



**AUDIT REPORT
ON
THE ACCOUNTS OF
LOCAL GOVERNMENTS
DISTRICT CHITRAL LOWER**

AUDIT YEAR 2020-21

AUDITOR GENERAL OF PAKISTAN

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ABBREVIATIONS AND ACRONYMS

AD	Assistant Director
ADP	Annual Development Program
AIR	Audit & Inspection Report
APRs	Actual Payee Receipts
BHU	Basic Health Unit
CA	Conveyance Allowance
CD	Civil Dispensary
CPWD	Central Public Works Department
CTR	Central Treasury Rule
DAC	Departmental Accounts Committee
DAC	District Accounts Committee
DC	Deputy Commissioner
DDO	Drawing and Disbursing Officer
DEO	District Education Officer
DG	Director General
DHO	District Health Officer
DO	District Officer
DTL	Drug Testing Laboratory
DWSS	Drinking Water Supply Scheme
EPI	Expanded Program of Immunization
FY	Financial Year
FP	Family Planning
GER	Gross Enrollment Ratio
HPA	Health Professional Allowance
IHP	Integrated Health Project
INTOSAI	International Organization of Supreme Audit Institutions
KPRA	Khyber Pakhtunkhwa Revenue Authority
LGA	Local Government Act
LG&RDD	Local Government and Rural Development Department
MCH	Mother & Child Health
NC/VC	Neighborhood/Village Council
NER	Net Enrollment Ratio
PAO	Principal Accounting Officer
PATA	Provincially Administered Tribal Area
PTC	Parent Teacher Council
RDA	Regional Directorate of Audit
RHC	Rural Health Centre
TMO	Tehsil Municipal Officer
TAC	Tehsil 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-37 of Khyber Pakhtunkhwa Local Government Act 2013 require the Auditor General of Pakistan to conduct audit of the receipts and expenditure of Local Governments of each District of the Khyber Pakhtunkhwa.

The report is based on audit of the accounts of offices of the District Government, Tehsil Municipal Administrations, Assistant Director Local Government Elections and Rural Development Department, Village Councils and Neighborhood Councils in district Chitral for the financial year 2019-20. The Director General of Audit, District Governments, Khyber Pakhtunkhwa conducted audit during 2019-20 on test check basis with a view to report significant findings to the relevant stakeholders. The main body of the audit report includes the systemic issues and significant audit findings. Relatively less significant issues are listed in Annex-1 of the Audit Report. The audit observations listed in Annex-1 shall be pursued with the Principal Accounting Officers at the DAC level. In All cases where Principal Accounting Officers do not initiate appropriate action, the audit observations will be brought to the notice of appropriate forum 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.

Some of the observations included in this report were finalized in the light of written replies of the departments whereas in most cases the departments did not submit written replies till the finalization of this report. DAC meetings were also not convened despite reminders.

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 (amended in 2019) for laying before the appropriate legislative forum.

Islamabad
Dated:

(Javaid Jehangir)
Auditor General of Pakistan

EXECUTIVE SUMMARY

The Directorate General Audit District Governments, Khyber Pakhtunkhwa carries out the audit of Local Governments in 37 districts of Khyber Pakhtunkhwa. Regional Directorate of Audit (RDA) Swat, on behalf of the DG Audit District Governments, Khyber Pakhtunkhwa carried out the audit of Local Governments of five districts namely Swat, Shangla, Dir Lower, Dir Upper, Chitral Lower and Chitral Upper.

The office is mandated to conduct regularity audit (financial attest audit and compliance with authority audit), performance audit and special studies.

Local Governments of district Chitral Lower consist of three tiers which perform their operations under Khyber Pakhtunkhwa Local Government Act 2013 (amended in 2019). Financial provisions of the Act describe the Local Consolidated Fund and Public Account for which Annual Budget Statement is approved by the respective councils in the form of budgetary grants. Top tier- the District Government comprises one Principal Accounting Officer (PAO) i.e. Deputy Commissioner for the District government, who is Officer in charge of 10 devolved departments including AD LGE & RDD. The second tier- Town/Tehsil Municipal Administrations have one PAO i.e. Town/Tehsil Municipal Officer for each administration. There are two Tehsil Administrations in district Chitral. The third tier- Village and Neighborhood Councils have AD LGE & RDD as Principal Accounting Officer for these councils. There are 61 VC's/NC's in district Chitral Lower.

a. Scope of audit

This office is mandated to conduct audit of 113 formations working under 04 PAOs. Total expenditure and receipts of these formations were Rs. 3388.155 million and Rs.105.267 million respectively for the financial year 2019-20.

Audit coverage relating to expenditure for the current audit year comprises 17 formations of 04 PAOs (2 TMAs) having a total expenditure of

Rs2351.864 million for the financial year 2019-20. In terms of percentage, the audit coverage for expenditure is 69.414% of auditable expenditure.

Audit coverage relating to receipts for the current audit year comprises 02 formations of 02 PAOs having a total receipt of Rs.105.267 million for the financial year 2019-20. In terms of percentage, the audit coverage for receipts is 100% of auditable receipts.

In addition to this compliance audit report, Directorate of District Audit conducted Financial Attest audits, Performance Audits and Special Studies for which reports are being published separately.

b. Recoveries at the Instance of Audit

As a result of audit, a recovery of Rs 61.568 million was pointed out in this report. No recovery against these figures was reported.

c. Audit Methodology

Audit was conducted according to INTOSAI guidelines for compliance audit and Financial Audit Manual of AGP.

Audit procedure employed to obtain evidence were inspections, analytical procedures, observations and computations.

d. Audit Impact

As result of Audit no substantial impact was noticed as the management did not convene the DAC meeting. The departments failed to implement corrective measures in shape of financial management and to establish effective internal control system. Therefore irregularities noticed during the current audit were of identical nature as pointed out during the preceding years.

Comments on Internal Control.

Internal control is designed to address risks and to provide reasonable assurance that, pursuit of entity's mission, its objectives are being achieved.

Comments on the five components of internal control are given below.

The organizational structure followed in the local Government Offices was according to the LGA 2013.

No activity i.e. risks identification, risk evaluation and appropriate responses were carried out in the local government.

Accounts were not reconciled with the DAO by TMAs. No review was carried out of the performances.

Internal and external communications followed Government instructions. However, TMAs did not follow the accounting procedure given in the APPM.

No system of monitoring was found to track the progress of District Government towards its objectives. No internal Auditor was appointed. Annual Review of internal control was also not carried out.

e. Key audit findings of the report

- i. Non compilation/Consolidation of Accounts of Local Governments-Rs 334.364 million¹
- ii. Unauthorized payments to DDOs instead of crossed cheques to vendors - Rs 87.365 million²
- iii. Irregularities & Non-Compliance were noted in 11 cases amounting to Rs.63.261 million.³
- iv. Values for money were noticed in 05 cases amounting to Rs. 52.499 million.⁴
- v. Others were noticed in 16 cases amounting to Rs. 432.081 million⁵

¹ Para 1.2.1

² Para 1.2.2

³ Para 2.5.1.1 to 2.5.1.7, 3.5.1.1 to 3.5.1.2, 4.5.1.1 to 4.5.1.2

⁴ Para 2.5.2.1 to 3.5.2.2, 3.5.2.1 to 3.5.2.3,

⁵ Para 2.5.3.1to 3.5.3.11, 3.5.3.1 to 3.5.3.3, 4.5.2.1 to 4.5.2.2

f. Recommendations

- i. TMAs accounts need to be consolidated at DAO.
- ii. Departments need to strengthen internal controls i.e. financial, managerial, operational, administrative and accounting controls etc. to ensure that lapses of the kind reported in this audit report are preempted and fair value for money is obtained from public spending.
- iii. Departments need to implement all the components of internal control for ensuring effective and efficient utilization of public money.
- iv. Strenuous efforts need to be made by the departments to recover outstanding dues on account of rent of shops, revenue contracts and income tax.

CHAPTER-1

Public Financial Management

1.1 Sectoral Analysis

1.1.1 Introduction

After promulgation of Local Government Act, 2013, Local Government elections were held in 2015, which resulted in formation of three tiers of government in each district of Khyber Pakhtunkhwa. Consequent upon, District Government, Tehsil Municipal Administrations and Village/Neighborhood Councils were established in District Chitral. In the light of LGA 2013, District Chitral Lower is headed by Deputy Commissioner who is Principal Accounting Officer of the budget grant allocated to the 10 offices devolved at district level. Similarly, Tehsil Municipal Administration is headed by Tehsil Municipal Officer who is the Principal Accounting Officer for the Town Municipal Administration whereas Assistant Director LGE & RDD is the Principal Accounting Officer for Village/Neighborhood Councils.

In District Chitral, Funds amounting to Rs. 4,104.904 million were allocated to 113 formations working under 04 PAOs. Out of which, expenditure of 3,388.155 million was made resulting into saving of Rs. 716.748 million. Receipts of Rs. 105.267 million were collected through these formations during the financial year 2019-20. Audit coverage relating to expenditure for the current audit year comprises 17 formations of 04 PAOs having a total expenditure of Rs. 2,351.864 million for the financial year 2019-20. In terms of percentage, the audit coverage for expenditure is 69.414% of auditable expenditure. Similarly, audit coverage for receipts is 100%.

According to Section 36(3) of Local Government Act 2013, the District Accounts Officer was required to consolidate accounts of Local Government on quarterly and annual basis. However, District Accounts Officer, Chitral did not reflect Rs. 439.631 million into the consolidated financial statement of Local

Government, Chitral Lower. Similarly, the development expenditure of Rs. 113.640 million was presented under operating expenses, whereas, this should have been presented under the head “Physical Assets and Civil Works”.

