



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

**DISTRICT NOWSHERA  
KHYBER PAKHTUNKHWA**

**AUDIT YEAR 2015-16**

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**AUDITOR GENERAL OF PAKISTAN**

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## ABBREVIATIONS AND ACRONYMS

AP	Advance Para
AD LG&RDD	Assistant Director Local Government & Rural Development Department
APRs	Actual Payee Receipts
BOK	Bank of Khyber
DAC	Departmental Accounts Committee
DAO	District Accounts Officer
DDAC	District Development Advisory Committee
DDO	Drawing and Disbursing Officer
GFR	General Financial Rules
MFDAC	Memorandum for Departmental Accounts Committee
NADRA	National Database Registration Authority
NBP	National Bank of Pakistan
PAC	Public Accounts Committee
PAO	Principal Accounting Officer
RDA	Regional Directorate of Audit
UAs	Union Administrations

## **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 Assistant Director Local Government & Rural Development Department and 28 Union Councils of District Nowshera 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 the systemic issues and significant audit findings. Relatively less significant issues are listed in the Annexure-1 of the Audit Report. The Audit Observations listed in the Annexure-1 shall be pursued with the Principal Accounting Officer at the DAC level and in all cases where the PAO does not initiate appropriate action, the Audit observations will be brought to the notice of Public Accounts Committee through the next year's Audit Report.

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

The observations included in this report have been finalized without written replies of the departments. 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 of Audit, District Governments, Khyber Pakhtunkhwa, Peshawar, a Field Audit Office of the Auditor General of Pakistan is responsible to conduct the audit of all District Governments in Khyber Pakhtunkhwa, Assistant Director Local Government & Rural Development Department. Its Regional Directorate of Audit Peshawar has audit jurisdiction of District Governments, AD Local Government and Rural Development and UAs of three Districts i.e. Peshawar, Charsadda and Nowshera.

The Regional Directorate of Audit Peshawar has a human resource of 10 officers and staff, constituting 2510 man-days. A budget of Rs 14.799 million was allocated during the Audit Year 2015-16. The Regional Directorate of Peshawar 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 Peshawar carried out audit of the accounts of the Assistant Director, Local Government Nowshera for the Financial Year 2014-15 and the findings included in the Audit Report.

Assistant Director Local Government and Rural Development Department District Nowshera conduct their operations 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 of the Municipal Committees and the Deputy Commissioner is the Principal Accounting Officer of the Union Councils. Financial provisions of the Act describe the Local Government as District Councils, Municipal Committees and Union Councils Local Fund and Public Account for which Annual Budget Statement is authorized by the Secretary LG&RDD Government of Khyber Pakhtunkhwa, Peshawar in the form of budgetary grants.

### **a. Scope of audit**

Out of the total expenditure of the Assistant Director Local Government and Union Councils, Nowshera for the Financial Year 2014-15, the auditable expenditure under the jurisdiction of RDA was Rs 26.407 million. Out of this,

RDA Peshawar audited an expenditure of Rs 21.126 million which, in terms of percentage, was 80 % of auditable expenditure.

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

Recovery of Rs 0.500 million was pointed out during the audit. Out of which Rs 0.032 was recovered at the instance of audit. Out of the total recoveries Rs 0.500 million was not in the notice of the executives before audit.

**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.

**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, ensures accuracy, timeliness and reliability of financial and accounting information for decision making.

Another basic component of Internal Control System, as envisaged in Para 13 of GFR Volume-I, is internal audit which was not found in place in the domain of Assistant Director LG&RDD.

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

- i. Non production of record was pointed in one case Rs 2.822 million<sup>1</sup>
- ii. Irregularities & non-compliance of Rs 56.356 million were noted in eight cases.<sup>2</sup>
- iii. Internal Control weaknesses of Rs 3.535 million were noted in two cases.

**g. Recommendations**

- i. Record may be produced to audit besides action against the person (s) at fault
- ii. Corrective actions need to be taken to stop the practice of violation of rules and regulations while spending the public money.
- iii. Internal controls in all areas i.e. financial, managerial, operational, administrative and accounting need to be strengthened at AD LG&RDD level to pre-empt the reported lapses and fair value for money is obtained from public spending.
- ii. Deduction of taxes on supplies needs to be ensured.
- iii. Inquiries need to be held to fix responsibility for losses, irregular payments and wasteful expenditure.

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<sup>1</sup> 1.2.1.1

<sup>1</sup> 1.2.

## SUMMARY TABLES & CHARTS

**Table 1: Audit Work Statistics**

(Rs in million)			
S.No	Description	No.	Budget
1	Total Entities (PAOs) in Audit Jurisdiction	01	26.407
2	Total formations in audit jurisdiction	48	26.407
3	Total Entities(PAOs) Audited	01	21.126
4	Total formations Audited	29	21.126
5	Audit & Inspection Reports	01	21.126
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	-
3.	Weak Internal controls	59.891
4.	Others	2.822
	<b>Total</b>	<b>62.713</b>



