



**AUDIT REPORT
ON THE ACCOUNTS OF
ASSISTANT DIRECTOR LOCAL
GOVERNMENT, ELECTION & RURAL
DEVELOPMENT DEPARTMENT AND
SELECTED UNION COUNCILS**

**DISTRICT LAKKI MARWAT
KHYBER PAKHTUNKHWA**

AUDIT YEAR 2015-16

AUDITOR GENERAL OF PAKISTAN

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ABBREVIATIONS AND ACRONYMS

ADP	Annual Development Programme
AP	Advance Para
CPWA Code	Central Public Works Account Code
CPWD Code	Central Public Works Department Code
CSR	Composite Schedule of Rate
DAC	Departmental Accounts Committee
GFR	General Financial Rules
LCB	Local Council Board
LGO	Local Government Ordinance
LG&RDD	Local Government and Rural Development Department
MB	Measurement Book
MC	Municipal Committee
MFDAC	Memorandum for Departmental Accounts Committee
MRS	Market Rate System
PAO	Principal Accounting Officer
PC-I	Planning Commission document-I
PCC	Plain Cement Concrete
TMA	Tehsil Municipal Administration
TMO	Tehsil Municipal Officer
UAs	Union Administrations
UCs	Union Councils
WSS	Water Supply Scheme
ZAC	Zila Accounts Committee

Preface

Articles 169 and 170 of the Constitution of the Islamic Republic of Pakistan, 1973 read with Sections-8 and 12 of the Auditor-General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 and Section 168 of Local Government Act 2012 require the Auditor-General of Pakistan to conduct audit of the receipts and expenditure of Local Fund of Union Councils and Assistant Director Local Government.

The report is based on audit of the accounts of Local Government Department and Union Councils Lakki Marwat for the Financial Year 2014-15. The Directorate General of Audit, District Governments, Khyber Pakhtunkhwa, Peshawar conducted audit on test check basis during 2015-16 with a view to reporting significant findings to the relevant stakeholders. The main body of the Audit Report includes only the systemic issues and significant audit finding. Relatively less significant issues are listed in the Annexure-A of the Audit Report. The Audit Observations listed in the Annexure-A shall be pursued with the Principal Accounting Officer at the DAC level and in all cases where the PAO does not initiate appropriate action, the Audit observation will be brought to the notice of Public Accounts Committee through the next year's Audit Report.

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

DAC meetings could not be convened despite repeated requests.

The Audit Report is submitted to the Governor of Khyber Pakhtunkhwa in pursuance of Article 171 of the Constitution of the Islamic Republic of Pakistan, 1973 read with Section 168 of Khyber Pakhtunkhwa Local Government Act 2012 to be laid before appropriate legislative forum.

Islamabad
Dated:

(Rana Assad Amin)
Auditor General of Pakistan

EXECUTIVE SUMMARY

The Directorate General Audit, District Governments, Khyber Pakhtunkhwa, Peshawar, is responsible to conduct the audit of all District Councils, Municipal Committees (MCs) and Union Councils (UCs) and ADs LG&RD. The Regional Directorate of Audit, Bannu, has audit jurisdiction of District Councils, Municipal Committees, AD Local Governments and UCs of two Districts i.e. Bannu and Lakki Marwat.

The Regional Directorate has a human resource of 04 officers and staff, constituting 835 man days and a budget of about Rs 8.646 million was allocated during 2014-15. It has the mandate to conduct financial attest audit, audit of sanctions, audit of compliance with authority and audit of receipts as well as the performance audit of entities, projects and programs. Accordingly Regional Director Audit Bannu carried out audit of the accounts of Assistant Director Local Government & Rural Development Department and 10 UCs for the Financial Year 2014-15 and the findings included in the Audit Report.

Assistant Director Local Government & Rural Development Department and UCs District Lakki Marwat perform their functions under Khyber Pakhtunkhwa Local Government Act, 2012. Administrative Secretary i.e. Secretary Local Government and Rural Development Department, Khyber Pakhtunkhwa is the Principal Accounting Officer for these local bodies. According to financial provisions of the Act the Secretary Local Government and Rural Development Department, Khyber Pakhtunkhwa authorizes the Annual Budget Statement for these local bodies in the form of budgetary grants.

a. Scope of audit

There are 33 Union Councils in District Lakki Marwat. Out of which the accounts of 10 Union Councils were examined in detail. These Union Councils were selected for detail audit by excluding the last year audited entities keeping in view the available man days.

S. No.	Tehsil	Total No of UCs	No of UCs Audit Last Year	No of UCs Audited this year
1	Lakki Marwat	24	07	10
2	Sarai Naurang	9	3	0
Total		33	10	10

Out of the total expenditure of the Assistant Director Local Government & Rural Development Department and 10 UCs, District Lakki Marwat for the Financial Year 2014-15, the auditable expenditure under the jurisdiction of RDA was Rs100.081million. Out of this, RDA Bannu audited an expenditure of Rs 93.75million which, in terms of percentage, was 93.75% of auditable expenditure.

The receipts of 10 Union Councils Lakki Marwat, for the Financial Year 2014-15, were Rs 0.365 million. Out of this, RDA Bannu audited receipts of Rs0.365 million which, in terms of percentage, was 100% of auditable receipts.