District Government, Chitral Lower was found lagging behind in many areas envisioned as integral component of the Local Government in the Khyber Pakhtunkhwa Local Government Act 2013. The District Government could not establish & maintain Public Fund account as required under the section 30 of LGA 2013. Similarly, it also failed to prepare, present and approve the budget estimates of receipts from district council for District Government, Chitral Lower as required under section 34 of LGA 2013. The receipts collected as taxes/fees/rents under section 42 of LGA-2013 were also not credited to the District Fund. Most importantly, Finance Department, Khyber Pakhtunkhwa could not provide District Account Office, Chitral Lower with prescribed format and necessary trainings to compile the accounts of TMAs and Village/Neighborhood councils and then reflect the same in the consolidated financial statement of the district, which resulted in disclaimer of its accounts by the Auditor General of Pakistan. Moreover, Internal Audit function could not be established as provided in sub section 4 of section 37 of LGA 2013, as internal auditors were not posted in the District Government to support the Council. In addition, Asset management by District Government was yet another area it could not address as required under section 38 of the LGA 2013.

The Local government provided services in the following sectors.

Education

The education sector is one of the major sectors in district Chitral like other districts. Statistics show that there are 267 primaries, 40 middle, 43 secondary, 08 higher secondary and 74 GMP schools in District Chitral Lower. The estimated Teacher Student Ratio is 1:35 at primary, 1:12 at middle, 1:18 at secondary and 1:21 at the level of higher secondary schools. District Chitral Lower literacy rate is 62%, the Gross Enrollment Rate (GER) is 67 %, and the Net Enrollment Rate (NER) is 55 % at the primary level.

On budgetary front, District Education office, Chitral failed to utilize the Provincial ADP and non salary budget as only 68% of Provincial ADP and 74% of non-salary budgets were utilized during the year which shows weak performance in utilization of allocated funds by the management.

District Education Offices in Chitral enrolled 29115 in boys schools while 20,901 students were enrolled in female Government schools. Similarly, annual average student attendance rate as per Independent Monitoring Unit (IMU) data was approximately 79%. Furthermore, 97% schools in district Chitral Lower were provided with all basic facilities like classrooms, water supply, group latrine, boundary walls and electrification against the target of 97% which shows that the target of provision of basic facilities was not achieved which ultimately suffered the poor students of 05% schools without provision of all basic facilities. Moreover, administrative visits of DEO, DDEO and SDEO were 100%.

Health

Health is another important sector of District Chitral Lower with a total of 39 health facilities spread across the district rural based. Their further break-up is 09 BHUs, 20 CDs, 2 MCH Centres, 3 TB Clinics, 2 THQ Hospitals and 3 RHC with the total catchment area population of approximately 310,275.

The Department of Health has established an “Independent Monitoring Unit” for continuous monitoring of the performance of health facilities through its field based Data Collection Assistants and District Monitoring Officers. Department twice examines data collected through various sources to improve efficiency and effectiveness in the business processes of service delivery.

On mother and child health care front, 3261 babies were born in health facilities. Out of them, 20 infant and 05 maternal deaths were recorded. Lab investigations and diagnostic facilities were also utilized as 59895 lab tests, 13249 X-rays, 4975 ultrasounds and 2041 ECGs were done in both primary and secondary health facilities in district Chitral Lower. Figures of fully immunization from EPI register shows 4361/73% women and children received

full immunization during 2019-20. 5,722 families were provided family planning services as evident from FP register. Human resource data from facility records revealed that these health facilities were not provided the required medical officers and paramedics as 93 doctors and 52 paramedics' positions were found vacant which shows that most of health units are running without doctors. Moreover, the revenue target of OPD services, indoor patients' treatment and lab investigations for Rs. 16.00 million were not achieved as total revenue generated was Rs. 4.304.

Social Welfare

In Social Welfare and Women Empowerment sector, District Officer Social Welfare Chitral did not take any efforts for provision of rehabilitation facilities to the physically handicapped persons as 34 Nos disable persons registered with the office during the year 2019-20 remained without provision of any rehabilitation facilities. Moreover, District Officer Social Welfare Chitral did not constitute District Committee on the Status of Women who shall examine and review policies/programs and plans of each office in the District and to ensure that they address gender concerns adequately.

Municipal Services

Town Municipal Administrations, District Chitral did not fulfill some primary requirements envisioned as integral component of Local Government in the Khyber Pakhtunkhwa Local Government Act, 2013. The Local Government could not establish & maintain Tehsil Public Fund Account as required under the section 30 of LGA. Similarly, Tehsil Account Officers were not appointed in TMAs. The accounts of receipt and expenditure were also not maintained in such form as prescribed by Auditor General of Pakistan and required under section 36 of LGA. Financial Statements, Finance Account and Appropriation Accounts of the TMAs were not prepared accordingly. Most importantly, Finance Department, Khyber Pakhtunkhwa could not provide District Account Office, Chitral with prescribed format and necessary trainings to compile the accounts of TMAs and then reflect the same in the consolidated financial statement of the district, which resulted in disclaimer of its accounts

by the Auditor General of Pakistan. Moreover, Internal Audit function could not be established as provided in sub section 4 of section 37 of LGA 2013, as internal auditors were not posted in the TMAs to support the Council. In addition, Asset management by tehsil councils was yet another area it could not address as required under section 38 of the LGA 2013.

1.2 AUDIT PARAS

1.2.1 Non Compilation/Consolidation of Accounts of Local Governments- Rs 334.364 million

According to section 36(3) of Local Government Act 2013, the District Accounts Officer shall, quarterly and annually consolidate the accounts of Local Governments in the district separately for receipts from the government and local resources and send a copy to the Government, Accountant General and Nazim District Council.

During certification audit of the accounts of the DAO Chitral Lower for the financial year 2019-20, audit observed incompleteness and incorrect presentation of the financial statements as the DAO failed to consolidate into the quarterly and annual accounts of the district, the government and local resources, as required under section-36(3) of the Local Government Act, 2013. Receipts and expenditure of Rs 334.364 million and Rs 209.958 million respectively, of the TMAs are not reflected in accounts.

Same is the case with the receipts and expenditure of the VCs/NCs, the figures of which were not available at the time of audit.

Provisions of the Local Govt Act 2013 by District Government of Chitral were not complied.

When pointed out in September 2020, management stated that it is requested that there is no proper procedure to compile/consolidate the accounts of TMAs & VCs/NCs in the books of accounts. However the figure is now provided to audit for further necessary action.

DAC directed that compiled accounts TMAs and VCs/NCs should be provided for certification.

Audit recommends consolidation of TMAs and VCs/NCs accounts into District Accounts

1.2.2 Unauthorized payments to DDOs instead of crossed cheques to vendors - Rs 87.366 million

According to Para 4.2.9.9 of Accounting Policies and Procedure Manual, the Cheque payments should be released to the payee or personally collected by the payee or his authorized agent. Cheque payments made by registered post should have cheque envelopes bearing a direction to return the unclaimed cheque (i.e. unclaimed post) to the issuing department.

According to Accountant General KP Peshawar letter No DO.NO.CC/PIFRA/F2008-08/53 dated 18-4-2009 the employees of all the provincial departments should provide bank accounts to their respective Account Offices to directly credit /transfer their salaries and advances.

District Accounts Officer Lower Chitral, paid Rs 87,365,618 to various DDOs instead of issuance crossed cheques to Vender/Payees Accounts which was unauthorized.

Unauthorized issuance of cheques to DDOs occurred due to weak internal control which resulted in unauthentic payment.

When pointed out in September 2020, management stated that the all utility bills and contingencies of minor type amount are being paid through DDO as minor type supplier have no Bank Account No.

DAC Directed that Justification of payment through DDOs to be provided.

CHAPTER-2

District Government

2.1 Introduction

Under the Khyber Pakhtunkhwa Local Government Act 2013, activities of District Government are managed through offices of Deputy Commissioner and District Officers. Each department of the Districts is headed by a District Officer (DO). According to the Rules of Business of District Government 2015, work of the district departments is distributed among the officers, branches, and/or sections in the district departments. Deputy Commissioner is the Principal Accounting Officer for all the devolved departments of the district which includes District Officers Agriculture, Education, Health, Fisheries, Population Welfare, LGE & RDD, Sports, Animal Husbandry, Soil Conservation, Cooperative Society and Social Welfare.

According to section 13 of the Khyber Pakhtunkhwa Local Government Act 2013 the authority and responsibilities of the District Government have been given as under:

(1) The authority of district government shall comprise the operation, management and control of offices of the departments which are devolved to it; provided that district government shall exercise such authority in accordance with general policy of Government.

(2) Every order in district government shall be expressed to be made in the name of the district government and shall be executed by a duly authorized officer.

(3) The district government shall be responsible to the people and the Government for improvement of governance and delivery of services within the ambit of authority devolved to it.