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

<b>S. No</b>	<b>Description</b>	<b>Expenditure on Acquiring Physical Assets Procurement</b>	<b>Civil Works</b>	<b>Receipts</b>	<b>Others</b>	<b>Total For the year 2014-15</b>	<b>Total for the year 2013-14</b>
1.	Outlays Audited	0.513	-	-	20.613	21.126	Not audited
2.	Amount Placed under Audit Observation /Irregularities of Audit	0.239	-	-	62.713	62.713	-do-
3.	Recoveries Pointed Out at the instance of Audit	-	-	-	-	-	-
4.	Recoveries Accepted /Established at the instance of Audit	-	-	-	-	-	-
5.	Recoveries Realized at the instance of Audit	-	-	-	-	-	-

**Table 4: Irregularities pointed out)****(Rs in million)**

<b>S. No</b>	<b>Description</b>	<b>Amount Placed under Audit Observation</b>
1	Violation of Rules and regulations, principle of propriety and probity in public operation	56.357
2	Reported cases of fraud, embezzlement, thefts and misuse of public resources.	0
3	Accounting Errors (accounting policy departure from NAM, 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.	3.535
5	Recoveries and overpayment, representing cases of establishment overpayment or misappropriations of public monies	0
6	Non-production of record	2.822
7	Others, including cases of accidents, negligence etc.	0
	<b>Total</b>	<b>62.714</b>

**Table 5 : Cost benefit****(Rs in million)**

<b>S #</b>	<b>Description</b>	<b>Amount</b>
1	Outlays Audited (item 1 of Table 3)	21.126
2	Expenditure on audit	0.033
3	Recoveries realized at the instance of audit	-
	Cost-Benefit Ratio	1:0

## CHAPTER-1

### 1.1 Assistant Director Local Government & Rural Development Department Nowshera

#### 1.1.1 Introduction

Office of the Assistant Director LG&RDD consists of Assistant Director, Progressive officer and Union Secretaries and AD LG&RDD being Drawing & Disbursing Officers. According to 1998 population census the population of Nowshera is 1,022,364.

#### 1.1.2 Comments on Budget and Accounts (variance analysis)

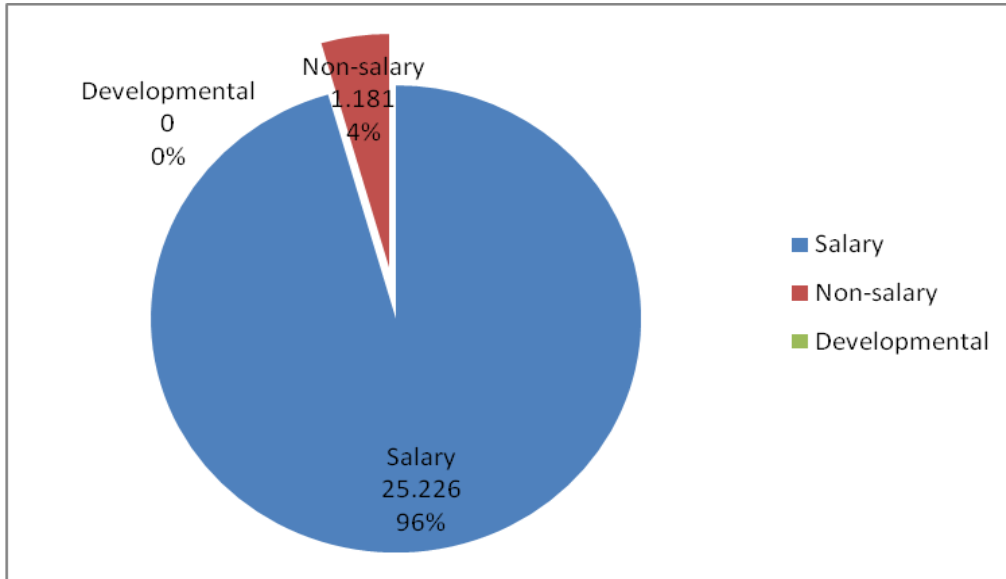
A total budget of Rs 63.890 million was released to AD LG&RDD Nowshera against which an expenditure of Rs 26.407 million was incurred by the AD LG&RDD Nowshera with a saving of Rs 37.483 million during financial Year 2014-15. Detail is given below:

(Rs in million)

2014-15	Budget	Expenditure	Excess (+) / Saving (-)	% Excess (Saving)
Salary	58.947	25.226	-33.721	25
Non-salary	4.943	1.181	-3.762	24
Developmental	0	0	0	0
<b>Total</b>	<b>63.890</b>	<b>26.407</b>	<b>-37.483</b>	

## Expenditure 2014-15

(Rs in million)



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

The audit reports on the accounts of AD LG&RDD Charsadda have not yet been discussed in PAC.

## 1.2 **AUDIT PARAS**

### 1.2.1 **Non production of record**

#### 1.2.1.1 **Non-production of detail record of birth, marriage etc Certificates for receipt of Rs 2.822 million**

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

During audit of the accounts record of Assistant Director LG&RDD Nowshera for the financial year 2014-15 it was observed that as per cash books of defunct union councils a sum of Rs 705566 was deposited on accounts of Rs 20 per certificate as Government share for issuance of Birth, Marriage and death certificates but the following requisite record was not produced to Audit therefore the actual creditable amount to Government was not known. Details are in annexure-2.