The total expenditure and receipts of Assistant Director Local Government & Rural Development Department and 10 UCs, District Bannu, for the Financial Year 2014-15 were 100.446 million. Out of this, RDA Bannu audited the expenditure and receipts of Rs94.115million.

b. Recoveries at the instance of audit

Recoveries of Rs 10.949million were pointed out during the audit, which were not in the notice of the executive prior to audit. None of the recovery pointed out has been made.

c. Audit Methodology

Audit was conducted after understanding the business processes of Assistant Director Local Government Office and Union Councils 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 in the Regional Directorate of Audit Bannu.

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.

f. Key audit findings of the report;

- i. Non production of record Rs 3.028 million was noted in one case
- ii. Irregularity & Non-compliance of Rs 78.786 million were noted in four cases.
- iii. Internal control weaknesses Rs 14.105 million were noted in six cases

g. Recommendations

- i. Corrective actions need to be taken to stop the practice of violation of rules and regulations while spending the public money.
- ii. Internal controls in all areas i.e. financial, managerial, operational, administrative and accounting need to be strengthened at AD LG&RD level as well as Union Council level to pre-empt the reported lapses and fair value for money is obtained from public spending.
- iii. Deduction of taxes on supplies and contracts needs to be ensured.
- iv. Inquiries need to be held to fix responsibility for losses, irregular payments and wasteful expenditure.

SUMMARY TABLES & CHARTS

Table 1: Audit Work Statistics

(Rs in million)			
S.No	Description	No.	Budget
1	Total Entities (PAOs) in Audit Jurisdiction	01	109.287
2	Total formations in audit jurisdiction	34	109.287
3	Total Entities(PAOs) Audited	01	94.115
4	Total formations Audited	11	94.115
5	Audit & Inspection Reports	11	94.115
6	Special Audit Reports	-	-
7	Performance Audit Reports	-	-
8	Other Reports	-	-

Table 2: Audit Observations classified by Categories

(Rs in million)		
S.No.	Description	Amount Placed under Audit Observation
1.	Unsound asset management	-
2.	Weak financial management	78.786
3.	Weak Internal controls	14.105
4.	Others	3.028
	Total	95.919

Table 3: Outcome Statistics**(Rs in million)**

S. No	Description	Expenditure on Acquiring Physical Assets Procurement	Civil Works	Receipts	Others	Total For the year 2014-15	Total for the year 2013-14
1.	Outlays Audited	-	75.700	0.365	18.050	94.115	-
2.	Amount Placed under Audit Observation /Irregularities of Audit	-	75.700	0	20.219	95.919	-
3.	Recoveries Pointed Out at the instance of Audit	-	10.584	0.365	0	10.949	-
4.	Recoveries Accepted /Established at the instance of Audit	-	-	-	-	-	-
5.	Recoveries Realized at the instance of Audit	-	-	-	-	-	-

Note: The outcome figures reported for the year 2013-14 pertain to the Ten (10) Union Councils audited last year. Since the PAO is the same therefore, these amounts have been included here to show cumulative effect against the PAO.

Table 4: 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	78.786
2	Reported cases of fraud, embezzlement, thefts and misuse of public resources.	0
3	Accounting Errors (accounting policy departure from NAM ¹ , misclassification, over or understatement of account balances) that are significant but are not material enough to result in the qualification of audit opinions on the financial statements.	0
4	Quantification of weaknesses of internal control systems.	14.105
5	Recoveries and overpayment, representing cases of establishment overpayment or misappropriations of public monies	0
6	Non-production of record	3.028
7	Others, including cases of accidents, negligence etc.	0
	Total	95.919

Table 5: Cost benefit Ratio

(Rs in million)		
S #	Description	Amount
1	Outlays Audited (item 1 of Table 3)	79.093
2	Expenditure on audit	8.646
3	Recoveries realized at the instance of audit	0
	Cost-Benefit Ratio	1:8.94

CHAPTER-1

1.1 Assistant Director Local Government & Rural Development Department and Union Councils, District Lakki Marwat

1.1.1 Introduction

District Lakki Marwat has two Tehsils i.e. Lakki Marwat and Sarai Nurang. There is an Assistant Director Local Government & Rural Development Department and 33 Union Councils. Each Union Council has a secretary. Assistant Director Local Government & Rural Development Department Drawing and Disbursing Officer (DDO) for his office and union councils of the District Lakki Marwat.

