observed that the same contract was awarded again to Mian Ghazi Enterprises for Bid cost Rs 12,221,068 which was 0.05% below of NIT cost and paid Rs 13,477,083 As per NIT condition the contractor Mian Ghazi was required to be blacklisted, but he was awarded the same contract on high rates as compared to the previous quoted rates and loss of Rs 4,336,420 was given to the Government by giving undue favor to the contractor. Further the comparative statements shows that three number contractors were declared as defective without giving any reason. M/S Betani Enterprise was rejected due to not having license of CE-10. Tender documents were not required to be issued if M/S Betani enterprise has not the relevant license.

Loss was occurred due to non-compliance of rules, which resulted in to loss to Government.

When reported in August 2016, Management stated that the 2% earnest money from the first bidder was forfeited. Reply was not tenable as the contractor was required to be black listed.

Request for convening of DAC meeting was made on 19.08.2016, which could not be convened till finalization of this report.

Audit recommends recovery from the person(s) at fault.

AP 65 A/C-I(2015-16)

1.2.3.19 Irregular execution of work – Rs 3.612 million

Para 96 of GFR states that it is contrary to the interest of the state that money should be spent hastily or in an ill-considered manner merely because it is available or that the lapse of a grant could be avoided. A rush of expenditure

particularly in the closing month of financial year will ordinarily be regarded as breach of financial regularity.

Para 220 & 221 of CPWA code states that 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.

Executive engineer C&W Lakki Marwat executed M&R Road Sub head “Gambila to Kot Kashmir road” and paid Rs.3,611,797 during Financial Year 2015-16.

Following Irregularities were noticed as under.

1. Eleven number first and final bills were prepared in the month of June and awarded contract to one number contractor M/S Mian Ghazi, which is held irregular.
2. Location of work in the MB were not mentioned, in the absence of RD the actual work cannot be evaluated.
3. Work order, contract agreement, NIT, A.A, and inventory book for the road were not provided to Audit.
4. Irregular execution of work occurred due to non-compliance of rules, which resulted in to loss to Government.

When reported in August 2016, Management stated that the SDO concerned was directed to complete the measurement books. Reply was not tenable as no proof was produced.

Request for convening of DAC meeting was made on 19.08.2016, which could not be convened till finalization of this report.

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

AP 54 A/C-I(2015-16)

1.2.3.20 Irregular award of AOM&R work to a banned contractor – Rs 2.627 million

Executive Engineer Public Health Engineering Department vide letter No. 2651-3 / M-2 dated: 29.06.2015 banned / Barred MrSajjadUllah Shah (Government Contractor) from taking part in tenders of PHE Division Lakki Marwat.

Executive Engineer Public Health Engineering Department awarded AOM&R work valuing Rs 2,626,811 to Ms Sajid Ullah Shah during 2015-16.

Irregular award occurred due to non-compliance of rules, which resulted in irregular award of contract.

When reported in August 2016, Management stated that the contractor was barred due to delay in work. This confirms the plea of the Audit.

In DAC meeting held on 24.11.2016, department reiterated their previous reply. DAC did not agree with the plea of the department and directed to regularize the expenditure. No progress was intimated till the finalization of this report.

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

AP 45 (2015-16)

1.2.3.21 Irregular Payment of Rs 2.535 million and non-imposition of penalty

Sr. No. 18 of guidelines issued by medicine Coordination Cell states that “the supply of the ordered goods shall be completed by the supplier within 30 days. Upon delay in supply from (46 to 60) days a total penalty of 7% on total amount shall be levied. After the expiry of the extended period the order shall stand cancelled to the extent of non-supply items and the purchaser shall have the right to impose major penalties of black listing,

debaring the supplier for from future participation for next three years and forfeiting the earnest money.

DHO Lakki Marwat spent Rs 2,535,396 on the purchase of medicines during 2015-16. Supply order were issued to all the supplier well in time i.e. 13.04.2016, whereas the following suppliers failed to complete their supply within stipulated period of time and even up to the last date of audit 05.08.2016. Neither minor penalty of Rs 77,478 @ 7% nor major penalty was imposed, which resulted in to violation of rules.

Irregular withdrawal occurred due to non-compliance of rules, which resulted in to violation of rules.

When reported in July 2016, Management stated that amount of penalty will be recovered.

In DAC meeting held on 24.11.2016, management reiterated their previous reply. DAC however, directed to recover the amount of penalty. No progress was intimated till the finalization of this report.

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

AP 26 (2015-16)

1.2.3.22 Irregular and un-authorized expenditure on account of contingent paid staff and non- acknowledgement of APRs - Rs 2.400 million

Sr. No 07 of Government of Khyber Pakhtunkhwa Finance Department letter No. BO.I/FD/5-8/2015-16/Economy Measures dated: 26.06.2015 states that No appointment of contingent paid staff shall be made during the course of financial year 2015-16 without prior approval of Finance Department.

DHO Lakki Marwat spent Rs 2,400,000 during 2014-16 on account of payment to contingent paid without obtaining prior approval of appointment from Finance Department. Further No acknowledgement was found available on record.

Irregular expenditure occurred due to non-compliance of rules, which resulted in to violation of rules.

When reported in July 2016, Management stated that sanction was obtained from the competent authority.

In DAC meeting held on 24.11.2016, department reiterated their previous reply. DAC did not agree with the plea of the department and directed to produce sanction of the Finance Department within 15 days. No progress was intimated till the finalization of this report.

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

AP 16 (2015-16)

1.2.3.23 Loss to Government due to unauthorized occupation of Government Residential Buildings by private Occupants- Rs 2.100 million

Para 5 appedix-21 of GFR VOL-I requires the recovery of rent in advance on monthly basis if a government building is let to a private person for residential purpose. According to instruction laid down under FR-45(A) the standard rent @ 6% of the capital cost to be calculated on the basis of cost of land and other expenses incurred on building should be recovered from the private bodies, if the government accommodation is allotted therein.

During Physical verification of THQ Hospital Serai Nourang 27.07.2016 along with Doctor In-charge, it was noticed that 3 residential bungalows constructed for Doctors were occupied and used by private occupants. By

allowing private person to use Government accommodation, not only the employees of health department were deprived of the benefits but also cause a loss of Rs 2,100,000 million (Detail as per annex-E).

Loss occurred due to non-compliance of rules, which resulted in to loss to Government.

When reported in July 2016, Management stated that the matter was brought to the notice of higher ups for recovery of rent. Loss was admitted.

In DAC meeting held on 24.11.2016, department reiterated their previous reply. DAC did not agree with the plea of the department and directed to recover the amount through revenue department and the Government building may be vacated through District Administration. However, neither recovery was made nor the building is vacated.

Audit recommends inquiry besides recovery and vacation of bungalows from illegal occupants and allotment to deserving doctors and action against person (s) at fault.

AP 24 (2015-16)

1.2.3.24 Unauthorized payment on account of salaries for absent period Rs 1.909 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 either on his part or on the part of his subordinate staff.

Executive Engineer Public Health Engineering Department Lakki Marwat paid Rs 1,908,863 as salaries to (11) staff during 2015-16.

During physical verification it was noticed that the said staff remained absent without leave, instead of taking action for willful absence pay and allowance were regularly paid to them.

Unauthorized payment occurred due to non-compliance of rules, which resulted in to loss to Government.

When reported in August 2016, Management stated that as per Government policy the ladies staff has been appointed. However no Government policy was produced.

In DAC meeting held on 24.11.2016, department did no produced Government Policy. DAC directed the department to conduct inquiry in the case besides recovery of amount from the person (s) at fault.

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

AP 38 (2015-16)

1.2.3.25 Loss due to non-deduction of Service tax – Rs 3.393million

Khyber Pakhtunkhwa Revenue Authority No F-16(4)KPR / Notification /WH/1323 dated 31-08-2015 S.NO 27 states that 15% services tax is required to be deducted from services provided by person engaged in contractual execution of work or furnishing supplies.

Executive Engineer Public Health Division Lakki Marwat paid Rs 22,621,207 to Ultimate Engineering Consultants (UEC) on account of execution of various developmental schemes during 2015-16 without deducting service tax @15%, which resulted into loss of Rs 3,393,347.

Loss occurred due to non-compliance of rules, which resulted in to loss to Government.

When reported in August 2016, Management did not respond to Audit observation.

Request for convening of DAC meeting was made on 22.08.2016, which could not be convened till finalization of this report.