Detail of audit planned formations expenditures and receipts
(Rs. in million)

S.No	Description	Total Nos	Audited	Expenditure audited FY 2019-20	Revenue /Receipts audited FY 2019-20
1	Formations	10	4	2351.864	0
	Total	10	4	2351.864	0

2.2 Comments on Budget and Accounts (Variance Analysis)

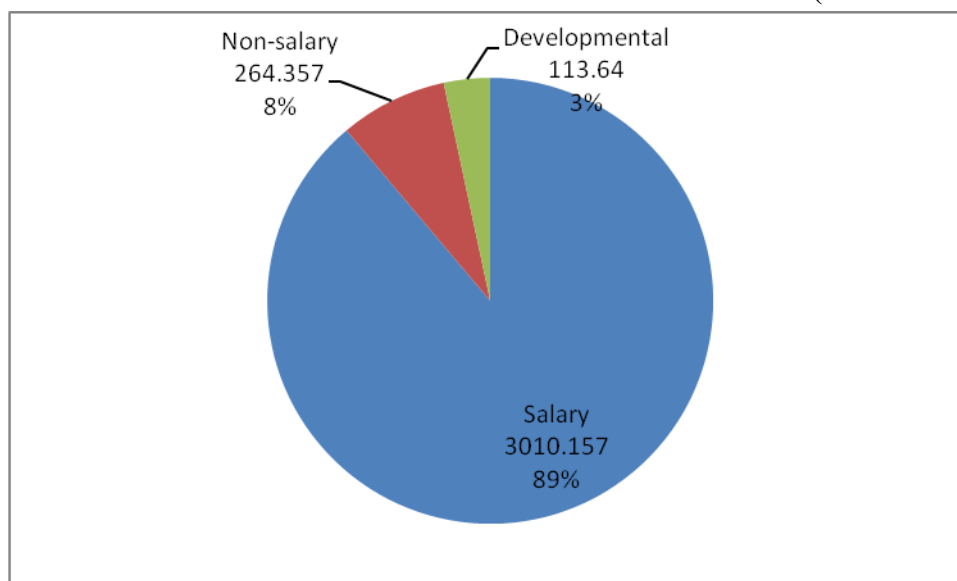
(Rs. in million)

District Government Chitral Lower				
2018-19	Budget	Actual Expenditure/ Receipts	(Saving)/Excess	%age
Salary	3532.477	3010.157	522.32	14.79
Non-salary	294.921	264.357	30.564	10.36
Developmental (A/C-IV)	277.505	113.640	163.865	59.05
Developmental (A/C-I)	0	0	0	0.00
Total	4104.903	3388.154	716.749	17.46
Receipts				

The savings of Rs. 716.749 million indicate inefficiency in the capacity of District Government Departments to utilize the amount allocated.

EXPENDITURE 2019-2020

(Rs. in million)



2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs. 458.997 million were raised in this audit report. This amount also includes recoverable of Rs. 51.473 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

Sr. No.	Classification	Amount (Rs.)
1	Reported cases of fraud, embezzlement and misappropriation	0
2	Irregularities	
A	HR/Employees related irregularities	7.41
B	Procurement related irregularities	3.356
C	Management of Accounts with Commercial Banks	45.309
3	Value for money and service delivery issues	16.33
4	Others	386.592
	Total	458.997

2.4 Comments on the status of compliance with District Accounts Committee Directives

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

Sr. No.	Audit Year	DAC meeting
1.	2002-03	Not Convened
2.	2003-04	Not Convened
3.	2005-06	Not Convened
4.	2006-07	Not Convened
5.	2007-08	Not Convened
6.	2008-09	Not Convened
7.	2009-10	Not Convened
8.	2010-11	Not Convened
9	2011-12	Not Convened
10	2012-13	Not convened
11	2013-14	Not Convened
12	2016-17	Not Convened
13	2017-18	Not Convened
14	2018-19	Not Convened

2.5 AUDIT PARAS

2.5.1 Irregularities

A. HR related irregularities

2.5.1.1 Recovery on account of HRA, HPA and Conveyance Allowance - Rs 1.149 million

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

District Health Officer Chitral Lower did not deduct Rs 1,149,283 account of HRA and Conveyance Allowance during the financial year 2019-20. The officer and official were residing in the premises of health units. Detail as per annexures.

The lapse occurred due to weak financial control, which resulted in overpayment to government servants.

The matter was reported to the Management in August 2020, stated that every effort would be made to recover the overpaid amount on account of HRA and Conveyance Allowance from the officers/officials concerned.

Request for convening DAC meeting was made in August 2020, however meeting of DAC could not be convened till finalization of this report.

Audit recommends recovery and action against the persons at fault.

AIR No. 13 (2019-20)

B. Management of Accounts with Banks

2.5.1.2 Placement of public fund in current bank account – Rs 21.638 million and profit thereon – Rs 973,746

According to Para 1 and 2 of Finance Department Khyber Pakhtunkhwa letter No. 2/3-(F/L)/FD/2007-08/Vol-IX dated 10th February 2014, Khyber Pakhtunkhwa Finance Department has from time to time allowed sanctioned Bank accounts in the commercial bank for various Departments/Autonomous/Semi- Autonomous Bodies/Corporations in Khyber Pakhtunkhwa for particular and specific purposes. Such accounts may be converted to PLS mode and the profit earned be deposited in Government Treasury under relevant head of account immediately and not later than a week when declared by the concerned bank.

During audit of the accounts of the office of Deputy Commissioner Chitral Lower for the financial year 2019-20 it was noticed that the current designated bank account was maintained Assistant Commissioner Chitral. A handsome amount of Rs 21,638,811 was available in the bank account No. 4051578217 NBP Chitral without profit. Profit of Rs 973,746 could be earned during financial year 2019-20 at minimum rate of 4.5% due to which provincial receipts were understated which resulted in loss to the Government.

The lapse occurred due to weak internal control which resulted in violation of rules and understatement in provincial receipts during the year.

The matter was reported to the Management in July 2020, but did not respond to the observation.

Request for convening DAC meeting was made in July 2020, however meeting of DAC could not be convened till finalization of this report.

Audit recommends immediate conversion of current accounts into PLS mode and deposit of profit into Government treasury when declared by the banks.

AIR No. 04 (2019-20)

2.5.1.3 Non conversion of current bank account into PLS – Rs 6.261 million

According to para 1 and 2 of Finance Department Khyber Pakhtunkhwa letter No.2/3-(F/L)FD/2207-08/Vol-IX dated 10-2-2014, Khyber Pakhtunkhwa Finance Department has from time to time allowed sanctioned bank accounts in the commercial bank for various departments/autonomous/semi-autonomous bodies/corporations in Khyber Pakhtunkhwa for particular and specific purposes. Such accounts may be converted to PLS mode and the profit earned be deposited in Government Treasury under relevant head of account immediately and not later than a week when declared by the concerned bank.

During audit of the accounts of the office of the District Health Officer Chitral Lower for the financial year 2019-20, it was noticed that current designated bank accounts was maintained by the local office instead of PLS account. A handsome amount of Rs 6,261,686 was available in the accounts without profit, due to which provincial receipts were understated which resulted in loss to the government.

The lapse occurred due to weak internal control which resulted in violation of rules and understatement in provincial receipts during the year.

The matter was reported to the Management in August 2020, stated that the instructions contained in the above audit observation would be observed in letter in spirit during the current financial year by converting the current designated bank account into PLS account.

Request for convening DAC meeting was made in August 2020, however meeting of DAC could not be convened till finalization of this report.

Audit recommends immediate conversion of current accounts into PLS mode and deposit the profit into Government Treasury when declared by the banks.

AIR No. 01 (2019-20)

2.5.1.4 Placement of public fund in current bank accounts – Rs 1.556 million and profit thereon – Rs 70,031

According to Para 1 and 2 of Finance Department Khyber Pakhtunkhwa letter No. 2/3-(F/L)/FD/2007-08/Vol-IX dated 10th February 2014, Khyber Pakhtunkhwa Finance Department has from time to time allowed sanctioned Bank accounts in the commercial bank for various Departments/Autonomous/Semi- Autonomous Bodies/Corporations in Khyber Pakhtunkhwa for particular and specific purposes. Such accounts may be converted to PLS mode and the profit earned be deposited in Government Treasury under relevant head of account immediately and not later than a week when declared by the concerned bank.

District Education Officer (Male) Chitral Lower transferred Rs 1,556,255 on account of PTCs and other funds to various schools during the financial year 2019-20. On scrutiny of record it was noticed that the current designated bank accounts were maintained by the schools for PTC fund instead of PLS account, which was clear violation of the above-mentioned order issued by the Government of Khyber Pakhtunkhwa. Moreover, a handsome amount of Rs70,031 on account of Profit could be earned during financial year 2019-20 at minimum rate of 4.5% due to which provincial receipts were understated which resulted in loss to the Government.

Audit observed that maintenance of current designated bank accounts occurred due to violation of rules which resulted in understatement in provincial receipts during the year.

The matter was reported to the Management in December 2020, stated that most of the Current PTC Accounts have already been converted into PLS

mode, the remaining would be converted soon. Reply was not convincing as the current accounts have not been converted into PLS mode till the date of audit.

Request for convening DAC meeting was made in December 2020, however meeting of DAC could not be convened till finalization of this report.

Audit suggests immediate conversion of current accounts into PLS mode and deposit of profit into Government treasury when declared by the banks.

AIR No. 06 (2019-20)

2.5.1.5 Placement of public fund in current bank accounts – Rs 1.571 million and profit thereon – Rs 70,734

According to Para 1 and 2 of Finance Department Khyber Pakhtunkhwa letter No. 2/3-(F/L)/FD/2007-08/Vol-IX dated 10th February 2014, Khyber Pakhtunkhwa Finance Department has from time to time allowed sanctioned Bank accounts in the commercial bank for various Departments/Autonomous/Semi- Autonomous Bodies/Corporations in Khyber Pakhtunkhwa for particular and specific purposes. Such accounts may be converted to PLS mode and the profit earned be deposited in Government Treasury under relevant head of account immediately and not later than a week when declared by the concerned bank.

District Education Officer (Female) Chitral Lower transferred Rs 1,571,875 on account of PTCs and other funds to various schools during the financial year 2019-20. On scrutiny of record it was noticed that the current designated bank accounts were maintained by the schools for PTC fund instead of PLS account, which was clear violation of the above-mentioned order issued by the Government of Khyber Pakhtunkhwa. Moreover, a handsome amount of Rs 70,734 on account of Profit could be earned during the financial year 2019-20 at minimum rate of 4.5% due to which provincial receipts were understated which resulted in loss to the Government.