1.1.2 Comments on Budget and Accounts (variance analysis)

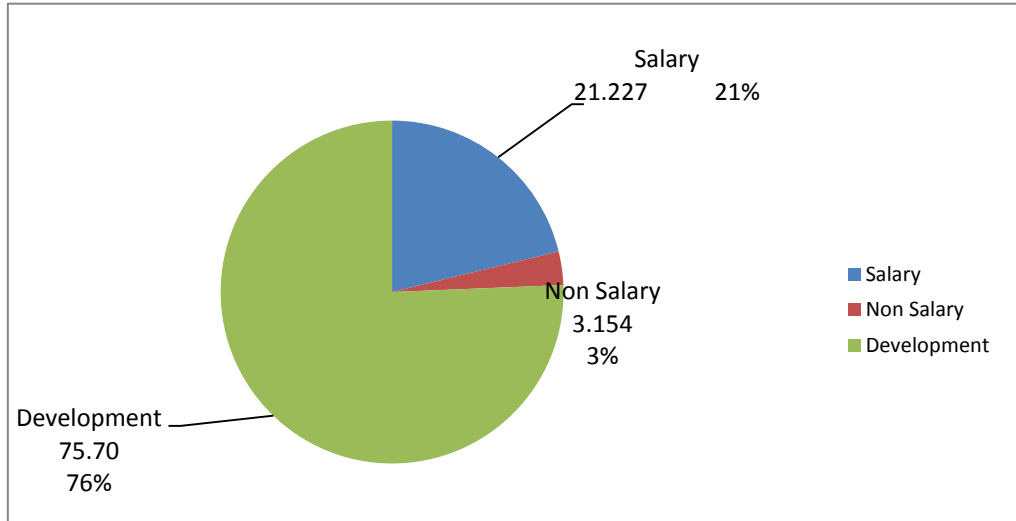
An amount of Rs 108.922 million was allocated as Grant in aid by the Provincial Government to Assistant Director Local Government and Union Councils of District Lakki Marwat. No amount was realized during the financial year 2014-15. Thus making a total of Rs 108.922 million at the disposal of AD LG&RD and local councils, against which an expenditure of Rs 100.081 million was incurred by the AD Local Government and Union Councils Lakki Marwat with a saving of Rs 9.023 million during Financial Year 2014-15. Detail is given below:

(Rs in million)

2012-15	Budget	Expenditure	Excess/(Saving)	%age
Salary	28.802	21.227	-7.757	26.930
Non Salary	4.420	3.154	-1.266	28.640
Developmental	75.700	75.700	0	0
Total	108.922	100.081	-9.023	100
Receipts	0.365	0	0	
Total	109.287	100.081	-9.023	

Expenditure 2014-15

(Rs in million)



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

The audit reports on the accounts of Assistant Director Local Government & Rural Development Department and Union Councils Lakki Marwat prepared under the LGA 2012, and have not yet been discussed in PAC/ZAC.

1.2 AD Local Government and UCs Lakki Marwat

1.2.1 Non Production of Record

1.2.1.1 Non-Production of auditable record amounting to Rs 3.028 million

Section 14 (3) of the Auditor General's Powers and Terms and Conditions of Service) Ordinance, 2001 provide that any person or authority hindering the auditorial functions of the Auditor General regarding inspection of accounts shall be subject to disciplinary action under the relevant Efficiency & Discipline Rules, applicable to such person.

Secretaries of 10 Nos Union Councils of District Lakki Marwat during the financial years 2012-13 and 2013-14 paid Rs 2,913,445 to different contractors/ suppliers on account of execution of developmental schemes and contingent expenditures. Further on the part of Assistant Director Local Government Rs.115,000/- were incurred on TA/DA but despite repeated requests, approved budget copy, reconciled expenditure statements and other record were not produced to audit.

S.No	Name of UCs	2012-13	2013-14
1	Bahram khel Lakki Marwat	359,818	52,710
2	Paharkhel Thaal	2,892	12,583
3	Khero khel pakka	393,925	12,108
4	Kakka khel	397,359	83,336
5	Samandi	37,539	15,280
6	Ghazni khel	415,695	267,490
7	Mellashuhab khel	337,855	77,473
8	DarakaSuleman khel	361,923	00
9	Bakhmal Ahmad Zai	357,400	16,451
10	Abba khel	38,823	88,480
	Total Rs	2,287,534	625,911
		2,913,445	

Audit observed that due to non-production of record expenditure could not be authenticated.

Management did not respond to Audit observation.

Request for convening of DAC meeting was made on 09.02.2016, which could not be convened till finalization of this report.

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

AP No. 89 &92 (2015-16)

1.2.2 Irregularity & Non compliance

1.2.2.1 Un-verified expenditure of Rs 75.029 million

On completion of a project, a handing over report shall be submitted by the head of office concerned to the planning officer, budget and development committee, finance & budget officer and a copy endorsed to the council according to Rule 46 of District Government and TMA (Budget) Rules, 2003. Post completion evaluation of each development project shall be undertaken jointly by the planning officer in collaboration with heads of offices concerned and a report submitted to the council according to Rules 47 ibid.

Assistant Director Local Government Lakki Marwat completed schemes/works at a cost of Rs 75.029 million during 2014-15. These completed schemes were neither evaluated after completion nor formally handed over as required.

It was also the responsibility of the Planning officer to verify whether these pressure pumps are used by community or individuals. Defective handing /Taking certificate were also found on the record.

Sr. No.	Name of Schemes	Expenditure Incurred (Rs)
1	Inst: of Pressure Pumps in the area of Lakki city by the Pahar Khel Const: Co.	19,996,748
2	Improvement of Hospital Road	9,599,660
3	Inst: of Pressure Pumps in the area PK-76 by the Ahmad Khel Const: Co.	9,982,225
4	Inst: of Pressure Pumps in the area PK-76 by the Ahmad Khel Const: Co.	9,779,178
5	Inst: of Pressure Pumps in the area PK-74 by the Malik Usman contractor	8,199,000
6	Inst: of Submersible Pumps in the area PK-75 by Shah Nawaz Contractor	9,991,018
7	Pav. of street, const. of culverts in the area PK-74 by malik Usman Contractor	7,481,792
	Total	75,029,621

Audit observed that un-verified expenditure occurred due to non-compliance of rules, which resulted in to violation of rules.

Management did not respond to Audit observation.

Request for convening of DAC meeting was made on 4.02.2016, which could not be convened till finalization of this report.