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

AP 01 (A/C-I-2015-16)

1.2.3.26 Non recovery of sales tax on services – Rs 1.127 million

Khyber Pakhtunkhwa Revenue Authority No F-16(4)KPR / Notification /WH/1323 dated 31-08-2015 S.NO 27 states that 15% services tax is required to be deducted from services provided by person engaged in contractual execution of work or furnishing supplies.

Executive Engineer Communication and Works department Lakki Marwat paid Rs 7,514,695 during 2015-16 on the following developmental works. Sales tax on service Rs 1,127,204 was not deducted by department as required under rules and loss of Rs 1,127,204 was given to the Public exchequer.

Scheme	Name of consultant agency	Expenditure	Sales tax on Service @15 %
F/S Design construction of Road AbbassaKhatak to Shuhab Khel Pk-76	Creative Engineering	4,879,696	731,954
F/S Design Construction of RCC: bridge over ChunnaiNalla Near Village MelaMandra Khel Road I Pk-75	Development Management Consultants (DMC)	2,634,999	395,250
Total			1,127,204

Non recovery of sales tax on services is the violation of rules which resulted into loss to public exchequer.

When reported in August 2016, management replied that the matter will be taken up with the higher ups for clarification.

Request for convening of DAC meeting was made on 19.08.2016, which could not be convened till finalization of this report.

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

AP 21 (A/C-I-2015-16)

1.2.3.27 Non deposit of lapse deposit into Government Treasury – Rs 0.853 million

Para 23 of the GFR Vol- I requires that 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. Unclaimed

Lapsable deposit for more than three years will be credited into revenue account as per Para 399 of CPWA code.

Record of the Executive Engineer Communication & Works Department Lakki Marwat revealed that Rs 852,515 was laying in PW Deposit-IV since 2007. The amount needs to be credited into Government Treasury as laps deposit. (Detail as per Annex-F).

Irregular drawl was occurred due to non-compliance of rules, which resulted in to loss to Government.

When reported in August 2016, Management did not respond to Audit observation.

Request for convening of DAC meeting was made on 19.08.2016, which could not be convened till finalization of this report.

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

AP 51 (A/C-I-2015-16)

1.2.3.28 Non-deduction of security - Rs 0.615 million

According to agreement security @ 8% of total amount must be deducted for the bill of contractors.

Executive Engineer Public Health Engineering Division Lakki Marwat paid Rs 7,689,686 to various contractors during 2015-16 without deducting security @ 8% of the total bill.

Loss was occurred due to non-compliance of rules, which resulted in to loss to Government.

When reported in August 2016, Management stated that recovery will be made. Loss was admitted.

In DAC meeting held on 24.11.2016, department was directed to recover the amount. However no progress was intimated till the finalization of this report.

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

AP 43 (2015-16)

1.2.3.29 Unauthorized payment on account of salaries for absent period Rs 0.481 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 either on his part or on the part of his subordinate staff.

Executive Engineer Public Health Engineering Department Lakki Marwat paid Rs 481,440 to one Chowkidar as salaries during 2014-16. The employee remained absent without leave for several years and doing private business at District Bannu, instead of taking action for willful absence pay and allowance were regularly paid.

Unauthorized payment was occurred due to non-compliance of rules, which resulted in to loss to Government.

When reported in August 2016, management stated that the said chowkidar was compulsory retired from government service. Reply was not tenable as the absent period was neither regularized nor recovery was made.

In DAC meeting held on 24.11.2016, department reiterated their pervious reply. DAC did not agree with the plea of the department and directed to recover the amount.

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

AP 34 (2015-16)

1.4.1 Internal control Weakness

1.2.4.1 Loss to Government due to nondeduction of sales tax on services -Rs99.970 millions

Notification of Khyber Pakhtunkhwa Revenue Authority No. F-16(4)KPR/Notification /WH/1323 dated 31-08-2015 S.NO 26 states that 15% services tax is required to be deducted from services provided by person engaged in contractual execution of work or furnishing supplies.

Executive Engineer, Communication and Worksdepartment Lakki Marwat paid Rs-695.212 millionson various developmental works duringFinancial Year2015-16, Sales tax on service worth Rs99,970,150 was not deducted by department as required and loss of Rs 99,970,150 was given to the Public exchequer(Detail as per annex-G).

Non deduction of sales tax on services is the violation of rules which resulted into loss to public exchequer.

When pointed out, department replied that the matter will be taken up with the higher ups for clarification.

Request for convening of DAC meeting was made on 19.08.2016, which could not be convened till finalization of this report.

Audit recommends recovery of sales tax and action against person at fault.

AP 20 (A/C-I-2015-16)

1.2.4.2 Irregular payment on account of substandard work – Rs 97.842 million

Work order condition No.2 states that Technical Sanction must be obtained before commencement of work. Para 2.4 of B&R code states that no

work shall be started without administrative approval, technical sanction and allotment of funds.

Executive Engineer C&W Lakki Marwat paid Rs 97,842,751 on account of Construction of RCC Bridge over ChunaiNullah during Financial Year 2015-16.

Following Irregularities were noticed.

1. Work was started without Technical Sanction.
2. On physical verification of the site "Road work" with SDO and Sub engineer concerned, the Road was found substandard, which require tests.
3. The BOQ cost of item "Sub structure" was Rs 21,342,000 whereas up to 6th Running bill payment was made Rs 24,396,000, thus an amount Rs 3,018,000 over paid without any justification.

Execution of sub-standard work was occurred due to non-compliance of rules, which resulted in to loss to Government.

When reported in August 2016, Management stated that DCE was send to competent authority for according TS, reply was not tenable TS was not produced.

Request for convening of DAC meeting was made on 19.08.2016, which could not be convened till finalization of this report.

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

AP 11 (A/C-I-2015-16)

1.2.4.3 Loss to Government due to Less deduction of Income Tax Rs -89.749 million

According to FBR SRO No. 136 dated 13.02.2015, Section 153(1) (B), 15% Income Tax is required to be deducted from the non-filer.

Executive Engineer, Communication and works department Lakki Marwat paid Rs-695.212 Millions on various developmental works during Financial Year 2015-16, income tax worth Rs-14,532,304 was deducted @7.5% instead of 15% which comes to Rs-104,281,874.9 resulting into loss of Rs-89,749,570. (Detail as per annex-H).

Less deduction of the income tax is the violation of rules which resulted into loss to public exchequer.

When pointed out in August 2016, department stated that the matter will be taken up with the higher ups for clarification.

Audit recommends the income tax amount may be recovered from all concerned and deposited into government treasury under intimation to audit.

AP 19 (A/C-I-2015-16)

1.2.4.4 Irregular and unauthorized acceptance of tender beyond financial powers Rs 44.619 million

Para 91 of CPWD code provides that an officer of the public works department may accept a tender for a contract up to the amount to which he is authorized to accord technical sanction to estimates. Under S.No.21.1(a) of the Delegation of Powers under the Financial Rules and Powers of Re-Appropriation Rules-2001, the Executive Engineer are empower to accord technical sanction for original work up to Rs 2.00 million. Tender inviting authority shall ensure that adequate time is provided for the submission of tenders to achieve healthy competition according Para 144 GFR Vol-I read with Chapter-V of KPPRA rules 2014.

Executive Engineer Public Health Department Lakki Marwat floated advertisement for 12 various works for estimated cost of Rs 44.619 million

during 2015-16. 11 agreements were executed with different contractors which were accepted by the Executive Engineer PHE beyond his financial powers. The tender of the above agreement was required to be approved / accepted from Superintendent Engineer PHE.

Unauthorized expenditure occurred due no noncompliance of rules.

When pointed out in August 2016, department did not respond to Audit observation.

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

AP 03 (A/C-I-2015-16)

1.2.4.5 Loss to Government on account of escalation – Rs 24.085 million

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

B & R Code Para 1.58 states that the Divisional Officer is responsible to organize and supervise the execution of works and to see that they are suitably and economically carried out with material of good quality.

Executive Engineer C&W Lakki Marwat paid Rs 24,085,976 during 2015-16 on account of Escalation to Contractor for execution “RCCbridgeover Gambila River to Sara Darga District Lakki Marwat”. Work was awarded on the following terms and conditions

1. The work was awarded on bid price Rs 251,576,593(34 % above on CSR 2009).

2. Administrative Approval for Rs. 241,228,000 accorded on 17/07/2012.
3. Chief Engineer vide letter No.6694 dated 16/01/2013 directed Superintending Engineer Bannu Circle for obtaining Revised A.A.
4. Revised A.A for Rs 314,469,000 accorded by the Secretary C&W on 25.04.2014.