Audit observed that maintenance of current designated bank accounts occurred due to violation of rules which resulted in understatement in provincial receipts during the year.

The matter was reported to the Management in December 2020, but did not respond to the observation.

Request for convening DAC meeting was made in December 2020, however meeting of DAC could not be convened till finalization of this report.

Audit suggests immediate conversion of current accounts into PLS mode and deposit of profit into Government treasury when declared by the banks.

AIR No. 05 (2019-20)

2.5.1.6 Placement of public fund in current bank accounts – Rs 18.592 million and profit thereon – Rs 836,679

According to Para 1 and 2 of Finance Department Khyber Pakhtunkhwa letter No. 2/3-(F/L)/FD/2007-08/Vol-IX dated 10th February 2014, Khyber Pakhtunkhwa Finance Department has from time to time allowed sanctioned Bank accounts in the commercial bank for various Departments/Autonomous/Semi- Autonomous Bodies/Corporations in Khyber Pakhtunkhwa for particular and specific purposes. Such accounts may be converted to PLS mode and the profit earned be deposited in Government Treasury under relevant head of account immediately and not later than a week when declared by the concerned bank.

District Education Officer (Male) Chitral had a closing balance of Rs 18,592,864 in the designated bank account No. 4051581098 NBP Chitral during the financial year 2019-20. On scrutiny of record, it was noticed that the current designated bank account was maintained by the local office instead of PLS account, which was clear violation of the above-mentioned order issued by the

Government of Khyber Pakhtunkhwa. Moreover, a handsome amount of Rs 836,679 on account of Profit could be earned during financial year 2019-20 at minimum rate of 4.5% due to which provincial receipts were understated which resulted in loss to the Government.

The lapse occurred due to weak internal control which resulted in violation of rules and understatement in provincial receipts during the year.

The matter was reported to the Management in December 2020, a letter would be issued to the Manager NBP for the conversion of the Current Account into PLS Account. Reply was not convincing as the current account was not converted into PLS mode till the date of audit.

Request for convening DAC meeting was made in December 2020, however meeting of DAC could not be convened till finalization of this report.

Audit suggests immediate conversion of current accounts into PLS mode and deposit of profit into Government treasury when declared by the banks.

AIR No. 02 (2019-20)

B. Procurement related irregularities

2.5.1.7 Non-supply of medicine and X-ray films – Rs 3.356 million

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

District Health Officer Chitral Lower paid Rs 3,356,500 for the purchase of medicines the supply orders were placed in May 2020 which were required to be supplied within 45 days. But the supply was not made till the date of audit. The local office neither cancelled the supply orders nor did alternate

arrangements for the purchase of medicines. Thus, on one hand the people of the locality were deprived of the basic facility of medicine and on the other hand, the Government money drawn in anticipation of actual demand and the money was blocked for a considerable time of period which needs justification. Detail as per Annexure-4:

The irregularity was occurred due to weak internal/administrative control, which deprived the public of the locality from the basic health facilities.

The matter was reported to the Management in August 2020, stated that detail reply would be submitted in due course after checking all relevant record.

Request for convening DAC meeting was made in August 2020, however meeting of DAC could not be convened till finalization of this report.

Audit recommends ensuring complete supply of medicines besides fixing responsibility for such abnormal delay.

AIR No. 05 (2019-20)

2.5.2 Value for money and service delivery issues

2.5.2.1 Non refund of unspent amount of Forest Royalty – 15.090 million

Government of NWFP Finance Department letter No. BOU/FD/3-10/97-98/ WMP Sum/Vol, dated 21st January 2002 provides that unspent balances in the respective designated bank accounts as well as in the accounts of the PTA at the end of the financial year shall be treated as lapsed and shall have to be refunded to the Government.

Deputy Commissioner Chitral received Rs 15,090,000 on account of Forest Royalty Arandu during the financial year 2017-18. During scrutiny of the bank statement for the financial year 2019-20, it came to notice that was still lying as unspent amount in the designated bank account of the Assistant Commissioner Chitral. The amount was required to be refunded to the concerned department but the local office failed to do so.

Non surrender of unspent amount occurred due to weak financial control, which resulted in violation of rules.

The matter was reported to the Management in July 2020, but did not respond to the observation.

Request for convening DAC meeting was made in July 2020, however meeting of DAC could not be convened till finalization of this report.

Audit suggests to refund the amount and fixing responsibility on the person (s) at fault.

AIR No. 05 (2019-20)

2.5.2.2 Non utilization of Conditional Grant – Rs 1.240 million

According to GFR 23 Volume-I, every controlling officer will personally be responsible for the loss sustained by Government through negligence or fraud on his part or on the part of his subordinate.

During scrutiny of the record of the District Education Officer (Male) Chitral for the year 2019-20, it came to notice that Rs 1,240,000 were paid to various schools on account of Conditional Grant during the financial year 2017-18, but the funds released to the schools were not utilized till October 2020. Audit was of the view that non utilization of funds resulted into deprivation of basic needs and blockage of Government money for a considerable period of time. Detail is as under:

S. No.	Name of school	Amount (Rs)
01	GPS Ursoon Gole	170,000
02	GPS Thunik	150,000
03	GPS Begusht	920,000
Total		1,240,000

The irregularity occurred due to weak financial control which resulted in violation of rules.

The matter was reported to the Management in December 2020, stated that the said schools were situated in far flung areas in the district and due to non-availability of technical staff, the construction works were started late and would be completed soon. Reply was not tenable as the conditional grant was not utilized after lapse of considerable time.

Request for convening DAC meeting was made in December 2020, however meeting of DAC could not be convened till finalization of this report.

Audit suggests to justify the matter.

AIR No. 04 (2019-20)

2.5.3 Others, including cases of accidents, negligence etc

2.5.3.1 Overpayment on account of compulsory acquisition charges of land – Rs 11.230 million

Section 18(1) of Land Acquisition Act 1894 provides that any person interested who has not accepted the award may, by written application to the collector, require that the matter be referred by the collector for the determination of the Court, whether his objection be to the measurement of the land, the amount of the compensation, the person to whom it is payable or the apportionment of the compensation among the persons interested.

Section 18(2) the Act requires that the application shall state the grounds on which objection to the award is taken.

Section 20 a & b of Land Acquisition Act 1894 requires that the court shall thereupon cause a notice specifying the day on which the court will proceed to determine the objection, and directing their appearance on that day to be served on the applicant and all persons interested in the objection.

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

Deputy Commissioner Chitral paid an amount of Rs 74,933,165 on account of acquisition of land and overpaid thereon Rs 11,230,962 as 15% compulsory acquisition charges during 2019-20. Audit observed the following points that:

1. Compulsory acquisition charges were allowed at initial stage of acquisition
2. No written objection, obstruction, refusal or appeal made to the Collector/Court by the owner.
3. 15% compulsory acquisition charges shall be allowed by the court under section 23(2) of the Act, not by the other authority. Under section 3(d) of the Act "Court" means an additional District Judge is judge of Principal Civil Court of original jurisdiction, an Additional District Judge, like the District Judge himself, is a judge of such court, and as such he is competent to hear and dispose of the reference under the Land Acquisition Act which are over to him for disposal by the District Judge. The expression "Court" does not include Collector.
4. The cases were neither referred to Court nor any proceeding was undertaken/carried out under section 20(a) & (b) mentioned in the criteria. Detail as per annexure-5:

Overpayment was occurred due to weak financial control which resulted in loss to Government

The matter was reported to the Management in July 2020, but did not respond to the observation.

Request for convening DAC meeting was made in July 2020, however meeting of DAC could not be convened till finalization of this report.

Audit recommends to recover the payment.

AIR No. 01 (2019-20)

**2.5.3.2 Non-payment of land compensation to the land owner –
Rs 4.748 million**

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

Deputy Commissioner Chitral transferred Rs 4,748,509 to Assistant Commissioner Chitral, District Chitral during the financial year 2019-20 as land compensation. The award was announced but the amount of compensation was not paid to the land owners and retained by the local office so far. Detail is as under:

S. No.	Particular	Date of award	Allocation (Rs)	Expenditure (Rs)	Balance (Rs)
1	Kalasha Festival at Behal Birir.	09-03-2020	427,891	0	427,891
2	Upgradation of GMS Jinjirate Koh.	09-03-2020	4,153,919	2,594,715	1,559,204
3	Kalasha Graveyard Brone Bamborate.	10-06-2020	5,736,189	5,665,387	70,802
4	Kalasha festival Bateht, Blankuru and Kalasha residential House Batrick Bamburate/GMS Gahriate.	10-06-2020	11,781,026	9,090,414	2,690,612
Total					4,748,509

Irregular expenditure occurred due to weak administrative control, which resulted in unnecessary retention of money.

The matter was reported to the Management in July 2020, but did not respond to the observation.

Request for convening DAC meeting was made in July 2020, however meeting of DAC could not be convened till finalization of this report.

Audit recommends immediate payment of land compensation to the concerned land owners duly supported by documentary proofs.

AIR No. 02 (2019-20)

2.5.3.3 Non reconciliation of Revenue Deposit – Rs 74.933 million

Para 89(4) (viii-2) of GFR Vol-I requires that main object of the reconciliation is to ensure that the departmental accounts are sufficiently accurate to render possible and efficient departmental control of expenditure.

Deputy Commissioner Chitral paid Rs 74,933,165 on purchase of land for various departments in the financial year 2019-2020. During scrutiny of record it came to notice that no reconciliation was made with the DAO concerned. In the absence of reconciliation, the transaction at the district level remained unverified. Detail as per annexure-2:

The irregularity was occurred due to weak financial control, which resulted in an unauthentic receipts and payments of land compensation.