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

AP 84 (2014-15)

1.2.2.2 Irregular and Doubtful expenditure – Rs 1.241 million

The procuring entity shall use open competitive bidding as the principal method of procurement for the procurement of goods over the value of Rs. 100,000/ rupees one hundred thousand as per KPPRA rule given in Chapter III (1).

Para 32 of CPWA code states that no work shall be executed without obtaining Technical Sanction and Administrative Approval.

Para 148 of GFR states that All material received should be examined, counted, measured, weighed as the case may be, when delivery is taken, and they should be taken on charge by a responsible government officer who should see that quantities are correct and their quality is good, and record a certificate that he has actually received the materials and recorded them in the appropriated stock register.

Secretaries Union Councils of District Lakki Marwat spent Rs 1,241,000 (As per Annexure-D) on the execution of Developmental schemes during 2014-15. Audit observed that:-

1. Expenditure was incurred without obtaining Administrative Approval from the administrative department.
2. Technical Sanction was not obtained from the competent authority.
3. Quotation / Open tender system was not adopted due to which Government was deprived of lowest competitive rates.

4. Completion certificates of the schemes do not provide the requisite information to authenticate the expenditures.
5. Majority of the bills were dateless.
6. Almost bills were made in same hand writing, which creates ambiguity.
7. Items so purchase were not taken on stock register.

Audit observed that due to weak financial management expenditures were incurred without observing codal formalities and also the bills seems factious.

Management did not respond to Audit observation.

Request for convening of DAC meeting was made on 09.02.2016, which could not be convened till finalization of this report.

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

AP No 96 (2014-15)

1.2.2.3 Un-authorized execution of work amounting to Rs 1.00 million

Para 56 of CPWD Code lay down that if any alteration is made in work beyond Technical Sanction subsequent to the grant of Technical Sanction, proper orders of the original sanctioning authority should be obtained, even though no additional expenditure may be involved by the alterations.

Assistant Director Local Government Lakki Marwat awarded the contract of "Laying pipe line in the area Pk-76" funded by Munawar Khan, MPA with a cost of Rs.1.00 million. According to the Technical Sanction 914.35 M, 3" dia PVC pipe, 91.43 M, 2" dia Pvc Pipe and 1011.88 M, 4" dia Pvc pipe were required to be executed but in the final bill 1661M, 3 " , dia PVC Pipe and 1036 M, 2" dia Pvc pipe were used without revision of PC-I/ Technical sanction. Further the Technical Sanction is accorded by the Chief Engineer C& W department which is required to be verified. Audit observed that un-authorized execution of work in deviation of technical sanction is the violation of rules which resulted irregular expenditure.

Management did not respond to Audit observation.

Request for convening of DAC meeting was made on 04.02.2016, which could not be convened till finalization of this report.

Audit suggests that above laps may be regularized.

AP 81(2014-15)

1.2.2.4 Misappropriation of Rs 0.845 million

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

Secretaries Union Councils of District Lakki Marwat spent Rs 845,070 on account of removing of garbage and repair of transformers etc. in different areas of union councils during 2014-15.(Annexure-E). Following irregularities were noticed:

1. Expenditure was incurred without obtaining sanction from the competent authority.
2. The bills were dateless and no formal procedure was followed by the quarter concerned.
3. Copies of the cheques given to supplier/contractor were not available to authenticate the actual expenditure.
4. Majority of the bills were made on same hand writing, which create ambiguity.
5. No proper record of the total number of houses, number of garbage collecting points and distance was available.

Management did not respond to Audit observation.

Request for convening of DAC meeting was made on 09.02.2016, which could not be convened till finalization of this report.

Audit suggests recovery in the matter.

AP No.97 (2015-16)

1.2.3 Internal Control weaknesses

1.2.3.1 Non deposit of Income Tax into Government Treasury – Rs 5.782 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.

Assistant Director, Local Government and Secretaries Union Councils Lakki Marwat spent Rs 77.097 million on various developmental works during 2014-15, however income tax worth Rs 5,782,171(Annexure-H)was deducted but not credited to Government Treasury.

Audit observed that non-crediting of the income tax is the violation of rules which resulted into loss to public exchequer.

Management did not respond to Audit observation.

Request for convening of DAC meeting was made on 04.02.2016, which could not be convened till finalization of this report.

Audit suggests that the income tax amount may be deposited into Government treasury under intimation to audit.

AP No. 85& 93 (2014-15)

1.2.3.2 Non surrendering of saving Rs 2.280 million

Para 95 of General Financial Rules Volume I provides that all anticipated saving should be surrendered well before close of financial year.

During examination of accounts records of secretaries union councils of District Lakki Marwat for the years 2014-15, it was noticed that the Government money of Rs 2,280,770 was shown saving at the end of financial year against the below mentioned union councils. As such the savings amount was required to be surrendered into the Government Treasury.

Detail is given as under:

S.No	Name Of Union Council	Closing Balance on 30.06.2015
1	Bahram Khel	127,852
2	DarkaSulemankhel	267,912
3	Bahmal Ahmad Zai	333,622
4	Ghazni Khel	124,251
5	Samandi Khel	207,094
6	Aba Khel	90,748
7	Mela Shahab khel	521,626
8	Khero Khel paka	183,612
9	Kaka Khel	262,527
10	Paharkheltaal	161,526
	Total Rs	2,280,770

Audit observed that non surrendering of savings is the violation of rules which resulted into loss to the public exchequer.

Management did not respond to Audit observation.