Audit observed the following irregularities

1. Revised A.A was required to cover the Bid amount i.e., for Rs 255,576,000 but it was accorded for Rs 314,469,000.
2. Scope of the work enhanced without approval of the competent forum. Drawing and design of the Bridge changed without any justification and supporting documents as given under.

Name of work	Original A.A	Revised A.A	Difference
Road works	13,549,000	18,059,000	4,510,000
Ancillary work	1,959,000	14,788,000	12,829,000
Total			17,339,000

3. The tender of the said contractor was approved by the rate advisory committee on the grounds
 - a. The rate offered is 0.41 % below on CSR 2012. i.e.,Rs 1,076,520 will be the saving if awarded on CSR 2009 plus 34% above.
 - b. The rate may go up further in case of re-tender.
4. To save Rs 1,076,520 loss of Rs 24,085,976 was given to Government in the shape of Escalation.
5. If the work was re-tender on CSR 2012 , then the loss in shape of Escalation can be avoided, thus undue favor was granted to the contractor on the cost of Government funds.

6. 989.759 ton steel was required to be executed as per T.S. but the quantity of steel decreased to 748.412 ton. This indicates that the standard of the bridge was decreased to give undue favor to the contractor.
7. Detail of calculation of the escalation against the labor,Steel,POL and cement was not provided to audit to authenticate the figures.
8. Date of IPC No.1 was 01/03/2013 and the rates from Ittehad steel was obtained on 05/11/2012, which reflects that the escalation was doubtful.
9. 93.59 ton steel was overpaid on account of 10% above the steel used in calculation of escalation thus Rs 8,117,964 was over paid.

Overpayment occurred due to non-compliance of rules, which resulted in to loss to Government.

When reported in August 2016management stated that the scope of work enhanced due to site requirement.

Reply is not tenable as neither the Escalation given to the contractor was justified nor the overpayment made on account of Steel was justified.

Request for convening of DAC meeting was made on 19.08.2016, which could not be convened till finalization of this report.

Audit recommends fact finding inquiry and recovery of the amount.

AP 12 A/C -I (2015-16)

1.2.4.6 Loss to government due to non-functional of operation theatre units – Rs 14.00 million and re-curing loss of Rs1.680 million per year

According to Para 23 of GFR Vol-1 "every Government officer should realized fully and clearly that he will be held personally responsible for any loss

sustained by Government through fraud or negligence either on his part or on the part of his subordinate staff.

Heavy amount of Rs14,000,000 (Rupees Two million per OT) was spent on the construction and on the purchase of furniture, machinery & equipment etc. In addition payment of Rs1,680,000 per year was also made as salaries of OT unit staff. Operation theatres in five Health Institutions under the administrative control of DHO were non-functional since July 2009, as no operation was conducted in these operation theatres. Resultantly due to improper administrative and financial control the government was put to loss of Rs22,400,000.

Audit observed that loss occurred due to weak internal controls.

When reported in July 2016, Management stated that post of surgeon was not sanctioned in the said institutions.

Reply was not tenable as no demand of surgeon from provincial government was produced.

Audit recommends fixing responsibility on person(s) at fault and provision of staff for the health institutions.

AP 18 A/C -IV (2015-16)

1.2.4.7 Overpayment on account of excess quantities – Rs 21.922 million

Para-220 of CPWA Code requires the payment for work done duly measured in accordance with rates, quantity and quality approved in the T.S.

Executive Engineer, Communication and works department Lakki Marwat overpaid Rs 21,922,572 during 2015-16 to various contractors for execution of the different schemes. (Detail is as per annex-I to R).

Audit observed that over payment of Rs 21,922,572 was made against quantities of various items over and above the technical sanction approved.

As such the payment on excess quantities is held overpayment and may be recovered.

Overpayment occurred due to non-observance of the rules due to weak internal control and loss was given to the Government.

When reported in August 2016, Management stated that item have been executed as per site requirements. Reply was not tenable as enhanced quantities were not justified by drawing and design.

Request for convening of DAC meeting was made on 19.08.2016, which could not be convened till finalization of this report.

Audit recommends recovery of the overpaid amount.

AP 39, 30, 31, 29, 34, 41, 43, 33, 40 & 35(A/C-I-2015-16)

1.2.4.8 Loss to Government – Rs 19.085 million

According to Para 23 of GFR Vol-1 "every Government officer should realized fully and clearly that he will be held 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 Lakki Marwat made posting of 40 ward orderlies in the Basic Health Units and Civil Dispensaries during 2014-16.

It was astonishing to note that in these health institutions no ward exists. Posting of the ward orderly in these health institutions is unjustified and held as irregular. Payment of Rs 19,085,630 as salaries to ward orderlies is held as irregular and recurring loss to Government exchequer.

Further receipt of the Basic Health Units and Civil Dispensaries revealed that no admission of patients' case was made then posting of ward orderlies in BHUs and CDs is not justified.

Loss was occurred due to non-compliance of rules, which resulted in to loss to Government.

When reported in July 2016, management stated that sanction of the Finance Department was obtained, no sanction was produced.

In DAC meeting held on 24.11.2016, department reiterated their previous reply. DAC did not agree with the plea of the department and directed to produce the sanction of Finance Department. No progress was intimated till the finalization of this report.

Audit recommends regularization and action against person at fault.

AP 13(2015-16)

1.2.4.9 Non deposit of income tax into government treasury – Rs 14.532 million

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

Executive Engineer, Communication and works department Lakki Marwat paid Rs-695.212 millionson various developmental works during 2015-16.

Income tax worth Rs 14,532,304 was deducted but not credited to Government Treasury.

Non deposit of the income tax resulted into loss to public exchequer.

When pointed out in August 2016management stated that income tax has been deducted and deposited as per form -46.

Reply is not tenable as District Account office system generated evidence not produced.

Request for convening of DAC meeting was made on 19.08.2016, which could not be convened till finalization of this report.

Audit recommends that contractor wise system generated evidence may be produced to audit for authentication.

AP 18 A/C -IV (2015-16)

1.2.4.10 Overpayment on account of conveyance allowance – Rs 13.864 million

According to Para 4 of the honorable Supreme Court of Pakistan, Islamabad order issued in respect of Constitutional Petition No 128/2012, the employees who are residing with the work premises are not entitled to the facility of Conveyance Allowance.

Executive Engineer Public Health Engineering Department allowed various employees to draw conveyance allowance during Financial Year 2015-16. Despite the fact that all the operational staff are the land owners and are residing within work premises. Payment of conveyance allowance to the staff is held as irregular and needs recovery.

Overpayment occurred due to non-compliance of rules, which resulted into loss to government.

When pointed out department stated that they are being residing outside the premises.

In DAC meeting held on 24.11.2016, department reiterated their previous reply. DAC did not agree with the plea of the department directed to recover the amount. No progress was intimated till the finalization of this report.

Audit recommends recovery and action against person at fault.

AP 32 A/C -IV (2015-16)

1.2.4.11 Over-payment on account of excess quantities – Rs 13.603 million

B&R Code Para 1.58 states that the Divisional Officer is responsible to organize and supervise the execution of works and to see that they are suitably and economically carried out with material of good quality.

Para 89 of CPWD Code Provide that where work or the supply of material is to be given out on contract, the following condition must be observed:

- a. Tender must be invited after the estimate has been technically sanctioned.
- b. (3) No officer may accept any contract which relates to a work not yet technically sanctioned. Clause-13 of the contract agreement states that No claim for compensation by reason of any alterations made in the original specifications, drawings and designs.

Executive Engineer, Communication and Works Department Lakki Marwat overpaid Rs 13,603,000 to various contractors over and above the TS cost during Financial Year 2015-16 (Detail is as per annex-S).

Overpayment occurred due to non-compliance of rules, which resulted into loss to government.

When pointed out in August 2016, management stated that the deviation in the quantities of various items occurred due to actual site requirements. The reply was not correct as 5% excess payment was allowed over the TS quantities.

Request for convening of DAC meeting was made on 19.08.2016, which could not be convened till finalization of this report.

Audit recommends recovery and action against person at fault.

AP 24 A/C-I(2015-16)

1.2.4.12 Defective tendering process – Rs 9.976 million

Para 144 of GFR Vol-I provides that open tender system should be adopted in order to obtain economical rates.