The matter was reported to the Management in July 2020, but did not respond to the observation.

Request for convening DAC meeting was made in July 2020, however meeting of DAC could not be convened till finalization of this report.

Audit recommends to make reconciliation under intimation to audit.

AIR No. 06 (2019-20)

2.5.3.4 Irregular expenditure on account of maintenance and cleanliness of tourist spots – Rs 6.500 million

Para 10 (i) of General Financial Rules Volume I provides that 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.

Deputy Commissioner incurred expenditure of Rs 6,500,000 on account of maintenance and cleanliness during the financial year 2019-20. During scrutiny of record, the following irregularities were noticed.

1. PC-I of the project was not provided to audit for verification.
2. The local office did not identify the tourist spots in its jurisdiction.
3. Tourists Information Centre was also not established.
4. The local office did not incur any expenditure from such funds to establish rest areas on road sides in suitable places to facilitate the tourists.
5. Rs 877,800 were spent on purchase of Dust Bins which were unjustified as the Dust Bins were purchased for Drosh, Arandu and Madak Lasht Bazzars and not for tourist spots. Moreover, the project targets were Kalasha valleys, Chitral Town, Ayun and Garam Chashma.

The lapse occurred due to weak internal control which resulted in violation of rules.

The matter was reported to the Management in July 2020 stated that detail report would be submitted after scrutiny of record.

Request for convening DAC meeting was made in July 2020, however meeting of DAC could not be convened till finalization of this report.

Audit recommends to justify the expenditure on tourist spots.

AIR No. 08 (2019-20)

2.5.3.5 Non reporting of clinical efficacy of medicines - Rs10.908 million

According to MCC rules 2019-20 clinical efficacy report is mandatory to be collected by the head of the office for onward submission to headquarter concerned.

District Health Officer Chitral Lower issued medicines of Rs 10,908,194 to various health units for the treatment of patients during the financial year 2019-20. As per MCC Rules 2019-20, the head of the office was required to collect clinical efficacy report quarterly from the health units for onward submission to the quarter concerned to know the effectiveness of the medicines issued to the patients, but the local office failed to do so which was clear violation of the MCC Rules. Detail as per annexure-3:

The lapse occurred due to weak internal control which resulted in violation of rules.

The matter was reported to the Management in August 2020, stated that samples of all kinds of medicines purchased during financial year 2019-20 were collected by the Divisional Drugs Inspector and sent to the Drug Testing Laboratory for analysis. DTL report of medicines received wherein all medicines purchased by this office during last financial year have been declared of standard quality. No adverse report of medicines issued to patients has been reported from any health facility so far.

Request for convening DAC meeting was made in August 2020, however meeting of DAC could not be convened till finalization of this report.

Audit recommends inquiry into probable cause of irregularities.

AIR No. 02 (2019-20)

2.5.3.6 Unauthorized expenditure without Technical Sanction and PC-1- Rs 30.000 million

According to Para 56 of CPWA Code, technical sanction must be obtained before commencement of work.

District Health officer Chitral incurred expenditure of Rs 30,000,000 on account of petty repair works at various health units during the financial year 2019-20. On scrutiny of record, it was observed that work was started without obtaining Technical Sanction of the competent authority and PC-1. Therefore, expenditure incurred was held irregular.

The lapse occurred due to weak internal control which resulted in violation of rules.

The matter was reported to the Management in August 2020, stated that detail reply would be submitted in due course after scrutiny of relevant record.

Request for convening DAC meeting was made in August 2020, however meeting of DAC could not be convened till finalization of this report.

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

AIR No. (2019-20)

2.5.3.7 Irregular payment on account of repair of machinery & equipment – Rs 9.826 million

According to Para 290 of Federal Treasury Rules “No money should be drawn from Treasury unless required for immediate disbursement. It is not permissible to draw money from treasury in anticipation of demand or to prevent lapse of budget grant. Further, para 23 of GFR Vol-1, Requires that every Government officer is personally responsible for any loss sustained by the Government through fraud or negligence either on his part or the part of his subordinate staff.

District Health Officer Chitral Lower withdrew Rs 9,826,800 on account of repair of machinery and equipment and payment was made to M/S Mughal

Baz Government Contractor during the financial year 2019-20. During audit the following irregularities were pointed out:

1. Detail specification of repairable components /parts of machinery and equipment was not obtained from the Electro Medical Engineer.
2. Name of units in which the repair of Machinery and Equipment was carried out was not mentioned in the relevant record.

The lapse occurred due to weak financial control which resulted in violation of rules.

The matter was reported to the Management in August 2020, stated that a comprehensive reply along with supportive documents regarding utilization of fund on account of repair of machinery and Equipment would be furnished in due course.

Request for convening DAC meeting was made in August 2020, however meeting of DAC could not be convened till finalization of this report.

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

AIR No. 12 (2019-20)

2.5.3.8 Unverified expenditure of funds transferred to AKHSP – Rs10.720 million

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

During audit of the District Health Officer Chitral Upper for the financial year 2019-20, it came to notice that an amount of Rs 10,720,850 was transferred by the local office to Agha Khan Health Support Project (AKHSP) under salary and non salary expenditure. The amount remained unverified as no record was available in the local office for verification.

The lapse occurred due to weak internal controls resultantly the financial statements did not present true and fair picture.

The matter was reported to the Management in August 2020, stated that detailed report would be submitted in due course.

Request for convening DAC meeting was made in August 2020, however meeting of DAC could not be convened till finalization of this report.

Audit recommends to provide the relevant record.

AIR No. 17 (2019-20)

2.5.3.9 Irregular expenditure on account of PTC Fund – Rs 12.030 million

According to Para 17 of GFR Volume-I, auditable record must be produced to audit for verification.

District Education Office (Male) Chitral transferred funds of Rs 12,030,000 on account of PTC to various schools in the financial year 2019-20. During, scrutiny of record the following observations were raised.

1. As per Government Guidelines regarding PTC funds, all the expenditure should be incurred with the proper approval of the parents Teacher Council. But the local office only transferred the fund to the school and no follow up carried out to know that the fund was properly utilized as per PTC guidelines as such material was not available on the record of the local office.

2. The secretary of PTC was required to maintain accounts of the expenditure in a simple cash book in the prescribed format as mentioned in the PTC guidelines but copy of such accounts was not available to verify the expenditure.
3. The local office did not collect the stock register of the schools duly verified by the concerned head/in charges of the schools regarding the expenditure from PTC fund.
4. The Cash book and allied detail of voucher & receipts duly verified and approved by the Parents Teacher Council in the council meeting held on quarterly basis was not collected by the local office for verification purpose.
5. The record of expenditure on civil work was not available to verify that the expenditure was made on market based and by exercising general financial procedure as per PTC guidelines.

The irregularity was occurred due to weak administrative control, which resulted in violation of Government rules/policy.

The matter was reported to the Management in December 2020, stated that the PTC Funds have been transferred to PTC Accounts through concerned banks as per instruction/guidelines of the high ups and after that, the PTCs utilized the funds according to the guidelines. The utilization was properly monitored. The relevant records were available in the schools due to non-availability of space and meddling with other records in the office. Reply was not convincing as the relevant record was not available in the local office to verify the expenditure.

Request for convening DAC meeting was made in December 2020, however meeting of DAC could not be convened till finalization of this report.

Audit suggests inquiry into probable cause of irregularities.

AIR No. 01 (2019-20)

2.5.3.10 Non adoption of open tender system on account of purchase of furniture – Rs 1.068 million

According to Rule 11(2 &3) of the Khyber Pakhtunkhwa Public Procurement of Goods, Works and Services Rules 2014, For all purchases, other than those being covered by the Khyber Pakhtunkhwa Procurement rules 3 and 10, shall be advertised in print media, appearing in at least one national English and one Urdu newspaper with nationwide circulation along with advertising the same either on the procuring entity or Authority website.

District Education Officer (Male) Chitral paid Rs 1,068,339 to SIDB Chitral on account of purchase of furniture during the financial year 2019-20. During audit, it was noticed that open tender system was not adopted by the local office to achieve economical rates according to the above-mentioned criteria.

The irregularity occurred due to weak financial control which resulted in violation of rules.

The matter was reported to the Management in December 2020, stated that purchase of furniture was made from the Government entity SIDB as mentioned in the KPRA rules 2014, under rule 3 sub rule C in the national interest and to save the energy, time, ensure quality as well as quick supply to the schools. Reply was not convincing as open tender system was not adopted to achieve economical rates.

Request for convening DAC meeting was made in December 2020, however meeting of DAC could not be convened till finalization of this report.

Audit suggests to justify the payment.

AIR No. 03 (2019-20)

2.5.3.11 Irregular expenditure on account of PTC Fund – Rs 4.450 million

According to Para 17 of GFR Volume-I, auditable record must be produced to audit for verification.

District Education Office (Female) Chitral Lower transferred funds of Rs 4,450,468 on account of PTC to various schools in the financial year 2019-20. During, scrutiny of record the following observations were raised.

1. As per Government Guidelines regarding PTC funds, all the expenditure should be incurred with the proper approval of the parents Teacher Council. But the local office only transferred the fund to the school and no follow up carried out to know that the fund was properly utilized as per PTC guidelines as such material was not available on the record of the local office.
2. The secretary of PTC was required to maintain accounts of the expenditure in a simple cash book in the prescribed format as mentioned in the PTC guidelines but copy of such accounts was not available to verify the expenditure.
3. The local office did not collect the stock register of the schools duly verified by the concerned head/in charges of the schools regarding the expenditure from PTC fund.
4. The Cash book and allied detail of voucher & receipts duly verified and approved by the Parents Teacher Council in the council meeting held on quarterly basis was not collected by the local office for verification purpose.
5. The record of expenditure on civil work was not available to verify that the expenditure was made on market based and by exercising general financial procedure as per PTC guidelines.