Request for convening of DAC meeting was made on 09.02.2016, which could not be convened till finalization of this report.

AP No. 103 (2015-16)

1.2.3.3 Overpayment due to overlapping – Rs2.009 million

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

Assistant Director Local Government Lakki Marwat awarded contracts of Installation of Pressure Pumps to various contractors. 4”dia PVC Pipes were used in these pressure pumps, but the overlapped pipes was not considered. (As on Annexure-F)

Audit observed that Overpayment occurred due to non-compliance of the rules and loss was given to the Government.

Management did not respond to Audit observation.

Request for convening of DAC meeting was made on 04.02.2016, which could not be convened till finalization of this report.

Overpayment may be recovered under intimation to audit.

AP No. 83 (2014-15)

1.2.3.4 Non deduction of Sales Tax Rs 1.672 million

Sales tax @ 17 % on all Government suppliers is required to be deducted as per Section 3 of sales tax act 1990.

Assistant Director Local Government Lakki Marwat during 2014-15 awarded contracts to four number contractors for the installation of Pressure Pumps and Laying of pipe lines and Secretaries Union Councils made payment for Machinery and parts of transformers but neither the sales tax (Annexure-I) was deducted nor the sales tax invoice produced and as a result the federal government was deprived from its revenue.

Audit observed that non-deduction of sales tax is a violation of rules which resulted into loss to the public exchequer.

Management did not respond to Audit observation.

Request for convening of DAC meeting was made on 04.02.2016, which could not be convened till finalization of this report.

Audit suggests that sales tax may be recovered from the contractors or Sales tax invoice duly verified by the sales tax department be produced to Audit.

AP No.80 & 94(2014-15)

1.2.3.5 Un-authorized opening of Bank Accounts and Deposits of Rs1.483 million

Para 6 of General Financial Rules Volume-I requires the prior approval of Government for opening of designated bank account in banks other than State Bank of Pakistan / National Bank of Pakistan.

Examination of Accounts record of the Secretaries Union Councils of District Lakki Marwat for the year 2014-15 revealed that Government money of Rs 1,483,634 were retained in private banks accounts i.e. Allied Bank , HBL and MCB without any approval of the Government. Government money will be deposited into the State Bank, National Bank and Khyber Bank with prior approval of the Government i.e. Finance Department. In case Finance Department does not authorize Bank accounts for Government money then Public Accounts will be maintained with consent of the Finance Department.

Audit observed that un-authorized opening of bank accounts and retention of government money without formal approval from government is the violation of rules.

Management did not respond to Audit observation.

Request for convening of DAC meeting was made on 09.02.2016, which could not be convened till finalization of this report.

Audit suggests the matter for corrective action.

AP No. 98 (2015-16)

1.2.3.6 Overpayment of – Rs0.879 million

Market Rate System 2013 Khyber Pakhtunkhwa, provide rate of “Hiring charges of Tractor with trolley” (item code 01-07-b) as Rs 4,676.65 per day.

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

Assistant Director Local Government Lakki Marwat overpaid Rs.718,286 for item of work shrouding material and Secretaries Union Councils overpaid Rs 160,938 due to allowing higher rates instead of admissible rate during 2014-15 (Annexure-D).

It was observed that shrouding material was paid for the whole depth of bore instead of only the portion of filter which resulted into overpayment of Rs718,286/-.

Audit observed that Irregular expenditure was made due to violation of rules.

Management did not respond to Audit observation.

Request for convening of DAC meeting was made on 04.02.2016, which could not be convened till finalization of this report.

Audit suggests recovery of overpaid amount.

AP 82& 102 (2014-15)

ANNEXURES

Annexure-A

Detail of MFDAC PARAS

(Rs in million)

S. No	AP No	Department	Caption	Amount
1	95	Union council Lakki Marwat	Un-authorized expenditure on account of Honoraria	0.240
2	100		Irregular expenditure	0.090
3	101		Irregular expenditure on account of contingent staff	0.057
4	99		Non-accountal of stock & store items	0.000
5	91		Non deposit of Receipts	0.365
6	87	Local Government & Rural development Department	Irregular expenditure on account of entertainment charges	0.173
7	86		Irregular expenditure	0.152
8	88		Non depositing of Stamp duty	0.131
9	90		Loss due to missing item	0.112

AUDIT IMPACT SUMMARY

S.No	Rules/System/Procedure	Audit Impact
1	According to GFR, physical verification of store/assets should be carried out once in a year.	Increase probability for safeguarding the Government assets and stock
2	According to Financial and Treasury rules all dues of the government should be correctly and promptly assessed, collected and paid into Government Treasury.	Increase in revenue collection on account of Government dues
3	According to GFR, receipts and expenditure should be reconciled.	To ensure that the departmental accounts are sufficiently accurate to render possible and efficient Departmental control of expenditure and receipts.