Executive Engineer, Communication and works department Lakki Marwat paid Rs- 7,713,526/- during Financial Year 2015-16 to the contractor Haji Jan Alam & Brother for execution of the scheme i.e. “Upgradation of GPS Umar Titter Khel District Lakki Marwat PK-75” under ADP No.250/140195 estimated

cost Rs-9.976 million. Audit observed that the work was awarded on ring basis as additional security was deposited on 06/04/2015 whereas as per comparative statement bid opening date was 20-04-2015.

The irregularity occurred due to weak internal control and non-observance of rules.

When pointed out in August 2016, management did not respond to audit observation.

Request for convening of DAC meeting was made on 19.08.2016, which could not be convened till finalization of this report.

Audit recommends inquiry and action against person at fault.

AP 38 (A/C-I-2015-16)

1.2.4.13 Overpayment on account of excess payment – Rs 7.204 million

Para-220 of CPWA Code requires the payment for work done duly measured in accordance with rates, quantity and quality approved in the T.S.

Para 89 of CPWD Code Provide that where work or the supply of material is to be given out on contract, the following condition must be observed: Tender must be invited after the estimate has been technically sanctioned. (3) No officer may accept any contract which relates to a work not yet technically sanctioned.

Executive Engineer, Communication and works department Lakki Marwat paid Rs 38,316,239 during Financial Year 2015-16 to the contractor for execution of the scheme i.e. “ Construction of B.S Block in Government Colleges of Khyber Pakhtunkhwa SH: Construction of B.S Block in GPGC in District Lakki Marwat PK-76” under ADP No. 535/140008 estimated cost Rs 42,589,000. Audit observed excess payment of Rs 7,204,768 was made as per the following.

Description	Approved payment	Payment	Excess payment
Main Building Ground Floor	20,651,661	25,721,900	5,070,239
Civil Works	9,764,334	10,892,221	1,127,887
Developmental Works	3,787,873	4,794,515	1,006,642
Total	34,203,868	41,408,636	7,204,768

Overpayment occurred due to non-observance of the rules due to weak internal control and loss was given to the Government.

When pointed out in August 2016 management stated that work was enhanced due to deep foundation work.

Reply is not tenable as the soil bearing capacity test was required before the commencement of work and justification for the work at serial no.2 and 3 was not given.

Request for convening of DAC meeting was made on 19.08.2016, which could not be convened till finalization of this report.

Audit recommends recovery of the overpayment.

AP 23 (A/C-I-2015-16)

1.2.4.14 Irregular execution of AOM&R works without tender – Rs 6.716 million involving loss / overpayment of – Rs 1.810 million

Para 01 Chapter-II of KPPRA Rules 2014 requires that, “the Procuring entity shall use open competitive bidding as the principal method of procurement of goods over the value of Rs 100,000. Chapter-V of KPPRA Rules 2014 requires that, “A procuring entity shall announce in an appropriate manner all proposed annual procurement and shall proceed accordingly without splitting or regrouping of any procurements so planned.

Executive Engineer Public Health Engineering Department spent Rs 6,715,661 on account of AOM&R of water supply schemes during 2015-16.

Audit further observed that:

1. Application of tube well operators was not available on record.
2. Financial sanction for the incurrence of the expenditure was also not obtained from Competent Authority.
3. Work orders were split off to avoid open competitive biddings.
4. Payment for AOM&R was made on exaggerated rates than that of approved rates, which resulting in to loss/overpayment of Rs 1,809,650. (Detail is as per annex-T).

Execution of work without tender occurred due to non-compliance of rules, which resulted in to loss to Government.

When reported in August 2016 management stated that tenders for the work were floated by this division time and against however the tenders were cancelled.

Nothing in this context was produced in support of their reply.

In DAC meeting held on 24.11.2016, department reiterated their previous reply. DAC did not agree with the plea of the department and directed to regularize the above lapses besides recovery of loss from person (s) at fault.

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

AP 44 (2015-16)

1.2.4.15 Overpayment on account of HRA, conveyance allowance & non-deduction of 5% maintenance charges – Rs 6.333 million

According to Para 4 of the honorable Supreme Court of Pakistan, Islamabad order issued in respect of Constitutional Petition No 128/2012, the employees who are residing with the work premises are not entitled to the facility of Conveyance Allowance.

District Health Officer Lakki Marwat allotted residential accommodation during financial year 2015-16, but house rent allowance and conveyance allowance was not deducted causing an overpayment of Rs 6,333,108. Moreover in few cases 5% of basic pay was also not deducted (Detail is as per annex-U).

Overpayment occurred due to non-compliance of rules, which resulted in to loss to Government.

When reported in July 2016, management stated that amount will be got recovered. Overpayment was admitted.

In DAC meeting held on 24.11.2016, department reiterated their previous reply. DAC therefore directed to recover the overpaid amount. However no further progress was intimated till the finalization of this report.

Audit recommends inquiry in to the matter besides recovery of amount and action against person(s) at fault.

AP 22 (2015-16)

1.2.4.16 Overpayment Rs 5.953 million

Para-220 of CPWA Code requires the payment for work done duly measured in accordance with rates, quantity and quality approved in the T.S.

Executive Engineer, Communication and works department Lakki Marwat overpaid Rs 9,559,148 during Financial Year 2015-16 to the contractors for execution of the various developmental schemes by paying over and above the TS amount. (Detail is as per annex-V).

Overpayment occurred due to non-observance of the rules, which resulted in to loss to Government.

When pointed out in August 2016 management stated that the expenditure was incurred within the permissible limit of 5% over technical sanction. The reply was not correct as the payment was made over and above the permissible limit of 5%.

Request for convening of DAC meeting was made on 19.08.2016, which could not be convened till finalization of this report.

Audit recommends recovery of the overpaid amount.

AP 26 A/C-I(2015-16)

1.2.4.17 Loss due to less deduction of income tax – Rs 4.082 million

Circular No 2 of 2014 Income Tax Department vide letter No. 4(62)ITP/2014, dated: 17.07.2014 stated that the rate of tax to be deducted on execution of contract under clause © of sub section (1) of section 153 has been increased from 6.5% to 7.5% in case of taxpayers other than companies.

DHO Lakki Marwat spent Rs 64,589,183 on account of purchase of medicines and chemicals during 2014-16.

income tax worth Rs 628,042 @ 1% was deducted instead of @ 7.5% Rs 4,710,316, which resulting in to loss of Rs 4,082,274.

When reported in July 2016, management stated that rate of income tax is 1% instead of 7.5%. Reply was not tenable as no evidence was produced.

In DAC meeting held on 24.11.2016, department reiterated their previous reply. DAC did not agree with the plea of the department and directed to produce FBR notification within 15 days.

No progress was intimated till the finalization of this report.

Audit recommends recovery.

AP 27 (2015-16)

1.2.4.18 Overpayment Rs-3.047 million

s

Para-220 of CPWA Code requires the payment for work done duly measured in accordance with rates, quantity and quality approved in the T.S.

Executive Engineer, Communication and Works Department Lakki Marwat paid Rs-36,272,446 during Financial Year 2015-16 to the contractor for execution of the scheme i.e. “Retrofitting of city Hospital Lakki Marwat (Package-I) Admin Block, Casualty Block, O T Block etc PK-76” under ADP No. 443/110577.

Audit observed that overpayment of Rs 3,047,166.89 was made by charging large quantities for certain item of work i.e. steel, BB works and PCC and RCC and some other items etc. over and above the technical sanction. As such the payment on excess quantities is held unauthorized and may be recovered from the contractors concerned.

Overpayment occurred due to non-observance of the rules, which resulted in to loss to Government.

When pointed out in August 2016, management stated that the expenditure was incurred within the permissible limit of 5% over technical sanction. The reply was not correct as permissible limit was not observed.

Request for convening of DAC meeting was made on 19.08.2016, which could not be convened till finalization of this report.

Audit recommends recovery of the overpaid amount.

AP 44(2015-16)

1.2.4.19 Unauthorized payment of salaries for absent period – Rs 2.745 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 either on his part or on the part of his subordinate staff.

District Health Officer Lakki Marwat paid Rs 2,745,130 to various employees on account of pay & allowances during Financial Year 2014-16.

The employees remained absent without sanction of leave for several months. Instead of taking action for willful absence pay and allowance were regularly paid to them. Further Attendance register is also silent regarding their presence in the hospital.

Audit observed that unauthorized payment occurred due to weak financial management, which resulted in loss to Government.