- 1 Stock registers to show entries for receipt of 35,278 forms received from NADRA for issuance of certificates.
- 2 Receipt books to show issuance of Receipts of RS 80 per form/certificate and total amounting to Rs 2,822,240.
- 3 Receipt books or other record to show further deposit of RS 50 per form to NADRA out of RS 80/- total amounting to Rs 1,763,900.
- 4 Record to show disbursement of Rs 10/- per form/certificate as bonus /share of the defunct union councils staff amounting to Rs 352,780
- 5 Monthly progress reports

Audit observed that the authenticity of receipts could not be verified due to non production of record.

When pointed out in May, 2016, management replied that detail record will be maintained in future.

Request for convening of DAC meeting was made during June, 2016 but no response was received from the Principal Accounting Officer, as a result DAC meeting could not be convened till finalization of this report.

Audit recommends production of record besides fixing responsibility on the persons at fault.

**AP 141 (2014-15)**

## **1.2.2 Irregularities & non compliance**

### **1.2.2.1 Illegal appointment of chowkidars and irregular expenditure on pay & allowances of Rs 3.948 million**

According to Para 10 of GFR Vol-I, read with budget book 2013-14 every public officer is expected to exercise the same vigilance in respect of expenditure incurred from public moneys, as a person of ordinary prudence would exercise in respect of expenditure of his own money.

Assistant Director, Local Government and Rural Development Department Nowshera paid Rs. 3,948,000 to 47 Chowkidars at a fix rate of Rs. 7000/per month serving in all Union Councils of District Nowshera during 2014-15. There was no sanctioned post of chowkidar in the budget book. Therefore, the appointment of 47 chowkidars was illegal and the expenditure on their pay and allowances of Rs. 3,948,000 was irregular.

The illegal appointments occurred due to mismanagement.

When pointed in May 2016, it was replied that retention of contingent paid staff was to safeguard the government offices and property, hence was drawn in the best public interest. The reply is not convincing as the payment was made to chowkidars for the whole period whereas contingent paid staff is appointed on casual basis and not on regular basis.

Request for convening of DAC meeting was made during June, 2016 but no response was received from the Principal Accounting Officer, as a result DAC meeting could not be convened till finalization of this report.

Audit recommends recovery besides fixing responsibility on the person (s) at fault.

**AP 191 (2014-15)**

### 1.2.2.2 Unauthorized withdrawal in Pay & Allowances –Rs 0.818 million

According to 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 either on his part or on the part of his subordinate staff.

Record of Assistant Director Local Government & Rural Development Department Nowshera was scrutinized during 2014-15, it was observed that the pay & allowances of Naib Qasids were regularly drawn. However as per written statement of the concerned Secretaries of the Union Councils four Naib Qasids could not report for duty. The audit held the withdrawal of pay & allowances irregular and unauthorized as detailed given below:

(Amount in Rs)

S#	Name	Designation	Station of Duty	Monthly Pay	Period not reported for duty	Unauthorized withdrawal
1.	Hayat Khan	Naib Qasid	Balu	23356	14 Months	326984
2.	Atlas Khan	Naib Qasid	ChowkiToan	22556	14 Months	315784
3.	Nisar Ali	Naib Qasid	Kabul River	19954	14 Months	279356
4.	Wasi-ul-Haq	Naib Qasid	Manduri	12839	14 Months	179746
<b>Total</b>						<b>817,660</b>

The unauthorized withdrawal occurred due to weak internal control.

When pointed out in May 2016. It was replied that all staff has performed duty and certificate to this effect will be provided to audit. The reply is not convincing as the officials did not perform their duty and needs clarification.

Request for convening of DAC meeting was made during June, 2016 but no response was received from the Principal Accounting Officer, as a result DAC meeting could not be convened till finalization of this report.

Audit recommends detail investigations under intimation to audit.

**AP 195 (2014-15)**



### **1.2.2.3 Non Reconciliation of monthly expenditure—Rs 26.408 million**

According to Rule-89 (4) - (viii) of GFR volume I, The head of the department and the Accountant General will be jointly responsible for the reconciliation of figures given in the accounts maintained by the head of the department and those that appear in the Accountant General's books. The reconciliation should be made monthly.

While checking the accounts record of Assistant Director Local Government Nowshera during 2014-15, It was noticed that the local office failed to reconcile monthly expenditure with District Accounts Office. The audit could not verify the exact figure of expenditure.

The irregularity occurred due to weak financial control.

When pointed out it was replied that detail reply shall be given after consulting the record. The reply is not convincing.

Request for convening of DAC meeting was made during June, 2016 but no response was received from the Principal Accounting Officer, as a result DAC meeting could not be convened till finalization of this report.

Audit recommends reconciliation of expenditure besides fixing responsibility on the person (s) at fault.

**AP 200(2014-15)**

### **1.2.2.4 Loss due to unauthorized Expenditure – Rs 1.192 million**

According to 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 either on his part or on the part of his subordinate staff.

Scrutiny of the record of Assistant Director Local Government and Rural Development Department Nowshera during 2014-15 revealed that the local office failed to stop unnecessary expenditure at union council level by issuing proper instructions after deposing Nazimeen in February 2010. However unauthorized expenditure of telephone, newspapers, bonus to staff and cleanliness were incurred which caused loss to public exchequer as detailed below:

The loss occurred due to weak internal control.

When pointed out in May 2016, it was replied that all expenditure were incurred in the greater public interest and the union councils were bound to ensure timely coordination and information.