Annexure-C**Budget and expenditure Summary****(Rs in million)**

2012-15	Budget	Expenditure	Excess/(Saving)	%age
Salary	28.802	21.227	-7.757	26.930
Non-Salary	4.420	3.154	-1.266	28.640
Developmental	75.700	75.700	0.000	0
Total	108.922	100.081	-9.023	100
Receipts	0.365	-	-	-
G. Total	109.287	100.081	-9.023	100

Detail showing doubtful expenditure

Annexure-D

Sr. No	Vr. Date	Name of UC	Particular	Amounts
1	3.10.14	Ghazni khel	Const. of water Diggi at ghazni khel	60,000
2	3.10.14		Pavement of street at G.khel	90,000
3	12.1.15		Earth filling	38,000
4	20.1.15	Khero khel Pakka	Leveling & dressing from langer khel to titer khel	40,000
5	20.1.15		Shingle Road from sherikhel to paharkhelpakka	40,000
6	26.1.15		Leveling dressing from langerpakka to sherikheluc	40,000
7	Nil	PaharkhelThal	Inst. Of Pressure pump at Tuti Abad	39,000
8	Nil		Inst. Of Pressure pump at Tuti Abad	39,000
9	4.2.15		Shingle road	38,000
10	6.2.15		Shingle road	38,000
11	23.1.15	Abba Khel	Earth filling at ismailkhel	38,000
12	14.1.15		2HP Sub mersiblemoter at Aba khel	38,000
13	2.2.15		2HP Sub mersiblemoter at Aba khel	38,000
14	14.1.15		2HP Sub mersiblemoter at Aba khel	38,000
15	1.2.15		2HP Sub mersiblemoter at Aba khel	38,000
16	Nil	Bakhmal Ahmad	Earth filling at shigaidaalbargi	40,000
17	Nil		Shingle road at bargi khan khel	40,000
18	Nil		Earth filling at shigaidaalbargi	40,000
19	Nil	Samandi	Inst. Pressure pump at wanda Aurangzeb	90,000
20	Nil		Const. of Water Digge	39,000
21	Nil		Const. of Water Digge	38,000
22	Nil		Shingl road wandashahab din	60,000
23	Nil		Earth filling	16,000
24	19.1.13	Bakhram khel	Shingle road	38,000
25	23.1.15		Do	38,000
26	13.1.15		Do	15,000
27	9.3.15		Do	35,000
28	11.11.14	Darakasuleman	Earth filling	20,000
29	3.2.15		16 hours Leveling dressing	20,000
30	3,2,15		30 trips (Shingle road)	60,000
			Total Rs	1,241,000

Detail showing removal of Garbage

Annexure-E

S#	Vr. Date	Name of UC	Particular	Amounts
1	20.1.15	Ghazni khel	Removal of dharian	38,000
2	17.10.14	Khero khel Pakka	Removal of dharian	4,000
3	15.1.15	--do--	Removal of dharian	40,000
4	2.1.15	--do--	Removal of dharian	40,000
5	27.7.14	PaharkhelThal	Removal of dharian	11,500
6	2.2.15	--do--	Removal of dharian	37,500
7	2.2.15	--do--	Removal of dharian	10,500
8	Nil	--do--	3 begs charkol	10,500
9	2.2.15	--do--	Removal of dharian	37,500
10	6.2.15	--do--	Removal of dharian	38,000
11	2.2.15	--do--	Removal of dharian	22,000
12	27.1.15	--do--	Stationery	5,550
13	4.2.15	--do--	Purchase of RCC pipe	38,000
14	20.2.15	U.C Aba Khel	Repair of T/well at ismailkhel	40,000
15	22.2.15	--do--	Repair of T/well at shah Alam khel	40,000
16	23.1.15	--do--	Removal of dharian	38,000
17	Nil	--do--	Removal of dharian	15,000
18	24.8.14	--do--	Removal of dharian	15,000
19	Nil	Bakhmal Ahmad zai	Repair of Transformer	30,300
20	Nil	--do--	Repair of culverts	20,000
21	2.2.15	--do--	Removal of dharian	38,000
22	Nil	UC Samandi	Removal of dharian	12,000
23	Nil	--do--	Removal of dharian	20,000
24	3.2015	--do--	Removal of dharian	20,000
25	3.2015	--do--	Removal of dharian	20,000
26	Nil	Bakhram khel	Stationery	9,220
27	13.11.14	--do--	Removal of dharian	30,000
28	13.11.14	--do--	Removal of dharian	30,000
29	15.12.14	Darakasuleman khel	Repair of culverts	28,000
30	15.12.14	--do--	Repair of transformer	28,500
31	3.2.15	--do--	Removal of dharian	40,000
			Total Rs	845,070

Detail showing overpayment on account of overlapped pips

Annexure-F

Scheme	Mtr	Feet	No .of Pipes used	Over lapped feet	Ove r lap ped mtr	Require d drilling	Clai me d	Differen ce	Rate	Overpaym ent
Inst: Sub. Pump vide AA.No.801 dt.06-02-15. Pk-76	1264.85	4150	259	259	79	1185	1264.85	79.85	30,25.61	241,595
Inst: P Pump vide AA.No.801 dt.06-02-15. Pk-76	525.75	1724	108	108	33	493	525.75	33	1767	58,311
Inst: P. pump vide AA.No.799 dt.06-02-15.PK-74	704	2309	144	144	44	660	704	44	1766.24	77,715
As above	475.46	1560	98	98	30	445	475.46	30	1767	53,010
As above	414.5	1360	85	85	26	389	414.5	26	3025	77,138
Installation of pressure pumps AA No. 4060-65 dated: 27.02.2015.CMD	137.15	450	28	28	9	128	137.15	9	3025.60	26,777
As above	259	850	53	53	16	243	259	16	3025.60	48,410
As above	128	420	26	26	8	120	128	8	3025.60	24,205
As above	393	1289	81	81	25	368	393	25	3025.60	75,640
As above	521	1709	107	107	33	488	521	33	3025.60	99,849
As above	149	489	31	31	9	140	149	9	3025.60	27,230
As above	146	479	30	30	9	137	146	9	3025.60	27,230
As above	134	440	27	27	8	126	134	8	3025.60	24,205
As above	1264.85	4149	259	259	79	1186	1264.85	79	3025.60	238,569
As above	640	2099	131	131	40	600	640	40	3025.60	121,024
As above	137.15	450	28	28	9	128	137.15	9	3025.60	26,777
As above	1367	4484	280	280	85	1282	1367	85	3025.60	257,176
Installation of pressure pumps in the area pk-75 AA No. 800/DC/LM/DD C/AA/2014-15 dated: 06.02.2015. MPA	2638	8653	541	541	165	2473	2638	165	1270	209,550