When reported in July 2016, management stated that reply would be furnished after consulting the records.

Audit recommends inquiry in to matter besides fixing responsibility on person(s) at fault and recovery under intimation to Audit.

AP 14 (2015-16)

1.2.4.20 Overpayment of Rs-2.040 Millions

Para-220 of CPWA Code requires the payment for work done duly measured in accordance with rates, quantity and quality approved in the T.S.

Executive Engineer, Communication and works department Lakki Marwat paid Rs- 9,525,529/- during 2015-16 to the contractor for execution of the scheme i.e. “Construction of Examination Hall in GHS Ahmad Khel District Lakki Marwat PK-76” under ADP No. 256/140200 with estimated cost Rs- 9,543,000.

Audit observed that steel was used almost double as compared with ratios /standard and overpaid Rs.2,040,807/-(through 6th R/Bill) over and above the authorized limit i.e. 10% above PC-1 and % 5 TS quantities. As such the payment on excess quantities may be recovered.

Overpayment occurred due to non-observance of the rules, which resulted in to loss to Government.

When pointed out in August 2016management stated that the expenditure was incurred within the permissible limit of 5% over technical sanction.

Request for convening of DAC meeting was made on 19.08.2016, which could not be convened till finalization of this report.

Audit recommends recovery of the overpaid amount.

AP No 28(2015-16)

1.2.4.21 Overpayment Rs 1.579 million

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

Executive Engineer C&W Lakki Marwat paid Rs-13,867,000 during Financial Year 2015-16 to contractor against scheme “ Estab: of 160 Pry: School (B&G)- GPS Bragi Lakki Marwat PK-74”

Audit observed that RCC quantity in T.S. was 253.224 m³ and in final bill it was 140.528 m³, whereas the quantity of steel was increased from 25.077 ton to 27.527 ton. Required steel was :
 $25.077/253.224*100=9.90\%*140.528=13.91$ ton.

Overpayment occurred due to non-observance of the rules, which resulted in to loss to Government.

When pointed out in August 2016 management stated that the expenditure was incurred within the permissible limit of 5% over technical sanction. The quantity was paid in excess of permissible limit.

Request for convening of DAC meeting was made on 19.08.2016, which could not be convened till finalization of this report.

Audit recommends recovery of the overpaid amount.

AP 64 A/C-I(2015-16)

1.2.4.22 Overpayment –Rs1.395 million

Para-220 of CPWA Code requires the payment for work done duly measured in accordance with rates, quantity and quality approved in the T.S.

Executive Engineer, Communication and works department Lakki Marwat paid Rs-11,030,939/- during 2015-16 to the contractor for execution of the scheme i.e. “B/T of Road from Highway to GandhiUmerChikker of Ozakai(01KM), PK-74” under ADP No. 1215/130574.

Audit observed that the contract was awarded to the contractor for Rs 9,000,000 at 10% below on N.I.T cost vide Work order No. 1030/4-M dated 7-11- 2014 whereas actual payment of Rs 10,390,000 was made to the contractor,resulted into overpayment of Rs 1,395,000 over and above the Bid amount.

As such the excess payment is held unauthorized and may be recovered from the contractor concerned.

Overpayment occurred due to non-observance of the rules, which resulted in to loss to Government.

When pointed out in August 2016, management stated that the expenditure was incurred within the permissible limit of 5% over technical sanction.

Request for convening of DAC meeting was made on 19.08.2016, which could not be convened till finalization of this report.

Audit recommends recovery of the overpaid amount.

AP 45 A/C-I(2015-16)

1.2.4.23 Non forfeiture of call deposit worth Rs 1.119 million

Condition No. 17 of NIT floated in News Paper dated: 18.10.2015 states that, the contractors who offered rates below rate on engineer estimate shall deposit additional security within 7 days, other wise 2% call deposit will be forfeited in favor of Government.

Executive Engineer Public Health Engineering Department Lakki Marwat during 2015-16 awarded various works to different contractors valuing 55.846 million. The following contractors offered rates below 38% to 67% below on engineer estimates. According to the condition of the NIT the contractors have to deposit additional security within 7 days, however all the contractors failed to deposit additional security within 07 days. As per condition of NIT department was required to cancel the contractor and call deposit Rs 1,118,800 (as per detail attached) was required to be forfeited.

Non forfeiture occurred due to non-observance of the rules, which resulted in to loss to Government.

When pointed out in August 2016 management did not respond to audit observation.

Request for convening of DAC meeting was made on 19.08.2016, which could not be convened till finalization of this report.

Audit recommends recovery of the overpaid amount.

AP 4 A/C-I (2015-16)

1.2.4.24 Un-authorized grant of TS – Rs 1.048 million

Para-220 of CPWA Code requires the payment for work done duly measured in accordance with rates, quantity and quality approved in the T.S.

Executive Engineer Communication and Works Department Lakki Marwat awarded the contract for Rs 9,439,007.38 during Financial Year 2015-16.

Audit observed that technical sanction was granted Rs 7,178,768.00 against approved Bid Cost Rs 5,572,517.20 for the following three items of works which resulted into undue favor with Contractor for Rs 1,606,250.

Payment on the works is required to be restricted up to 5% above TS. Excess payment i.e. more than 5% on TS is held un-authorized and may be recovered.

Unauthorized payment occurred due to not observance of rules, which resulted in to loss to government.

When pointed out in August 2016 management did not respond to audit observation.

Request for convening of DAC meeting was made on 19.08.2016, which could not be convened till finalization of this report.

Audit recommends recovery of the overpaid amount.

AP 25 A/C-I (2015-16)

1.2.4.25 Overpayment on account of HPA / NPA Rs 0.780 million

Government of Khyber Pakhtunkhwa Finance Department Regulation wing notification No FD(SOSR-II/8-18/2016 dated: 07.01.2016 fixed rate of Health Professional Allowance @ Rs 82,000 to Medical Officers / Dental Surgeons working in urban areas.

Government of Khyber Pakhtunkhwa Health Department letter No. SO(H) IV/1-90/78 dated 19.6.1990, all those drawing NPA will have to execute a bond to the effect that they will not engage themselves in private practice and in case of violation the defaulter will be proceeded against disciplinary action.

Audit observed that District Health Officer Lakki Marwat overpaid Rs 528,000 during 2015-16 to various doctors working in urban areas.

Similarly Non Practicing Allowance Rs 252,000 (detail attached) was also allowed to those doctors who are indulged in private practice. Further they did not execute their bonds under the rules.

Overpayment occurred due to non-compliance of rules, which resulted in to loss to Government.

When reported in July 2016, management stated that amount will be got recovered.

In DAC meeting held on 24.11.2016, department was directed to recover the amount. However no progress was intimated till finalization of this report.

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

AP 19 (2015-16)

1.2.4.26 Overpayment on account of excess quantities Rs 0.745 million

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

Executive Engineer Communication and Works Department Lakki Marwat awarded works detailed below have been checked arithmetically.

.The quantity of Steel was not deducted from the RCC, therefore overpayment was calculated as below.

Name of Scheme	Quantity of Steel used (Ton) (1)	Quantity of Steel used (KG) (2)	Volume occupied by Steel in RCC (2)/7850=m3	Over payment M3*Rate of RCC
Construction of Gambila Bridge	703.6	703600	89.63	458,895
Construction of City Hospital package-I &II	148.649	148649	18.936	94,315
Bachelor Hostel	55.932	55932	7.125	51,300
District Resource Centre	52.602	52602	6.7	41,572
Construction of B.S. Block.College	90.827	90827	11.570	99,304
			Total	745,386

Overpayment occurred due to non-observance of the rules and loss was given to the Government.

When reported in August 2016, no reply was submitted.

Request for convening of DAC meeting was made on 19.08.2016, which could not be convened till finalization of this report.

Audit recommends recovery of the overpaid amount.