Request for convening of DAC meeting was made during June, 2016 but no response was received from the Principal Accounting Officer, as a result DAC meeting could not be convened till finalization of this report.

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

**AP 192 (2014-15)**

**1.2.2.5 Blockage/Retention of Government money in the bank accounts of defunct union councils Rs 12.816 million**

According to para-7 of GFR Vol-1, money may not be removed from public account for deposit elsewhere without the consent of the Finance Department.

During Audit of the accounts record of Assistant Director, LG&RD Department Nowshera for the financial year 2014-15 it was observed that designated bank accounts were opened in various banks for monetary transactions of Union Councils (now defunct)with closing balances of Rs 12.816 million on 30-6-2015. But the funds were neither surrendered to the Govt. nor their was any policy available for retention of the money on the record. Therefore the Government money was blocked /retained without utilization for the benefits of the public. Details are in annexre-3.

The lapse occurred due to weak financial control.

When pointed out the management replied that the amount would be credited/transferred within possible short time.

Request for convening of DAC meeting was made during June, 2016 but no response was received from the Principal Accounting Officer, as a result DAC meeting could not be convened till finalization of this report.

Audit recommends detail probe, crediting of the amount and taking necessary corrective action under report to Audit.

**AP 184(2014-15)**

**1.2.2.6 Unauthorized opening of accounts in private banks with monetary transaction of Rs 4.270 million**

According to para-6 and 7 of GFR Vol-I Money may not be removed from public account for deposit elsewhere without the consent of the Finance Department. Further, if a government officer receives in his official capacity moneys which are not Government dues or the deposit of which in the custody of Government has not been authorized by Government, he must open an account with a bank for their deposit. Such accounts may be opened without special sanction with a branch of the State Bank of Pakistan or the National Bank of Pakistan acting as an Agent of the State Bank of Pakistan or with a post office savings bank.

During Audit of the accounts record of Assistant Director, LG&RD Department Nowshera for the F.Y 2014-15 it was observed that for monetary transaction of the Union Councils (now defunct), unauthorized bank accounts were opened in private banks i.e. Habib Bank Limited, Allied Bank Limited, and Muslim Commercial Bank with transaction of RS 2.469 million during the year and closing balances of RS 4.270 million on 30-6-2015, in violation of Government instruction. Details are in annexure-4.

The lapse occurred due to weak internal control and violation of rules.

When pointed out in May, 2016 management replied that the opening of the accounts in the National bank (NBP) and Bank of Khyber (BOK) are in process as in this regard no instruction was received in the past.

Request for convening of DAC meeting was made during June, 2016 but no response was received from the Principal Accounting Officer, as a result DAC meeting could not be convened till finalization of this report.

Audit recommends regularization of the matter from Finance Department and necessary corrective action under report to Audit.

**AP 185 (2014-15)**

**1.2.2.7 Retention of revenue and its non-crediting in to Government treasury-Rs 1.337 million**

According to para-7 of Treasury Rules Vol-1, all money received by Government on account of revenues of the Government should immediately be deposited into Government Treasury and should not be appropriated to meet the departmental expenditure.

Record of the defunct Union Council under the administrative and financial Control of the Assistant Director, LG&RDD Nowshera for the financial year 2014-15 revealed that revenue on account of issuance of Birth, Marriage and death certificates etc was received but the Government share of RS 20 per certificate total Rs 705,566 was deposited in designated bank accounts of the defunct union Councils and the bank profit of Rs 632,104 total revenue amounting to RS 1.337 million was retained in these banks instead of crediting in to Government treasury. Further the Government share received through issuance of certificates was retained and not regularly deposited in the banks accounts. Details are in annexure-5.

The lapse occurred due to lack of internal control and violation of rules.

When pointed in May, 2016, Convincing reply along with supporting documentary evidence was not furnished to audit.

Request for convening of DAC meeting was made during June, 2016 but no response was received from the Principal Accounting Officer, as a result DAC meeting could not be convened till finalization of this report.

Audit recommends detail probe, crediting the revenue in to Government treasury and necessary corrective action under intimation to Audit.

**AP 186 (2014-15)**

**1.2.2.8 Unauthorized/Irregular expenditure from Government revenue instead of crediting in to treasury-Rs 5.568 million**

According to para-7 of Treasury Rules Vol-1, all money received by Government on account of revenues of the Government should immediately be deposited into Government Treasury and should not be appropriated to meet the departmental expenditure.

Record of the defunct Union Councils under the administrative and financial Control of the Assistant Director, LG&RDD Nowshera for the financial year 2014-15 revealed that unauthorized/irregular expenditure of RS 5.568 million was incurred from the amount deposited in the bank accounts on account of revenue as Government share of Birth. Marriage etc certificates instead of crediting the revenue in to Government treasury. Details are in annexure-6.

The lapse occurred due to weak internal financial control.

When pointed in May, 2016, convincing reply along with supporting documentary evidence was not furnished to audit.

Request for convening of DAC meeting was made during June, 2016 but no response was received from the Principal Accounting Officer, as a result DAC meeting could not be convened till finalization of this report.

Audit recommends detail enquiry, crediting the revenue in to Government treasury and necessary corrective action under report to Audit.