Noor Saleem										
Installation of pressure pumps in the area pk-76 AA No. 801/DC/LM/DD C/AA/2014-15 dated: 06.02.2015. MPA Munawar Khan	1258.76	4129	258	258	79	1180	1258.76	79	3025.60	239,022
As above	512	1679	105	105	32	480	512	32	1767	56,544
Total										2,009,977

Detail showing overpayment due to shrouding material and higher charges of tractor

Annexure-G

Sr. No.	Voucher & Date	Tractor No	Name of UC	Rate Paid Per Day	Rate Admissible Per Day	Excess payment
1	20.1.15	9445/BUA	Ghazni khel	38,000	4676.65	33,323
2	12.1.15	9344/BUA	-Do-	38,000	4676.65	33,323
3	23.1.15	9335/DNA	Abba khel	38,000	4676.65	33,323
4	23.1.15	4492/BUA	-DO-	38,000	4676.65	33,323
5	25.1.15	3244/DNA	Pahar khel	22,000	4676.65	17,323
6	Nil	Nil	Kaka khel	15,000	4676.65	10,323
				189,000		160,938

Name of schemes	Item of work	No of P/Pumps	Quantity Paid	Quantity Admissible	Item Rate	Overpayment
Installation of submersible pumps in the area PK-76 AA No. 801/DC/LM/DDC/AA/20 14-15 dated: 06.02.2015	Shrouding material	15	1264.85	150	65.600	73,134
Installation of pressure pumps in the area pk-76 AA No. 801/DC/LM/DDC/AA/20 14-15 dated: 06.02.2015	Shrouding material	14	525.75	140	65.60	25305
Installation of Pressure pumps AA No. 799 dated: 06.02.2015	Shrouding material	6	350.5	60	65.60	19057
Installation of pressure pumps AA No. 4060-65 dated: 27.02.2015.CMD	Shrouding material	2	137.15	20	65.60	7685
	Shrouding material	2	259	20	65.60	15678
		1	128	10	65.60	7741
		5	393	50	65.60	22500

		6	521	60	65.60	33784
		2	149	20	65.60	8462
		1	146	10	65.60	8922
		2	134	20	65.60	7478
		12	1264.85	120	65.60	75102
		5	640	50	65.60	38704
		2	137	20	65.60	7675
		13	1367	130	65.60	81147
Installation of pressure pumps in the area pk-75 AA No. 800/DC/LM/DDC/AA/20 14-15 dated: 06.02.2015.MPA Noor Saleem	Shrouding material	28	2398.64 5	280	100	211865
Installation of pressure pumps in the area pk-76 AA No. 801/DC/LM/DDC/AA/20 14-15 dated: 06.02.2015. MPA Munawar Khan	Shrouding material	13	1258.76	130	65.6	74047
Total						718,286

Annexure-H

Details showing non deposit of income tax

Sr. No.	Name of Schemes	Expenditure Incurred (Rs)	Income Tax (Rs)
1	Inst: of Pressure Pumps in the area of lakki city by the Pahar Khel Const: Co.	19,996,748	1,499,756
2	Improvement of Hospital Road	9,599,660	719,974.5
3	Inst: of Pressure Pumps in the area PK-76 by the Ahmad Khel Const: Co.	9,982,225	748,666.9
4	Inst: of Pressure Pumps in the area PK-76 by the Ahmad Khel Const: Co.	9,779,178	733,438.4
5	Inst: of Pressure Pumps in the area PK-74 by the Malik Usman contractor	8,199,000	614,925
6	Inst: of Submersible Pumps in the area PK-75 by Shah Nawaz Contractor	9,991,018	749,326.4
7	Pav. of street, const. of culverts in the area PK-74 by malik Usman Contractor	7,481,792	561,134.4
	Total	75,029,621	5,627,221.6

S#	Vr.date	Name of UC	Name of work	Amounts	Income Tax
1	3.10.14	Ghazni khel	Const. of water Diggi at ghazni khel	60000	4,500
2	3.10.14		Pavement of street at G.khel	90000	6,750
3	5.8.14		Repair of street	10000	750
4	12.1.15		Earth filling	38000	2,850
5	20.1.15		Removal of dharian	38000	2,850
6	17.10.14	Khero khel Pakka	Removal of dharian	4000	300
7	20.1.15		Leveling & dressing at langer khel	40000	3,000
8	15.1.15		Removal of dharian	40000	3,000
9	20.1.15		Shingle Road (sherikhel to pahar khel)	40000	3,000
10	26.1.15		Leveling dressing(langerpakka to sherikhl)	40000	3,000
11	2.1.15		Removal of dharian	40000	3,000
12	Nil	PaharkhelThal	Inst. Of Pressure pump at Tuti Abad	39000	2,925
13	Nil		Inst. Of Pressure pump at Tuti Abad	39000	2,925
14	27.7.14		Removal of dharian	11500	862
15	2.2.15		Removal of dharian	37500	2,812
16	2.2.15		Removal of dharian	10500	787