ANNEXURES

Annex-A

Detail of MFDAC Paras

Sr. No.	AP No.	Department	Caption	(Rs in million)
1.	01	Deputy Commissioner	Non recovery of HRA	0.331
2.	02	Deputy Commissioner	Unauthorized Expenditure	0.389
3.	05	Deputy Commissioner	Irregular doubtful Expenditure	0.497
4.	06	Deputy Commissioner	Loss to Government	1.142
5.	07	Deputy Commissioner	Irregular doubtful Expenditure	0.157
6.	08	Deputy Commissioner	Non deposit of Income tax	0.622
7.	09	Deputy Commissioner	Irregular Expenditure	1.250
8.	10	Deputy Commissioner	Irregular occupation	0.000
9.	11	Deputy Commissioner	Unauthorized expenditure	0.699
10.	12	District Health Officer	Non-credit of Health receipt	2.591
11.	13	District Health Officer	Loss to Government	19.085
12.	14	District Health Officer	Unauthorized payment of salaries	2.745
13.	16	District Health Officer	Irregular expenditure	2.400
14.	18	District Health Officer	Loss to Government	22.400
15.	20	District Health Officer	Payment of salaries	0.379

16.	21	District Health Officer	Loss to Government	1.442
17.	23	District Health Officer	Non availability of APR	0.700
18.	26	District Health Officer	Irregular Advance drawl	2.535
19.	27	District Health Officer	Loss to Government	4.082
20.	28	District Health Officer	Overpayment	0.283
21.	29	District Health Officer	Non supply of medicines	0.999
22.	32	Public Health Engineering	Overpayment	13.864
23.	33	Public Health Engineering	Overpayment	0.232
24.	35	Public Health Engineering	Unauthorized payment	4.551
25.	41	Public Health Engineering	Loss to Government	0.354
26.	48	Public Health Engineering	Misappropriation	1.310
27.	2	PHE Lakki Marwat (A/C-I)	Irregular payment	1.000
28.	3	PHE Lakki Marwat (A/C-I)	Irregular tender	44.619
29.	4	PHE Lakki Marwat (A/C-I)	Non forfeiture of call deposit	1.119
30.	6	PHE Lakki Marwat (A/C-I)	Irregular award of contact	27.346
31.	7	PHE Lakki Marwat (A/C-I)	Non forfeiture of deposit	0.353
32.	8	PHE Lakki Marwat (A/C-I)	Non credit	0.219
33.	9	PHE Lakki Marwat (A/C-I)	Irregular payment	2.106

		I)		
34.	10	PHE Lakki Marwat (A/C-I)	Loss to Government	0.180
35.	13	C&W (A/C-I)	Loss to Government	27.517
36.	14	C&W (A/C-I)	Loss to Government	301.501
37.	18	C&W (A/C-I)	Non deposit of Income tax	14.532
38.	19	C&W (A/C-I)	Loss to Government	89.749
39.	20	C&W (A/C-I)	Loss to Government	99.970
40.	24	C&W (A/C-I)	Over payment	13.603
41.	25	C&W (A/C-I)	Unauthorized T.S	1.048
42.	26	C&W (A/C-I)	Over payment	5.953
43.	28	C&W (A/C-I)	Over payment	2.040
44.	32	C&W (A/C-I)	Non Imposition of Penalty	0.602
45.	38	C&W (A/C-I)	Defective tendering	9.976
46.	42	C&W (A/C-I)	Non deduction of Professional Tax	0.538
47.	44	C&W (A/C-I)	Over payment	3.047
48.	45	C&W (A/C-I)	Over payment	1.395
49.	47	C&W (A/C-I)	Non deposit of tender form Fee	0.000
50.	48	C&W (A/C-I)	Non deposit of Additional Security	0.000
51.	49	C&W (A/C-I)	Non Maintenance of Requisite record	0.000
52.	53	C&W (A/C-I)	Irregular execution of work	6.440

53.	54	C&W (A/C-I)	Irregular execution of work	3.612
54.	55	C&W (A/C-I)	Irregular execution of work	8.678
55.	56	C&W (A/C-I)	Irregular execution of work	9.700
56.	57	C&W (A/C-I)	Irregular Expenditure	2.227
57.	58	C&W (A/C-I)	Irregular execution of work	7.916
58.	60	C&W (A/C-I)	Over payment	0.370
59.	61	C&W (A/C-I)	Over payment	0.589
60.	62	C&W (A/C-I)	Over payment	0.222
61.	63	C&W (A/C-I)	Irregular award of work	14.511

1.							
2.							

62.	64	C&W (A/C-I)	Over payment	1.579
63.	66	C&W (A/C-I)	Non deposit of forfeiture amount	0.733

3.							
4.							
5.							

Annex-B
DP No 1.2.1.5

Sr. No.	Name of WSS	Start Date	Completion Date	Date of measurement	MB No	Page No	Amount
6.	Shah Hassan Khel	11.06.2015	15.06.2015	01.06.2015	188/L	139-140	148,500
7.	Masti Khel	09.06.2015	12.06.2015	01.06.2015	188/L	138-139	98,000
8.	Shahbaz Khel	08.04.2015	13.04.2015	01.03.2015	188/L	117-118	86,200
9.	Masha Mansoor	16.06.2015	19.06.2015	06.06.2015	188/L	143-144	113,500
10.	Abdul Khel	04.05.2015	08.05.2015	01.04.2015	188/L	125-125	132,750
Total							578,950

Detail of overpayment

Annex-C

DP No. 1.2.3.2

Detail of Technical Sanction not accorded

S.No	Name of the scheme	ADP NO.	Expenditure
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	Phase:SH:1). Bakhamal Ahmad Zai PK-74 2).SheikhKhuda BakshPK-74 3)Ahmed Khel PK-76	70/100314	8,012,000.00
	SH: Service Delivery Centre at Lakki MarwatPK-76 SH: Service Delivery Centre at SaraiNuarangLakki MarwatPK-74	72/140586	492,000.00
	SH: 2) GGPS KotkaMumtazTakhtiKhel PK-74 SH: 4)GPS at Village Badiullah Jan Zarjano U/C IssakKhel PK-76	217/140612	28,750,000.00
	Estabtt: 100 Girls Pry: Schools in KPK. 3 Nos. in District LakkiMarwat. SH:1)GGPS at Village Tajoriei(ShafiUllah) UC TajoriLakkiMarwat SH:2) GGPS at MohallahDarakKhel Village Ahmad Khel PK-76 LakkiMarwat. SH:3)GGPS KotkaSher khan Gambilla Pk-74 LakkiMarwat.	219/150548	5,000,000.00
	SH: GGPS Wanda Arsala to Middle status PK-76	243/130336	9,098,000.00
	Construction of B.S Block in GPGC PK-76”	535/140008	38,316,239
	Total		89,668,239

Annex-D
DP No. 1.2.3.6

Detail of Technical Sanction not accorded

Name of Work	Paid Amount	T. S Required by
Gambila to Phar khel road	6,443,915	Chief Engineer
Gambila to Kot Kashmir road”	3,611,797	Chief Engineer
Umar Adda to Tabi Murad road”	8,678,413	Chief Engineer
Tajori to Tarikhel Road”	9,726,651	Chief Engineer
Begu Khel to Shahbazkhel Road	1,781,486	Chief Engineer
Mianwali to dabakmandrakhel	2,384,952	Superintending Engineer
Mangiwala to IhsanPur	3,750,517.	Chief Engineer
Total	36,377,731	

Annex-E
DP No. 1.2.3.23

Detail of buildings occupied by Illegal occupants

Sr. No.	Name of Occupant	Type of Accommodation	Construction Cost	Standard Rent Per Year	No of Years	Total Amount (Rs)
1	Mufti Allah Noor	Bungalow	5,000,000	300,000	3	900,000
2	DrKhadim Hussain	Bungalow	5,000,000	300,000	3	900,000
3	DrAltaf Hussain	Bungalow	5,000,000	300,000	1	300,000
Total						2,100,000

Annex-F
DP No. 1.2.3.27

S.No.	Month of Transaction	Particular of items	Amount
1	06/2007	Received from Naeem Khan, Govt. Contractor on a/c of excess security from his bill for work B/T road of Pahar Khel Thall Lakki Marwat	700,000
2	09/2007	Received from Ghulam Saeed, Govt. Contractor from his R/ Bill "District Secretariat LakkiMarwat".	152,515
		Total	852,515

Non deposit of PW-IV Deposit

Annex-G
DP No. 1.2.4.1

Sales tax on Service

Sector	Allocation	Expenditure	Less payment due during July and August 2015	Taxable amounts	Sales tax on Service @ 15%
Agriculture /Live stock	0.644	644,000	0	644,000	96,600
Auqaf	1	1,000,000	0	1,000,000	150,000
BOR	11.962	11,682,911	0	11,682,911	1,752,436
Housing	6	5,999,994	0	5,999,994	899,999
Pry: Education	59.459	59,453,454	1495683	57,957,771	8,693,665
Secondary Education	155.885	155,818,515	4241650	151,576,865	22,736,529
Health	15.562	15,562,507	3831924	11,730,583	1,759,587
Higher Education	70.073	70,142,902	1103064	69,039,838	10,355,975
Law & Justice	18.123	18,122,558	2442861	15,679,697	2,351,954
Population Welfare	0.08	79,991	0	79,991	11,998