**AP 187 (2014-15)**

### **1.2.3 Internal Control Weaknesses**

#### **1.2.3.1 Suspected misappropriation of Government revenue more than Rs 0.557 million**

According to para-23 of GFR Vol-I, 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.

During audit of the accounts record of Assistant Director LG&RDD Peshawar for the financial year 2014-15 , it was observed that as per produced cash books of defunct union councils a sum of Rs 705,566 was deposited on accounts of Rs 20/- per certificate as Government share for issuance of Birth, Marriage and death certificates but during each month the income was not deposited on regularly basis .Comparison of average monthly income among U.Cs also show a huge difference .The requisite record was not produced to show total forms of certificates received from NADRA, receipt of amount from the concerned persons at the rate of Rs 80 per form, deposit of amount to NADRA at the rate of Rs 50/- per form and disbursement of amount to the staff at the rate of Rs 10 per certificate Therefore the chances of misappropriation of Government revenue of more than Rs 557,226 as per attached statement could not be ruled out. Details are in annexure-7.

The lapse occurred due to weak internal control.

When pointed in May, 2016, management replied that certificates were issued according to the actual demand of the public. Reply was not acceptable without requisite supporting record.

Request for convening of DAC meeting was made during June, 2016 but no response was received from the Principal Accounting Officer, as a result DAC meeting could not be convened till finalization of this report.

Audit recommends detail probe, recovery of loss and taking necessary corrective action under report to Audit.

**AP 189(2014-15)**

### **1.2.3.2 Irregular/unauthorized drawl and disbursement of pay and allowances of staff through cash-Rs 2.978 million**

According to Rule-157 of Treasury Rules Vol-I the cheques for more than Rs. 200/- drawn in favor of local bodies, firms private persons or Government servants shall be crossed. This Rule will however not apply to Federal Govt. Servants in r/o pay and allowances upto Rs. 2000/- per month. Further According to para 4.6.3.1 of Accounting Policies and Procedure Manual, the normal method of payment of monthly salaries of all government employees According shall be by credit transfer direct to a bank account nominated by the employee. This is the most secure and economical method of payment and it automatically ensures that recipients have access to their salary on the due date. Moreover, direct credit has tangible advantages, over payment by cheque or cash, against risks of theft or fraud.

During audit of the accounts record of Assistant Director LG&RDD Nowshera for the Financial year 2014-15 it was observed that, irregular payment of pay and allowances of Rs. 2.978 million was made to staff through cash instead of payment through their bank accounts. During each month the cash was drawn through DDO cheques and the acquaintance rolls were also not maintained on Form TR-28 as signature of cashier. Drawing officer and certificate of disbursing officer were not recorded therein. Details are in annexure-8.

The lapse occurred due to weak financial control and violation of rules.

When pointed in May, 2016, management replied that in future the payment would be made to staff through their bank accounts.

Request for convening of DAC meeting was made during June, 2016 but no response was received from the Principal Accounting Officer, as a result DAC meeting could not be convened till finalization of this report.

Audit recommends detail probe production of complete reply /record, regularization and necessary corrective action under report to Audit.

**AP 190 (2014-15)**

## ANNEXURE

### Annexure-1

#### MFDAC Paras

(Rs in million)

S. No	AP No	Caption	Amount
1	193	Non-deduction of House Rent Allowance	0.498
2	194	Unauthorized payment of Pay & All:	0.116
3	196	Non-forfeiture of monthly pay	0.069
4	197	Unauthorized payment of POL	0.217
5	198	Unjustified Expenditure on Advertisement	0.270
6	199	Irregular payment of Symptuary Allowance	0.190
7	201	Non –production of record	--



## Annexure-2

Para 1.2.1.1

**Statement- showing non production of record of 35278 (Nos) Birth, Marriage and Death certificates forms received from NADRA and issued at the rate of RS 80/-per form total RS 2.822 million**

S#	Name of U.C	Govt Share @RS 20 per certificate	Amount of NADRA @ RS 50 per Form	Amount of Staff share@ RS 10 per certificate	Total No of forms/ Certificate	Total amount Of certificates Issued @ RS 80 per Certificate/ Form
1	Khair abad	40690	101750	20350 +10	2035	162800
2	Azakhel Bala	19409	48500	9700 -9	970	77600 77636
3	Amangarh	17700	44250	8850	885	70800
4	Jehangira	8720	21800	4360	436	34880
5	Mughalkai	24586	61450	12290 -6	1229	98320
6	Misri Banda	31631	79100	15820 +9	1582	126560
7	Zara maina	30220	75550	15110	1511	120880
8	Chowki umraiz	24040	60100	12020	1202	96160
9	Jalozai	24840	62100	12420	1242	99360
10	U.CKabal River	17080	42700	8540	854	68320
11	Nawan Killi	29260	73150	14630	1463	117040
12	Chowki Town	21120	52800	10560	1056	84480
13	Pabbi	16280	40700	8140	814	65120
14	Khishki Payan	28520	71300	14260	1426	114080
15	KahiNizamPur	26990	67450	13490	1349	107920
16	NowsheraCity	20680	51700	10340	1034	82720
17	DakIsmailKhel	20200	50500	10100	1010	80800
18	Akbar Pura	17500	43750	8750	875	70000
19	Muhib Banda	24560	61400	12280	1228	98240
20	Rashakai	56940	142350	28470	2847	227760
21	Bara Banda	72540	181350	36370	3627	290160
22	Pir Piai	3320	8300	1660	166	13280
23	UC Kurai	29100	72750	14550	1455	116400