The irregularity was occurred due to weak administrative control, which resulted in violation of Government rules/policy.

Request for convening DAC meeting was made in December 2020, however meeting of DAC could not be convened till finalization of this report.

Audit suggests inquiry into probable cause of irregularities.

AIR No. 01 (2019-20)

CHAPTER-3

Tehsil Municipal Administration

3.1 Introduction

District Chitral Lower has two Tehsils i.e. Chitral and Drosh. The office of a Tehsil Municipal Administration is managed by the Tehsil Municipal Officer. He is assisted by a Tehsil Officer (Finance), a Tehsil Officer (Regulation) and a Tehsil Officer (Infrastructure).

According to section 22 of Local Government Act, 2013 the functions and powers of TMAs are briefly given as under:

- (a) Monitoring and supervising the performance of functionaries of Government offices located in the Tehsil,
- (b) Land management in the Tehsil, provision of municipal services, execution and management of development plans for improvement of municipal services and infrastructure.
- (c) Enforcing municipal laws, rules and bye-laws, Preventing and removing encroachments, regulate affixing of sign-boards and advertisements;
- (d) Financial management of the Tehsil such as, Preparation of budget and annual municipal development programmes, collection of revenue such as taxes, penalties, fines etc. manage municipal properties, assets and funds, and liaise with the district government in all these matters.
- (e) Maintaining a comprehensive data base and information system on services in the Tehsil municipal record and archives and provide public access to it on nominal charges;
- (f) Organizing sports, cultural, recreational events, fairs, cattle fairs and cattle markets;
- (g) Co-ordinate and support municipal functions amongst village and neighborhood councils;
- (h) Regulate markets and services, issue licenses, permits, grant permissions and impose penalties for violation thereof;

Detail of audit planned formations expenditures and receipts

(Rs. in million)

Sr No	Description	Total Nos	Audited	Expenditure audited FY 2019-20	Revenue /Receipts audited FY 2019-20
1	Formations	2	2	163.75	105.267
	Total	2	2	163.075	105.267

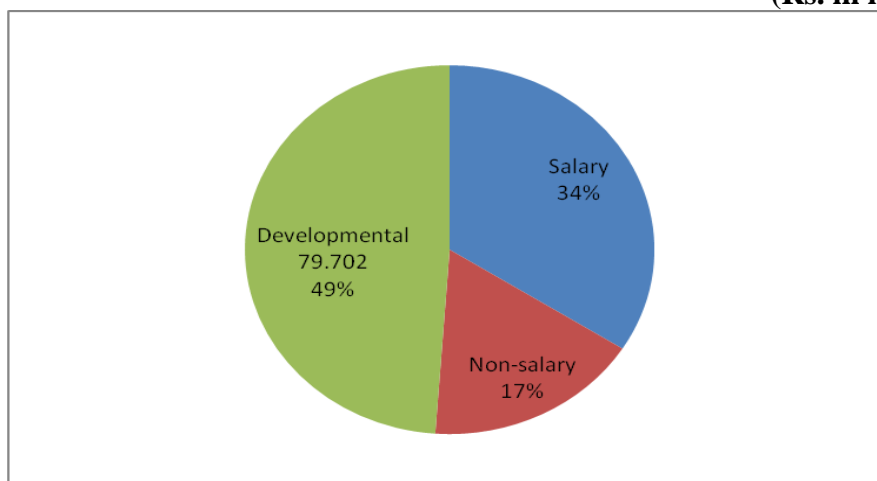
3.2 Comments on Budget and Accounts (Variance Analysis)

(Rs. in million)

2018-19	Budget	Actual Expenditure/ Receipts	(Saving)/Excess	%age
Salary	83.478	55.467		
Non-salary	40.834	27.906		
Developmental (A/C-IV)	106.05	79.702		
Developmental (A/C-I)	0	0	0	
Total	230.362	163.075		
Receipts	97.165	105.267		

EXPENDITURE 2019-20

(Rs. in million)



3.3 Classified Summary of Audit Observations

Audit observations amounting to Rs. 26.162 million were raised in this audit report. This amount also includes recoverable of Rs. 6.364 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

Sr. No.	Classification	Amount (Rs.)
1	Irregularities	
A	Procurement related irregularities	7.186
2	Value for money and service delivery issues	4.551
3	Others	14.425
	Total	26.162

3.4 Comments on the status of compliance with Tehsil Accounts Committee Directives

The audit reports pertaining to following years have been submitted to the Governor of Khyber Pakhtunkhwa. Detail of TAC meetings are given below:

Sr. No.	Audit Year	TAC meeting
1.	2002-03	Not convened
2.	2003-04	Not convened
3.	2005-06	Not convened
4.	2006-07	Not convened
5.	2007-08	Not convened
6.	2008-09	Not convened
7.	2009-10	Not convened
8.	2010-11	Not convened
9	2011-12	Not convened
10	2012-13	Not convened
11	2013-14	Not Convened
12	2016-17	Not Convened
13	2017-18	Not Convened
14	2018-19	Not Convened

3.5 AUDIT PARAS

3.5.1. Irregularities and Non-Compliance

A- Procurement related irregularities

3.5.1.1 Irregular expenditure on installation of HDPE – Rs 5.036 million

According to circular No11/Dev-14/PHE (N) dated 14-7-2015 in order to stop the entry of the sub-standard product the field staff must be instructed to adopt the following quality assurance steps for compliance.

- i. Original Manufacturer/confirmation through his letter head and seal.
- ii. Gate Pass No./Sales Tax invoice.
- iii. Confirmation that manufacturers all documents are original
- iv. Code No, on Product (year, month, date)

Tehsil Municipal Officer, Chitral incurred expenditure of Rs 5,036,747 on account of supply and fixing HDPE pipes in various water supply schemes during the financial year 2019-20. On scrutiny of record, it was observed that that the Local office did not adopt the following quality assurance steps to ensure the quality and health of the people of locality.

- i. Original Manufacturer/confirmation through his letter head and seal.
- ii. Gate Pass No./Sales Tax invoice.
- iii. Confirmation that manufacturers all documents are original
- iv. Code No, on Product (year, month, date).

In the absence of the above-mentioned documents, the execution of substandard pipes could not be ruled out. Detail is as annexure- 6:

The lapse occurred due to weak internal controls which resulted in violation of rules.

The matter was reported to the Management in December 2020, but did not respond to the observation.

Request for convening DAC meeting was made in December 2020, however meeting of DAC could not be convened till finalization of this report.

Audit observed that non-compliance of the field staff occurred due to weak internal control, which resulted in violation of Government instruction.

Audit suggests to regularize the expenditure.

AIR No. 02 (2019-20)

3.5.1.2 Irregular expenditure on installation of HDPE Pipe – Rs 2.150 million

According to circular No11/Dev-14/PHE (N) dated 14-7-2015 in order to stop the entry of the sub-standard product the field staff must be instructed to adopt the following quality assurance steps for compliance.

- i. Original Manufacturer/confirmation through his letter head and seal.
- ii. Gate Pass No./Sales Tax invoice.
- iii. Confirmation that manufacturers all documents are original
- iv. Code No, on Product (year, month, date)

Tehsil Municipal Officer, TMA Drosh incurred expenditure of Rs2,150,000 on account of supply and fixing HDPE pipes in various water supply schemes during the financial year 2019-20. On scrutiny of record, it was observed that that the Local office did not adopt the following quality assurance steps to ensure the quality and health of the people of locality.

- i. Original Manufacturer/confirmation through his letter head and seal.
- ii. Gate Pass No./Sales Tax invoice.
- iii. Confirmation that manufacturers all documents are original

iv. Code No, on Product (year, month, date).

In the absence of the above-mentioned documents, the execution of substandard pipes could not be ruled out. Detail as per annexure-8.

The lapse occurred due to weak internal controls which resulted in violation of rules.

The matter was reported to the Management in December 2020, but did not respond to the observation.

Request for convening DAC meeting was made in December 2020, however meeting of DAC could not be convened till finalization of this report.

Audit suggests to regularize the expenditure.

AIR No. 03 (2019-20)

3.5.2 Value for money and service delivery issues

3.5.2.1 Non recovery of outstanding dues – Rs 3.040 million

According to Sub Para IV (b) of part II of Government of KP Local Government Department memo No.AO-II/LCB/6-II/2009 dated 12-01-2014, and terms of the contract agreement, the contractor will have to deposit the monthly installment on the last day of the month failing which penalty of 1% of the installment per day for the late deposit will be imposed.

Tehsil Municipal Officer Chitral awarded various contracts of receipts during the financial year 2019-20, but the local office did not collect the receipts of Rs 3,040,175 from the contractors. Detail as per annexure-10:

The local office was required to initiate strict legal action against the defaulter for the recovery of outstanding amount. But the local office failed to do so.

The lapse occurred due to weak internal control, which resulted in loss to the authority.

The matter was reported to the Management in December 2020, but did not respond to the observation.

Request for convening DAC meeting was made in December 2020, however meeting of DAC could not be convened till finalization of this report.

Audit suggests immediate recovery and action against the person at fault.

AIR No. 03 (2019-20)

3.5.2.2 Non deposit of profit earned on Government funds – Rs825,579

According to Para 1 and 2 of Finance Department Khyber Pakhtunkhwa letter No. 2/3-(F/L)/FD/2007-08/Vol-IX dated 10th February 2014, Finance Department has from time to time allowed sanctioned Bank accounts in the commercial bank for various Departments/Autonomous/Semi- Autonomous Bodies/Corporations in Khyber Pakhtunkhwa for particular and specific purposes. Such accounts may be converted to PLS mode and the profit earned be deposited in Government Treasury under relevant head of account immediately and not later than a week when declared by the concerned bank.