Communication	266.651	266,644,452	15629654	251,014,798	37,652,219
Sports	34.771	34,637,898	0	34,637,898	5,195,684
Non ADP	14	14,000,000	0	14,000,000	2,100,000
AOM&R	41.437	41,423,317	0	41,423,317	6,213,497
Total	695.647	695,212,499	28744836	666,467,663.00	99,970,149

Annex-H
DP No. 1.2.4.3

Less deduction of Income Tax

Sector	Allocation	Expenditure	Income Tax @ 15%
Agriculture /Live stock	0.644	644,000.00	96600
Auqaf	1	1,000,000.00	150000
BOR	11.962	11,682,911.00	1752436.65
Housing	6	5,999,994.00	899999.1
Pry: Education	59.459	59,453,454.00	8918018.1
Secondary Education	155.885	155,818,515.00	23372777.25
Health	15.562	15,562,507.00	2334376.05
Higher Education	70.073	70,142,902.00	10521435.3
Law & Justice	18.123	18,122,558.00	2718383.7
Population Walfare	0.08	79,991.00	11998.65
Communication	266.651	266,644,452.00	39996667.8
Sports	34.771	34,637,898.00	5195684.7
Non ADP	14	14,000,000.00	2100000
AOM&R	41.437	41,423,317.00	6213497.55
Total	695.647	695,212,499.00	104281874.9
income tax already deducted @ rate of 7.5 %			14,532,304.00
Less deducted Income tax (required) @ 15%			89,749,570.00

Annex-I

DP No. 1.2.4.7

Item No.	Description	Qty as per TS	5% above TS	Qty Paid	Excess /diff:	Rate	Overpaid
	Excavation	235.141	189	934.83	745.83	180	125,944.00
06-05-i	PCC Including Placing, finishing & Cutting (1:4:8)	60.841	63.88305	172.62	108.737	4800	521,937.36
07-04-a-05	Pacca brick work in foundation and plinth in cement 1:6	77.746	81.6333	225.49	143.8567	5800	834,368.86
07-04-a-05	Pacca brick work in ground floor (1:6)	139.81	146.8005	209.073	35.1325	6200	429,430.60
06-06-b-03	RCC in raft foundation (1:2:4)	86.705	91.04025	373.26	282.2198	7200	203,1982.2
06-06-b-03	RCC in roof, slab beam (1:2:4)	73.113	76.76865	199.369	122.6004	7268	891,059.344
Overpayment						4,834,722.36	4

Table-1:

Annex-I
DP No.1.2.4.7

Table-B (Para-38):

Payment for B/Wall Rs. 1,049,574.00

Approved cost for Construction of Boundary Wall Rs. 487,250.00

Over payment **562,324.00**

Item No.	Description	Rate as per BOQ	Rate Paid	Excess /diff:	Qty	Overpaid (RS)
06-07-c	Supply and fabricate M.S reinforcement for cement concert (Deformed bar grade 40)	89723	103529.90	13806.9	14.166	195,588
07-04-a-05	Pacca brick work in foundation and plinth in cement 1:6	5193	7433.74	2240.74	152.688	342,134
06-05-i	PCC Including Placing, finishing & Cutting (1:4:8)	Non BOQ item paid	5090	5090	40.431	205,829
Total overpayment						743,551

Annex-I
DP No.1.2.4.7

Item No.	Description	Qty as per BOQ	10% on BOQ=TS	5% on TS= authorized payment	Qty Paid	Excess /diff:	Rate	Overpaid
06-07-c	Supply and fabricate M.S reinforcement for cement concert (Deformed bar grade 40)	14.11	15.521	16.29705	8.067	2.546	110134.8	280,403.20
07-05-f	PPC (1:4:8)	98.72	108.592	114.0216	37.23	128.638	4860.62	625,260.44
	RCC in roof, slab, beam, colm& other etc (1:2:4)	109.1	120.01	126.0105	65.08	45.07	8168.74	368,165.11
Total overpayment								1,273,828.75

Annex-I
DP No.1.2.4.7

Item No.	Description	Qty as TS&BO Q	Qty Paid	Qty Diff:	Rate	Overpaid (Rs)
06-07-c	Supply and fabricate M.S reinforcement for cement concert (Deformed bar grade 40)	4.54	5.116	0.615	117900	72508
06-06-b-03	RCC in raft foundation (1:2:4)	21.12	29.983	8.863	7500	66472.50
07-04-a-	Pacca brick work in ground	11.98	19.677	7.697	7340	56496

05	floor 1:6					
06-05-i	PCC Including Placing, finishing & Cutting (1:4:8)	5.56	11.155	5.595	5570	30884
Total						226,360.5

Annexure-I

Item No.	Description	Qty as per TS	5% above TS	Qty Paid	Excess /diff:	Rate (Rs)	Overpaid (Rs)
	Excavation	11.3 3	11.8965	84.93	73.0335	175	12780.863
06-05-i	PCC Including Placing, finishing & Cutting (1:4:8)	2.83 2	2.9736	12.93	9.9564	6000	59738.4
07-04-a-05	Pacca brick work in foundation and plinth in cement 1:6	14.8 66	15.6093	69.1	53.4907	7500	401180.25
07-04-a-05	Pacca brick work in ground floor (1:6)	18.1 3	19.0365	64.62	45.5835	8000	364668
	Cement pointing struck joints 20'	83.6 4	87.822	332.02	244.198	200	48839.6
	PC pointing	90.3 3	94.8465	332.67	237.8235	200	47564.7
	S/F of Barbed wire complete	0	0	510	510	150	76790.7
Total overpayment							1011562.513

Table -2: (Building)

Item No.	Description	Qty as per TS	5% above TS	Qty Paid	Excess /diff:	Rate (Rs)	Overpaid(Rs)
	Excavation	48.25	50.6625	92.39	41.7275	175	7302.313
06-05-i	PCC Including Placing, finishing & Cutting (1:4:8)	3.51	3.6855	67.17	63.4845	6000	380907
07-04-a-05	S/F18SWG window	6.038	6.3399	11.89	5.5501	6800	37740.68
	Paneled door MS Steel	2.601	2.73105	5.2	2.46895	7000	17282.65

	22SWG						
	RCC: (1:2;\$) in R/F	18.2	19.11	32.99	13.88	9200	127696
	Steel reinforcement Garde 40"	3.84	4.032	5.7	1.668	140000	233520
	RCC: (1:2;4) in Colm	14.47	15.1935	25.9	10.7065	9800	104923.7
Total overpayment							909,372
							1.920,000

Annex-J

DP No. 1.2.4.7

Annex-K
DP No. 1.2.4.7

Item No.	Description	Qty as per TS	5% above TS	Qty Paid	Excess /diff:	Rate	Overpaid(Rs)
	Excavation	56.44	59.262	112.56	53.298	200	10659
06-05-i	PCC Including Placing, finishing & Cutting (1:4:8)	6.21	6.5205	29.5	22.9795	4400	101109
07-04-a-05	Pacca brick work in foundation and plinth in cement 1:6	37.4	39.27	93.54	54.27	8630	468350
07-04-a-05	Pacca brick work in ground floor (1:6)	13.43	14.1015	45.95	31.8485	9931	316287
	steel door i/c chowat	3.718	3.9039	4.241	0.3371	133177	44893
06-06-b-03	RCC in raft foundation (1:2:4)	26.19	27.4995	35.72	8.2205	9931	81637
06-06-b-03	RCC in slab beam (1:2:4)	25.93	27.2265	28.36	1.1335	11078	12556
overpayment							1,035,495