24	Dagai	2080	5200	1040	104	8320
25	Pirsabaq	57940	144850	28970	2897	231760
26	Badrashi	5440	13600	2720	272	21760
27	AzakhePayan	26280	65700	13140	1314	105120
28	Dheri Katti Khel	7900	19750	3950	395	31600
	Total	705566	1763900	352780	35278	2,822,240

**Annexure-3**  
Para 1.2.2.5

**Statement –A Showing Blockage /retention of Government money in the bank  
accounts of defunct union council ,RS12.816million**

<b>S#</b>	<b>Name of Union Council</b>	<b>Name of Bank &amp;A/C No</b>	<b>Closing Balance on30-62015(RS)</b>
1	Khair abad	NBP ShaiduA/C No001939-3	385844
2	Azakhel Bala	NBP Nowshera Cant,A/C No 7073-5	194853
3	Amangarh	NBP Nowshera Cant,A/C No2240-5	354443
4	Jehangira	ABL Jehangira,A/C No4120-4	629274
5	Mughalkai	NBP Shaidu A/C No,2240-5	60656
6	Misri Banda	NIB ,A/C No6076-0300 transferred to NBP Nowshera	118114
7	Zara maina	NBP Nowshera Cant,A/C No05177-7	710718
8	Chowki umraiz	MCB Pabbi,509-5	184128
9	Jalozai	NBP Jalozai,A/C No000376-3	33478.15
10	U.CKabal River	HBL Nowshera cant A/C No 5523-8	1204131.60
11	Nawan Killi	HBL Nowshera Cant A/ No 55262-01	801619
12	Chowki Town	BOK Nowshera A/C No 05934-0-3	650889.88
13	Pabbi	MCB Pabbi,A/C No3970-3	859439.40
14	Khishki Payan	NBP Nowshera city,A/C No 51768	735603
15	KahiNizamPur	NBP Shaidu A/C No 14451-0	794577
16	Nowshera City	BOK Nowshera A/C No 7154-1	313929
17	DakIsmailKhel	NBP Dak Ismail Khel 1992-2A/C No	491827
18	Akbar Pura	HBL Akbar Pura A/C No-712-22	253775
19	Muhib Banda	MCB Pabbi A/C No-5859	40817
20	Rashakai	NBP Nowshera Cant A/C No1582-4	<u>717361</u>
21	Bara Banda	NBP RisalPureA/C No 1327-0	703127
22	Pir Piai	NBP Pir piAiA/C No 236160	81215

23	UC Kurai	HBL Akbar Pura A/C No 711-48	157387.39
24	Dagai	NBP Pabbi A/C No 41026-22660	87340
25	Pirsabaq	HBL Nowshera Cant A/C No0222002225457-01	638240
26	Badrashi	NBP Nowshera Cant A/C No 4025-949080	187461.23
27	AzakhelPayan	NBP Pir PiaiA/C No004507-0	1286989
28	DheriKatti Khel	HBL Nowshera Cant A/C No 02222294430-5	139639.98
	Total		12816876.63 Say RS 12.816million

**Annexure-4**  
**Para 1.2.2.6**

**Statement -B showing irregular opening of bank accounts with monetary transaction of RS 2.463 million during the year and closing balances of RS 4.270 million**

S#	Name of UC	Name of bank and A/C No	Opening Balance on 1-7-2014(RS)	Income on a/c of Birth, Marriage etc Cert: (RS)	Amount of bank profit (RS)	Grants	Bank charges	Expenditure (RS)	Total transaction Of Income, Expdr: & deposit of Grnts	Closing Balance (RS)
1	UC Jehangira	ABL Jehangira A/C No 4120-4	852448	8720	27206.62	-	2721	256730	295377.62	629274
2	Ckowki Mumraiz	MCB Pabbi 509-5	100286	24040	-	165000	-	105198	294238	184128
3	UC Kabal River	HBL Nowshera Cant	1254389	17080	73402		7340.20	133400	231222	1204131.60
4	Nawan Killi	HBL Nowshera Cant A/C 0222-55262-01	844557.65	29260	48370.74		4839.57	115750	198220.31	801619
5	UC Pabbi	M.CB Pabbi 3970-3	887413.5	16280	65098.88		3383.32	105954	190715.32	859439.40
6	UC Akbar pura	HBL Akbarpura 712-22	248861	17500	-	111000	575	123011	252086	253775
7	UC Mohib Banda	MCB Pabbi A/C No 5859	86561	24560	-	98000	-	168304	377425	40817
8	UC Kurvi	HBL Akbar pura 711-41	413612.39	29100	-	-	-	285325	314425	157387.39
9	Deheri Kati Khel	HBL Nowahwra Cant 0222-229430	377580.52	7900	30939.40	4593.94	-	272186	315619.34	139639,52
<b>Total</b>									<b>2,469,328</b>	<b>4,270,210</b>

**Annexure-5**  
**Para 1.2.2.7**

**Statement-C Showing retention and non crediting of revenue in to Govt: Treasury received through issuance of Birth, Marriage and Death Certificates and bank profit of Union Councils under the control of AD LG&RDD Nowshera**