Tehsil Municipal Officer TMA Chitral opened PLS accounts and deposited funds of operational and developmental budget of the TMA on which profit of Rs 825,579 was earned during financial year 2019-20. As per policy of the Government, profit earned on Government funds shall be deposited into Government treasury within a week time when declared by the concerned bank, which was not done. Detail is as under:

S. No.	Name of Bank	Account No.	Date of profit credited	Amount
1	National Bank of Pakistan	3051557544	20-07-2019	34,346
2	--do--	--do--	12-01-2019	46,663
3	--do--	--do--	11.01.2020	56,677
4	--do--	--do--	11.07.2020	158,224
5	--do--	3051547037	12-01-2019	507,753
6	Bank of Khyber	05293-00-6	08.07.2019	21,916
Total				825,579

Non deposit of bank profit in to government treasury occurred due to weak financial control, which resulted in violation of government orders and blockage of government money.

The matter was reported to the Management in December 2020, but did not respond to the observation.

Request for convening DAC meeting was made in December 2020, however meeting of DAC could not be convened till finalization of this report.

Audit recommends deposit into Government treasury under intimation to audit.

AIR No. 04 (2019-20)

3.5.2.3 Non deposit of profit into Government Treasury – Rs 685,356

According to Para 1 and 2 of Finance Department Khyber Pakhtunkhwa letter No. 2/3-(F/L)/FD/2007-08/Vol-IX dated 10th February 2014, Finance Department has from time to time allowed sanctioned Bank accounts in the commercial bank for various Departments/Autonomous/Semi- Autonomous Bodies/Corporations in Khyber Pakhtunkhwa for particular and specific purposes. Such accounts may be converted to PLS mode and the profit earned be deposited in Government Treasury under relevant head of account immediately and not later than a week when declared by the concerned bank.

Tehsil Municipal Officer TMA Drosh opened PLS accounts and deposited funds of operational and developmental budget of the TMA on which profit of Rs 685,356 was earned during financial year 2019-20. As per policy of the Government, profit earned on Government funds shall be deposited into Government treasury within a week time when declared by the concerned bank, which was not done. Detail as per annexure-12:

Non deposit occurred due to violation of Government policy which resulted in loss to the Government.

The matter was reported to the Management in December 2020, but did not respond to the observation.

Request for convening DAC meeting was made in December 2020, however meeting of DAC could not be convened till finalization of this report.

Audit recommends deposit into Government treasury under intimation to audit.

AIR No. 02 (2019-20)

3.5.3 Others, including cases of accidents, negligence etc

3.5.3.1 Irregular expenditure without Technical Sanction – Rs 3.997 million

According to Para 32 of CPWD Code, no work shall be executed without Administrative Approval/Technical Sanction and Budget allotment. Further, according to Para 56 of CPWD Code, 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.

Tehsil Municipal Officer Chitral incurred an expenditure of Rs3,997,103 against various developmental schemes during 2019-20. On scrutiny of record, it was observed that Technical Sanction was not obtained from the competent authority before commencement of work. Thus, the expenditure made was held irregular. Detail as per annexure-7:

The lapse occurred due to weak internal controls which resulted in violation of rules.

The matter was reported to the Management in December 2020, but did not respond to the observation.

Request for convening DAC meeting was made in December 2020, however meeting of DAC could not be convened till finalization of this report.

Audit suggests obtaining technical sanctions from the competent forum and action against the person(s) at fault authorizing execution/payment without technical sanction.

AIR No. 01 (2019-20)

3.5.3.2 Non imposition of penalty- Rs1.813 million

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

Tehsil Municipal Officer, TMA Chitral awarded various works with an estimated cost of Rs18,132,000 during financial year 2019-20. The works were not completed within the stipulated period of time and penalty of Rs1,813,200 @ 10% of the estimated cost was not imposed. Detail as per annexure-11:

The lapse occurred due to weak internal controls which resulted in loss to the Government.

The matter was reported to the Management in December 2020, but did not respond to the observation.

Request for convening DAC meeting was made in December 2020, however meeting of DAC could not be convened till finalization of this report.

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

AIR No. 05 (2019-20)

3.5.3.3 Irregular expenditure without Technical Sanction – Rs 8.615 million

According to Para 32 of CPWD Code, no work shall be executed without Administrative Approval/Technical Sanction and Budget allotment. Further, according to Para 56 of CPWD Code, 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.

Tehsil Municipal Officer Drosh incurred an expenditure of Rs 8,615,000 against various developmental schemes during 2019-20. On scrutiny of record, it was observed that Technical Sanction was not obtained from the competent authority before commencement of work. Thus, the expenditure made was held irregular. Detail as per annexure-9:

The lapse occurred due to weak internal controls which resulted in violation of rules.

The matter was reported to the Management in December 2020, but did not respond to the observation.

Request for convening DAC meeting was made in December 2020, however meeting of DAC could not be convened till finalization of this report.

Audit suggests obtaining technical sanctions from the competent forum and action against the person(s) at fault authorizing execution/payment without technical sanction.

AIR No. 01 (2019-20)

CHAPTER-4

Assistant Director LGE &RDD

4.1 Introduction

Assistant Director Local Government, Election and Rural Development Department in District Chitral Lower has 100 VCs/NCs. Each VC/NC has a Secretary. Assistant Director Local Government Election & Rural Development Department is Drawing and Disbursing Officer (DDO) for his office and PAO for VCs/NCs of the District Chitral.

According to section 29 of the Khyber Pakhtunkhwa Local Government Act 2013 the authority and responsibilities of the District Government have been given as under:

Functions and Powers of Assistant Director, LGE&RDD includes:

- i. Providing secretarial support to the Council, matters relating to Local Government Commission
- ii. Coordination and supervision of village and neighborhood councils
- iii. Matters related to local taxes, grants, budget of village and neighborhood councils
- iv. Coordination of activities relating to local council elections, population census and surveys in the district
- v. Rural Development Works including water supply, rural access roads, embankment and drainage works
- vi. Overseeing registration of births, deaths and marriages in village and neighborhood councils
- vii. Review, evaluation and assessment of local government system, processes and procedures in the district particularly at the village and neighborhood level
- viii. Collection, compilation and dissemination of primary data Training and research in the areas of local governance

Functions and Powers of the Village Council or Neighborhood Council includes:

- i. Monitoring and supervision of the performance of functionaries of all government offices located in the area of the respective village council or neighborhood council, including education, health, public health engineering, agriculture, livestock, police and revenue, and hold them accountable by making inquiries and reports to the Tehsil municipal administration, district government or, as the case may be, the Government for consideration and action;
- ii. Providing effective forum for out of court amicable settlement of disputes and, for this purpose, constitute panels of members as conciliators;
- iii. Registration of births, deaths and marriages;
- iv. Implementation and monitoring of village level development works;
- v. Improving water supply sources, maintain water supply distribution system and take measures to prevent contamination of water;
- vi. Maintenance of village level infrastructure, footpaths, tracks, streets, playgrounds, graveyards, funeral places, eid-gah, parks, public open spaces and community centres.
- vii. Identifying development needs of the area for use by municipal administration and district government in prioritizing development plans;
- viii. Making arrangements for sanitation, cleanliness, disposal of garbage and carcasses, drainage and sewerage system;
- ix. Displaying land transactions in the area for public information;
- x. Mobilizing community for maintaining public ways, public streets, culverts, bridges and public buildings, de-silting of canals and other development activities;
- xi. Organizing cattle fairs and agriculture produce markets;
- xii. Organizing sports teams, cultural and recreational activities;
- xiii. Organizing watch and ward in the area;
- xiv. Promoting plantation of trees, landscaping and beautification of public places;
- xv. Regulating grazing areas, establish cattle ponds and provide protection against stray animals and animal trespass;

- xvi. Considering and approving annual budget presented by the respective Nazim, village council or neighborhood council;
- xvii. Facilitating formation of voluntary organizations for assistance in functions assigned to it;
- xviii. Facilitating the formation of co-operatives for improving economic returns and reduction of poverty;
- xix. Electing an Accounts Committee and review its recommendations on the annual statement of accounts and audit reports; and
- xx. Reporting cases of handicapped, destitute and of extreme poverty to district government.