Annex-L
DP NO. 1.2.4.7

Annex-M
DP No. 1.2.4.7

Annex-O
DP No 1.2.4.7

Annex-P
DP No. 1.2.4.7

Annex-Q
DP No. 1.2.4.7

Annex-R
DP No. 1.2.4.7

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DP No.1.2.4.11

Annex-T
DP No. 1.2.4.14

Sr. No.	Item executed	Rate Paid	Rate Approved	Difference	Quantity	Amount
1	Withdrawal / lowering of pumping machinery	6500	6000	500	120	60,000
2	Starter overload relay (31-60 AMP)	4400	100	4300	38	163,400
3	3" i/d 10' long column pipe	600	350	250	479	119,750
4	3-Core 16-mm cable	1300	950	350	930	325,500
5	Rewinding of submersible motor	1300	1000	300	1200	360,000
6	Submersible bushes	6000	5600	400	345	138,000
7	Voltage Regulator Plat	22000	10000	12000	7	84,000
8	Voltage Regulator coil	11000	5000	6000	9	54,000
9	Voltage Regulator point	2000	600	1400	29	40,600
10	Pump Shaft	10000	1000	9000	25	225,000
11	Slauice valve	15200	5000	10200	22	224,400
12	Interlinking of pumping machinery	30000	15000	15000	1	15,000
	Total					1,809,650

Annex-U

D.P.No.1.2.4.15

Detail of HRA, Conveyance Allowance, 5% maintenance charges

**Annex
-V
D.P.N
o.1.2.4
.16**

Items of works	Amounts
Expenditure on Boundary Wall	2,141,156.00
Approved /Bid cost for Construction of the Boundary Wall	1,285,438.20
Difference (Overpayment	855,718.00

Items of works	Amounts
Total Payment to the Contractor	4,348,904.00
Approved Bid Cost @ 4.99% above over BOQ:	3,830,000.00
Difference (Overpayment	518,904.00

Annex-V

D.P.No.1.2.4.16

Item No.	Description	Qty as per TS	5% above TS	Qty Paid	Excess /diff:	Rate	Overpaid (RS)
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06-05-i	PCC Including Placing, finishing & Cutting (1:2:4)	10.08	10.584	12.04	1.456	6469.09	9418.995
	RCC: (1:2:4) in roof, slab, beam (1:2:4) III (above 40'	17.08	17.934	30.78	12.846	9394.86	120686.372
Jul-40	Masonry with Machinery /special bricks in 1:3 c/s mortar in circular core wall of overhead reservoir	11.32	11.886	22.64	10.754	10135.9	109001.469
24-40	Supply and fixing PVC Water stopper 8" wide 3/8"thick	3.48	3.654	30.48	26.826	787.75	21132.182
	Supply and fixing Flanged Exp Joint BSS-2035:4" I/D	8	8.4	11	2.6	8542.8	22211.28
N.S.I	S/f of CI Vent Pipe	2	0	4	2	6000	12000
Total overpayment							294,450.30

Annex-V

D.P.No.1.2.4.16

Item No.	Description	Qty as per TS	5% above TS	Qty Paid	Excess /diff:	Rate	Overpaid (Rs)
06-05-i	PCC Including Placing, finishing & Cutting (1:4:8)	7.361	7.73	20.696	12.967	4860.62	63027.417
07-04-a-05	Pacca brick work in foundation and plinth in cement 1:6	14.326	15.042	17.808	2.766	5870.51	16236.07
06-06-b-03	RCC raft foundation (1:2:4)	24.15	25.358	35.56	10.203	7299.6	74474.169
06-06-b-03	RCC raft foundation (1:2:4)	11.466	12.039	34.879	22.84	8168.74	186571.571
03-16-a	Filling, watering g and ramming earth	47.76	50.148	83.522	33.374	76.97	2568.797
10-03-a	Provide, lay water & ram under floor	8.85	9.293	21.687	12.395	1205.59	14942.685
Total overpayment							357,820.71

Annex-V

D.P.No.1.2.4.16

S.No	Item of work	TS	5% above TS	Paid	Overpayment
(1)	(2)	(3)	(4)	(5)	(6)
1	Main Building (Civil Works)	2198406.00	2308326.00	2,539,836	231,510.00
Total					231,510.00

**Annex
-V
D.P.N
o.1.2.4
.16**

Item No.	Description	Qty as per TS	5% above TS	Qty Paid	Excess /diff:	Rate	Overpaid (Rs)
06-05-i	PCC Including Placing, finishing & Cutting (1:4:8)	7.361	7.72905	27.204	19.475	5103.651	99393.348
07-04-a-05	Pacca brick work in foundation and plinth in cement 1:6	14.326	15.0423	17.046	2.004	6164.034	12350.874
06-06-b-03	RCC raft foundation (1:2:4)	24.15	25.3575	27.09	1.733	7664.58	13278.885
06-06-b-03	RCC raft foundation (1:2:4)	11.466	12.0393	30.105	18.068	8577.177	154952.707
03-16-a	Filling, watering g and ramming earth	47.76	50.148	59.67	9.522	80.46	766.140
10-03-a	Provide, lay water & ram under floor	8.85	9.2925	15.49	6.198	1265.86	7845.167
Total overpayment							288,587.12

**Annex-V
D.P.No.1.2.4.16**

S.No	Item of work	Bid Approved	5% above TS (required)	Paid	Overpayment (Rs)
1	Main Building (Civil Works)	2,098,000.00	2,198,406.00	2,390,691.00	192,285.00
Undue favour					192,285.00

Annex-V
D.P.No.1.2.4.16

Item No.	Description	Qty as per TS	5% above TS	Qty Paid	Excess /diff:	Rate	Overpaid (Rs)
06-05-i	PCC Including Placing, finishing & Cutting (1:4:8)	7.361	7.729	22.15	14.42095	4860.62	70094.758
07-04-a-05	Pacca brick work in foundation and plinth in cement 1:6	14.326	15.042	29.43	14.3877	5870.51	84463.137
07-04-a-05	Pacca brick work in foundation and plinth in cement 1:6	23.584	24.763	30.46	5.6968	6257	35644.878
	steel door i/c chowat	8.643	9.0752	11.84	2.765	6179.22	17084.616
06-06-b-03	RCC roof, slab and beam (1:2:4)	11.466	12.039	30.105	18.066	8168.76	147574.368
	Filling, waterin g and raming	101.39	106.46	115.7	9.241	1583.43	14631.685

	earth						
10-03-a	Provide, lay marble dress	8.85	9.293	12.08	2.788	1205.59	3360.582
	shingle layer 10" X5" on top RCC	102.51	107.636	136.89	29.255	929.93	27204.637
Total overpayment							400,058.66

**Annex
-V
D.P.N
o.1.2.4
.16**

Item No.	Description	Qty as per TS	5% above TS	Qty Paid	Excess /diff:	Rate	Overpaid (Rs)
	Excavation	184.684	193.918	223.838	29.9198	167	4996.607
06-05-i	PCC Including Placing, finishing & Cutting (1:4:8)	15.234	15.996	120.186	104.190	5069	528140.631
07-04-a-05	Pacca brick work in foundation and plinth in cement 1:6	27.609	28.99	45.611	16.622	6122	101757.129
07-04-a-05	Pacca brick work in ground floor (1:6)	38.36	40.278	66.195	25.917	6525	169108.425
	steel door i/c chowat	8.268	8.681	13.847	5.166	6444	33287.126
06-06-b-03	RCC in raft foundation (1:2:4)	56.605	59.435	61.863	2.4278	7612	18480.033
06-06-b-03	RCC in slab beam (1:2:4)	79.513	83.489	101.528	18.039	8517	153641.144

	PCC as in 1:3:6	7.051	7.404	58.427	51.024	5844	298181.04 2
	PCC as in 1:2:4	0	0	74.348	74.348	6469.0 9	480963.90 3
Total overpayment							1,788,556. 04

**Annex
-V
D.P.No.1.2.4
.16**

Item No.	Description	Qty as per TS	5% above TS	Qty Paid	Excess /diff:	Rate	Overpaid (RS)
Main Building:							
06-05-i	PCC Including Placing, finishing & Cutting (1:4:8)	34.66	36.393	97.261	60.868	4100	249,558.80
	Steel	29.304	30.7692	34.33	3.5608	100000	356,080.00
06-06-b-03	RCC in ,roof slab beam (1:2:4)	107.67	113.0535	147.49	34.4365	7600	261,717.40
	P/F steel window 5MM	74.44	78.162	82.77	4.608	4800	22,118.4
Total							889,474.60

**Annex-W
D.P.No.1.2.4.16**

Latrine Block :							
06-05-i	PCC Including Placing, finishing & Cutting (1:4:8)	6.18	6.489	11.05	4.561	4000	18244
	Steel	2.247	2.359	2.72	0.361	100000	36065
06-06-b-03	RCC in raft foundation (1:2:4)	22.76	23.898	35.42	11.522	7000	80654
Total							134,963
Grant Total							1,024,437