17	Nil		3 begs charkol	10500	787
18	2.2.15		Removal of dharian	37500	2,812
19	6.2.15		Removal of dharian	38000	2,850
20	2.2.15		Removal of dharian	22000	1,650
21	27.1.15		Stationery	5550	416
22	4.2.15		Shingle road	38000	2,850
23	4.2.15		Purchase of RCC pipe	38000	2,850
24	6.2.15		Shingle road	38000	2,850
25	20.2.15	U.C Aba Khel	Repair of T/well at ismailkhel	40000	3,000
26	22.2.15		Repair of T/well at shah Alamkhel	40000	3,000
27	23.1.15		Earth filling at ismailkhel	38000	2,850
28	23.1.15		Removal of dharian	38000	2,850
29	Nil		Removal of dharian	15000	1,125
30	24.8.14		Removal of dharian	15000	1,125
31	14.1.15		2HP Sub mersible moter at Aba khel	38000	2,850
32	2.2.15		2HP Sub mersible moter at Aba khel	38000	2,850
33	14.1.15		2HP Sub mersible moter at Aba khel	38000	2,850
34	1.2.15		2HP Sub mersible moter at Aba khel	38000	2,850
35	Nil	Bakhmal Ahmad	Earth filling at shigaidaalbargi	40000	3,000
36	Nil		Shingle road at bargi khan khel	40000	3,000
37	Nil		Earth filling at shigaidaalbargi	40000	3,000
38	Nil		Repair of Transformer	30300	2,275
39	Nil		Repair of culverts	20000	1,500
40	2.2.15	Samandi	Removal of dharian	38000	2,850
41	10.2.15		Inst. Pressure pump at wanda Aurangzeb	90000	6,750
42	Nil		Const. of Water Digge	39000	2,925
43	10.1.15		Const. of Water Digge	38000	2,850
44	Nil		Shingle road wandashahab din	60000	4,500
45	Nil		Removal of dharian	12000	900
46	Nil		Removal of dharian	20000	1,500
47	Nil		Earth filling	16000	1,200
48	Nil		Stationery	4600	345
49	Nil		Stationery	6000	450
50	3.2015		Removal of dharian	20000	1,500
51	3.2015		Removal of dharian	20000	1,500
52	19.1.13	Bakhramkhel	Shingle road	38000	2,850
53	23.1.15		Do	38000	2,850
54	13.1.15		Do	15000	1,125
55	9.3.15		Do	35000	2,625
56	Nil		Stationery	9220	691

57	13.11.14		Removal of dharian	30000	2,250
58	13.11.14		Removal of dharian	30000	2,250
59	15.12.14	Darakasuleman	Repair of culverts	28000	2,100
60	15.12.14		Repair of transformer	28500	2,137
61	11.11.14		Earth filling	20000	1,500
62	3.2.15		Removal of dharian	40000	3,000
63	3.2.15		16 hours Leveling dressing	20000	1,500
64	3,2,15		30 trips (Shingle road)	60000	4,300
			Total Rs	2,068,670	154,949

Details showing non deduction of sales tax deduction

Annexure –I

Contractor Name	Amount paid for Pvc Pipes	Sales Tax
Pahar khel Pacca Const: Co.	3,749,566	544,809
Ahmad khel Const: Co	1,831,674	266,141
Shah Nawaz Brothers	1,817,732	264,115
Malik Usman	3,495,698	507,922
Total	10,894,670	1,582,987

S#	Vr. Date	Name of UC	Particular	Amounts	S. Tax
1	Nil	Pahar khel Thal	Inst. Of Pressure pump at Tuti Abad	17684	3,006
2	Nil	-DO-	Inst. Of Pressure pump at Tuti Abad	17684	3,006
3	14.1.15	Aba Khel	2HP Sub mersiblemoter at Aba khel	38000	6,460
4	2.2.15	-DO-	2HP Sub mersiblemoter at Aba khel	38000	6,460
5	14.1.15	-DO-	2HP Sub mersiblemoter at Aba khel	38000	6,460
6	1.2.15	-DO-	2HP Sub mersiblemoter at Aba khel	38000	6,460
7	27.1.15	PaharkhelThal	Stationery	5550	943
8	20.2.15	Aba Khel	Repair of T/well at ismailkhel	40000	6,800
9	22.2.15	-DO-	Repair of T/well at shah Alam khel	40000	6,800
10	Nil	Bakhmal Ahmad	Repair of Transformer	30300	5,151
11	10.2.15	UC Samandi	Inst. Pressure pump at wanda Aurangzeb	90000	15,300
12	Nil	-DO-	Stationery	4600	783
13	Nil	-DO-	Stationery	6000	1,020
14	Nil	Paharkhel Thal	3 begs charkol	10500	1,785
15	20.2.15	U.C Aba Khel	Repair of T/well at ismail khel	40000	6,800
16	22.2.15	-DO-	Repair of T/well at shah Alam khel	40000	6,800
17	Nil	Bakhmal Ahmad	Repair of Transformer	30300	5,151
			Total Rs	567,250	89,185