S#	Name of Union Council	Revenue of Birth, marriage Certificates as Govt: share RS 20 per certificate (RS)	Name of Bank And A/C No	Bank profit at the amount of current & previous years (RS)	Total revenue Including bank profit (RS)
1	Khair abad	40690	NBP Shaidu A/C No001939-3	-	40690
2	Azakhel Bala	19409	NBP Nowshera Cant,A/C No 7073-5	-	19409
3	Amangarh	17700	NBP Nowshera Cant,A/C No 2240-5	-	17700
4	Jehangira	8720	ABL Jehangira, 4120-4	27206.62	35926.62
5	Mughalkai	24586	NBP Shaidu A/C No,2240-5	1790	26376
6	Misri Banda	31631	NIB ,A/C No6076-0300 transferred to NBP Nowshera	109.85	31740.85
7	Zara maina	30220	NBP Nowshera Cant,05177-7	26614	56834
8	Chowki umraiz	24040	MCB Pabbi,509-5	-	24040
9	Jalozai	24840	NBP Jalozai, 000376-3	-	24840
10	U.CKabal River	17080	HBL Nowshera cant A/C No 5523-8	73402	90482
11	Nawan Killi	29260	HBL Nowshera Cant A/C No 55262-01	48390.74	77650.74
12	Chowki Town	21120	BOK Nowshera A/C No 05934-0-3	30440.88	51560.88
13	Pabbi	16280	MCB Pabbi A/C No3970-3	65098.88	81378.88
14	Khishki Payan	28520	NBP Nowshera	59459	87979

			city,A/C No 51768		
15	Kahi NizamPur	26990	NBP Shaidu A/C No 14451-0	65629	92619
16	Nowshera City	20680	BOK Nowshera A/c No 7154-1	-	20680
17	Dak Ismail Khel	20200	NBP Dak Ismail Khel 1992-2A/C No	61429	81629
18	Akbar Pura	17500	HBL Akbar Pura A/C No-712-22	-	17500
19	Muhib Banda	24560	MCB Pabbi A/C No-5859	-	24560
20	Rashakai	56940	NBP Nowshera Cant A/C No 1582-4	-	56940
21	Bara Banda	72540	NBP RisalPure A/C No 1327-0	-	72540
22	Pir Piai	3320	NBP Pir piai A/C No 236160	-	3320
23	UC Kurai	29100	HBL Akbar Pura A/C No 711-48	-	29100
24	Dagai	2080	NBP Pabbi A/C No 41026-22660	-	2080
25	Pirsabaq	57940	HBL Nowshera Cant A/C No0222-002225457-01	40523.21	98463.21
26	Badrashi	5440	NBP Nowshera Cant A/C No 4025-949080	-	5440
27	Azakhel Payan	26280	NBP Pir Piai A/C No004507-0	101072	127352
28	Dheri Kati Khel	7900	HBL Nowshera Cant A/C No 0222-2294430-5	30939.40	38839.40
<b>Total</b>		<b>705566</b>		<b>632104.58</b>	<b>1337670.58</b>

**Annexure-6**  
**Para 1.2.2.8**

**Statement – Showing irregular unauthorized expenditure from Government revenue instead of crediting in to treasury Rs 5.568 million**

<b>S#</b>	<b>Name of Union Council</b>	<b>Name of Bank &amp;A/C No</b>	<b>Expenditure during 2014-15</b>
1	Khair abad	NBP Shaidu ,A/C No001939-3	236618
2	Azakhel Bala	NBP Nowshera Cant, A/C No 7073-5	212358
3	Amangarh	NBP Nowshera Cant, A/C No2240-5	211825
4	Jehangira	ABL Jehangira, A/C No 4120-4	256730
5	Mughalkai	NBP Shaidu A/C No,2240-5	206853
6	Misri Banda	NIB ,A/C No6076-0300 transferred to NBP Nowshera	96088
7	Zara maina	NBP Nowshera Cant,05177-7	107570
8	Chowki umraiz	MCB Pabbi,A/C 509-5	105198
9	Jalozai	NBP Jalozai, A/C No-000376-3	205424
10	U.Ckabal River	HBL Nowshera cant A/C No 5523-8	133400
11	Nawan Killi	HBL Nowshera Cant A/C No55262-01	115750
12	Chowki Town	BOK Nowshera A/C No 05934-0-3	211825
13	Pabbi	MCB Pabbi ,A/C No3970-3	105955
14	Khishki Payan	NBP Nowshera city,A/C No 51768	175861
15	Kahi NizamPur	NBP Shaidu A/C No 14451-0	240545
16	Nowshera City	BOK Nowshera A/c No 7154-1	<b>233360</b>
17	Dak Ismail Khel	NBP Dak Ismail Khel 1992-2A/C No	<b>482893</b>
18	Akbar Pura	HBL Akbar Pura A/C No-712-22	<b>123011</b>
19	Muhib Banda	MCB Pabbi A/C No-5859	168304
20	Rashakai	NBP Nowshera Cant A/C No 1582-4	134660



21	Bara Banda	NBP RisalPureA/C No 1327-0	188555
22	Pir Piai	NBP Pir piaiA/C No 236160	221752
23	UC Kurai	HBL Akbar Pura A/C No 711-48	285325
24	Dagai	NBP Pabbi A/C No 41026-22660	224483
25	Pirsabaq	HBL Nowshera Cant A/C 0222-002225457-01	198371
26	Badrashi	NBP Nowshera Cant A/C No 4025-949080	139151
27	Azakhel Payan	NBP Pir PiaiA/C No004507-0	274765
28	Dheri Katti Khel	HBL Nowshera Cant A/C No 0222-2294430-5	272186
Total			5,568,816

**Annexure-7**  
**Para 1.2.3.1**

**Statement showing misappropriation of income received from issuance of Birth,  
Marriage and Death Certificates, RS 557226**

S#	Name of UC	Months for which income deposited	Total months	Total income received	Average income per month	Monthly average of all UCs. 101969/28=3642.75 say 3642	Total months for which income not deposited	Total amount not deposited (RS)
1	Khairabad	7 to 9/2014 ,11/2014 to 2/2015,4 & 5/2015	9	40690	4521	3642	3	10926
2	Azakhel Bala	7&11/2014, 1,3,4 & 5/2015	6	19409	3235	3642	6	21852
3	Amangarh	7/2014 & 2 to 5/2015	5	17700	3540	3642	7	25494
4	Jehangira	12/2014 & 2,3 ,4/2015	4	8720	2180	3642	8	29136
5	Mughalkai	7 ,8/2014,10 to 12/2014,1 to 5/2014	10	24586	2459	3642	2	7284
6	Misri Banda	7&8/2014,1 to 5/2015	7	31631	4519	3642	5	18210
7	Zara Maina	7,8/2014,10/2014 to 4/2015 and 6/2015	10	30220	3022	3642	2	7284
8	Chowki Mumraiz	8/2014,10/2014 and 2 to 6/2015	8	24040	3005	3642	4	14568
9	Jalozai	7,,9,12/2014 1 to 4/2015	7	24840	2760	3642	5	18210
10	Kabal River	8,11/2014 and 2/2015 to 6/2015	7	17080	2440	3642	5	18210
11	Nawan Killi	8/2014 and 2/2015 to 6/2015	6	29260	4877	3642	6	21852
12	Chowki Town	11/2014 and 2/2015 to 6/2015	6	21120	3520	3642	6	21852
13	Pabbi	7/2014 and 9/2014 to 6/2015	11	16280	1480	3642	1	3642
14	Khishki Payan	2/2015 to 5/2015	4	28520	7130	3642	8	29136
15	Kahi Nizam Pur	7/2014 to 5/2015	11	26990 36900	2454	3642	1	3642
16	Nowshera city	11/2014 and 2/2015 to 6/2015	6	20680	3446	3642	6	21852
17	Dak Ismail	9,10,12/2014 And 1/2015 to 5/2015	8	20200	2525	3642	4	14568

	Khel							
18	Akbar Pura	9/2014, and 2 to 5/2015	5	17500	3500	3642	7	25494
19	Mohib Banda	8/2014, 12/2014 and 2 to 4/2015	5	24560	4912	3642	7	25494
20	Rashakai	7,9,10/2014 and 2 to 6/2015	9	56940	6267	3642	3	10926
21	Bara Banda	-do-	9	72540	8060	3642	3	10926
22	Pir Piai	2,3 & 4/2015	3	3320	1107	3642	9	32778
23	Kurvi	2/2015 to 6/2015	5	29100	5820	3642	7	25494
24	Dagai	2 & 3/2015	2	2080	1040	3642	10	36420
25	Pir Sabaq	7,9,11/2014 and 1/2015 to 5/2015	8	57040	7130	3642	4	14568
26	Badrashi	2,3 & 4/2015	3	5440	1813	3642	9	32778
27	Azakhel payan	2 /2015 to 6/2015	5	26280	5276	3642	7	25494
28	Dhera Katti Khel	2/2015 to 5/2015	4	7900	1975	3642	8	29136
<b>Total</b>				<b>705566</b>	<b>104013</b>	<b>3642</b>	<b>153</b>	<b>557,226</b>

**Annexure-8**  
**Para 1.2.3.2**

**STATEMENT SHOWING PAYMENT OF PAY AND ALLOWANCES TO STAFF  
THROUGH CASH INSTEAD OF THEIR BANK ACCOUNTS Rs 2.978 MILLION**

<b>S#</b>	<b>Month</b>	<b>Cheque No. &amp; Date</b>	<b>Amount (Rs)</b>
1	07/2014	0927557 dt 21-7-2014	272713
2	8/2014	0927721 dt 28-8-2014	276620
3	09/2014	0928071 dt 26-9-2014	276627
4	10/2014	1092808 dt 30-10-2014	276627
5	11/2014	1068784 dt 27-11-2014	291683
6	12/2014	1069273 dt 29-12-2014	272013
7	1/2015	1069809 dt 30-1-2015	272599
8	2/2015	1070106 dt 27-2-2015	272259
9	3/2015	7426839 dt 29-3-2015	272259
10	4/2015	1071034 dt 28-4-2015	272059
11	5/2015	1167709 dt 27-5-2015	223369
12	6/2015		2978828
<b>Total</b>			<b>Say 2.978 million</b>