Detail of audit planned formations expenditures and receipts

(Rs. in million)

Sr No	Description	Total Nos	Audited	Expenditure audited FY 2019-20	Revenue /Receipts audited FY 2019-20
1	Formations	101	11	93.657	-
	Total	101	11	93.657	-

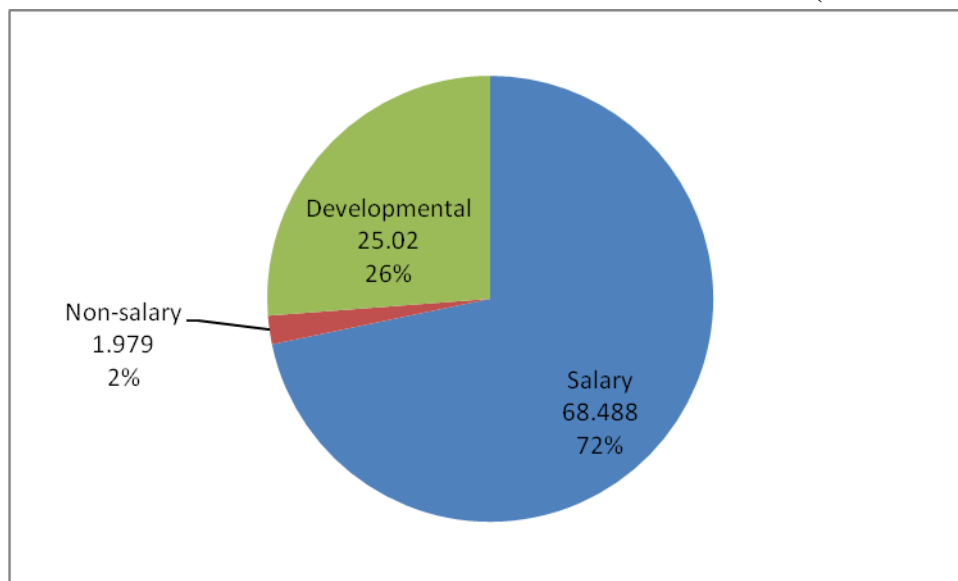
4.2 Comments on Budget and Accounts (Variance Analysis)

(Rs. in million)

2018-19	Budget	Actual Expenditure/ Receipts	(Saving)/Excess	%age
Salary	53.322	73.676	20.354	38.17
Non-salary	6.275	6.211	0.064	1.02%
Developmental	25.000	13.770	(11.230)	44%
Total	84.597	93.657		
Receipts	0	0	0	0

EXPENDITURE 2019-2020

(Rs. in million)



4.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 62.682 million were raised in this audit report. This amount also includes recoverable of Rs. 3.731 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

Sr. No.	Classification	Amount (Rs.)
1	Irregularities	
A	Procurement related irregularities	
2	Value for money and service delivery issues	31.618
3	Others, including cases of accidents, negligence etc	31.064
	Total	62.682

4.4 Comments on the status of compliance with Village/Neighborhood Accounts Committee Directives

The audit reports pertaining to following years have been submitted to the Governor of Khyber Pakhtunkhwa. Detail of VACs/NACs meetings are given below:

Sr. No.	Audit Year	VACs/NACs meeting
1.	2002-03	Not Convened
2.	2003-04	Not Convened
3.	2005-06	Not Convened
4.	2006-07	Not Convened
5.	2007-08	Not Convened
6.	2008-09	Not Convened
7.	2009-10	Not Convened
8.	2010-11	Not Convened
9	2011-12	Not Convened
10	2012-13	Not Convened
11	2013-14	Not Convened
12	2016-17	Not Convened
13	2017-18	Not Convened
14	2018-19	Not Convened

4.5 AUDIT PARAS

4.5.1 Irregularities

A- Procurement related irregularities

4.5.1.1 Unauthorized Expenditure on account of purchase of Vehicle – Rs 2.618 million

Para 9 of GFR Vol.-I states that as general rule no authority may incur any expenditure until the expenditure has been sanctioned by an authority to which power has been duly delegated in this behalf and the expenditure has been provided in the authorized grants and appropriations for the year.

ADLG&RDD Chitral incurred expenditure of Rs 2,618,000 on purchase of Suzuki Jeep during the financial year 2019-20. On scrutiny of record, it was observed that no sanction was obtained from the committee mentioned above thus the expenditure made on purchase of vehicle was unauthorized which need justification.

The lapse occurred due to weak internal controls which resulted in violation of rules.

The matter was reported to the Management in December 2020, but did not respond to the observation.

Request for convening DAC meeting was made in December 2020, however meeting of DAC could not be convened till finalization of this report.

Audit recommends inquiry in to the probable cause of irregularity.

AIR No. 03 (2019-20)

4.5.1.2 Irregular Award of Civil Works on abnormal below rate – Rs 29.000 million

According to letter No. PO(LG)KPPRA/2017-18 dated 0/7/2017 abnormal below tender 40%-65% be discourage in order to achieve the objective laid down in Section 2 (q) of the KPPRA Rules.

AD LG& RDD Chitral awarded contracts of various developmental schemes to different contractors with estimated cost of Rs 29,000,000 in the financial year 2019-20. During scrutiny of record it came to notice that contractor offered abnormal below rates which were accepted by the local office without analyzing /evaluating the lowest rate, which was clear violation of the above-mentioned Criteria. Detail as per Annexure-14:

The lapse occurred due to weak internal controls which resulted in violation of rules.

The matter was reported to the Management in December 2020, but did not respond to the observation.

Request for convening DAC meeting was made in December 2020, however meeting of DAC could not be convened till finalization of this report.

Audit recommends to justify the matter.

AIR No. 02 (2019-20)

4.5.2 Others, including cases of accidents, negligence etc

4.5.2.1 Non-imposition of penalty for delay in completion of works – Rs 3.731 million

According to clause 2 of the conditions of contract agreement, 1% should be deducted from the contractor's bill for every day delay. The penalty is subject to maximum of 10%.

AD LG& RDD Chitral awarded contracts of various developmental schemes to different contractors with estimated cost of Rs 37,315,000 during the financial year 2019-20. The schemes were not completed in stipulated period of time (365 days) and even till the dates of audit i.e. November 2020. The local office neither granted time extension to the contractors nor penalty @10% amounting to Rs 3,731,500 was imposed. Detail as per annexure-15:

The lapse occurred due to weak internal controls which resulted in loss to Government.

The matter was reported to the Management in December 2020, but did not respond to the observation.

Request for convening DAC meeting was made in December 2020, however meeting of DAC could not be convened till finalization of this report.

Audit recommends investigation for fixing responsibility and immediate recovery.

AIR No. 04 (2019-20)

4.5.2.2 Irregular expenditure without technical sanction - Rs 27.315 million

According to Para-58 of the CPWD code read with para-178 (iii) of GFR Vol-I, that no work should be commenced until administrative approval has been obtained, and a properly detailed design and estimate have been sanctioned.

During audit of the accounts record of AD LG& RDD Chitral for the Financial Year 2019-20 it was noticed that Rs 27,315,000 were incurred on different schemes. However, the works were almost near to completion or have been completed, but no Technical Sanction was obtained till date of audit. Therefore, obtaining the technical sanction after final payment was held irregular. Detail as per annexure-13:

The lapse occurred due to weak internal controls which resulted in violation of rules.

The matter was reported to the Management in December 2020, but did not respond to the observation.

Request for convening DAC meeting was made in December 2020, however meeting of DAC could not be convened till finalization of this report.

Audit recommends inquiry into the probable cause of irregularities.

AIR No. 01 (2019-20)

ANNEXURES

Annex-1

Annexure-1: (Detail of MFDAC Paras)

(Rs in million)

S. No.	Department	AIR No	Caption	Amount
1	Deputy Commissioner	03	Non deposit of 1.5% stamp duty and registration fee into Government treasury.	0.138
2		07	Difference in expenditure between FTR-7 and FTR-8.	39.863
3		11	Non adoption of open tender system.	0.380
1	District Health Officer	3	Unauthorized issuance of medicines to irrelevant units.	1.135
2		4	Non issuance of medicines.	1.619
3		6	Loss to Government due to non imposition of penalty.	0.336
4		8	Non deduction of Professional tax.	0.048
5		9	Non deposit of stamp duty.	0.065
6		10	Non deduction of DPR fund.	0.076
7		14	Non deposit of Government receipts.	0.407
8		16	Unauthentic Expenditure on account of transportation charges.	6.321
1	EDO (Male & Female)	5	Irregular expenditure on account of purchase of firewood.	1.900
2		7	Irregular payment on account of repair of furniture.	0.620
3		8	Irregular payment on account of repair of vehicle.	0.615
4		9	Unauthorized posting of teaching staff.	0
5		10	Loss to Government due to non deposit of bank profit into Government treasury.	0.116
6		2	Irregular expenditure on account of construction of play areas.	0.240
7		4	Irregular expenditure on account of purchase of firewood.	1.050

8		6	Recovery on account of TA/DA.	0.107
9		7	Doubtful drawl on account of TA/DA.	0.118
10		8	Irregular payment on account of firewood.	1.050
11		9	Excess payment to schools on account of CRC & petty repair.	0.506
12		10	Non maintenance of Log Book on proper format.	0.575
13		11	Unauthorized posting of teaching staff.	0

Annex-2
Para No. 2.5.1.14

Detail of non-reconciliation of land compensation

S. No.	Particulars	Cost of Land (Rs)
1	Purchase of land for Pakistan Navy Recruitment Centre	32,283,527
2	Construction of GPS Domel Nisar Tehsil Drosh	1,452,000
3	Purchase of land for GHS Barinis	4,400,000
4	Purchase of land HSS Bamborate	7,595,168
5	Purchase of land kalash Festival Behal Birir	361,091
6	Upgradation of GMS Jinjirate Koh	3,492,000
7	Purchase of land for Kalash Graveyard Bamborate	726,000
8	Purchase of land for Kalash Brone Bambortae	4,720,160
9	Purchase of for Residential House at Bambortae	198,246
10	Purchase of land Kalash Festival Rumboor	3,953,134
11	Purchase of land for Kalash Festival Bateht Rumboor	2,360,080
12	Purchase of land for Graveyard at Krakal	3,540,120
13	Purchase of land for access road Golain Bakha	432,575
14	Purchase of land for GHS Ghariate	2,215,400
15	Purchase of land for GPS Shishi	3,811,520
16	Purchase of land access road Ishpergole	327,607
17	Purchase of land Dam Area Golain	2,380,887
18	Purchase of land WSS WAPDA Colony	683,650
Total		74,933,165

Annex-3
Para No. 2.5.1.16

Detail of Clinical efficacy

S. No.	Name of firm	Name of medicines	Amount (Rs)	Remarks
1	Saydon	Injtrasfast	299,600	BHU
2	M/s Seral	Medicines	375,945	THQ
3	M/s Seral	Medicines	315,810	DiS
4	Alam Med	ARV	86,250	Admn
5	Alam Med	ARV	86,250	Admn
6	M/s Seral	Sachet pedital ORS	246,483	MCH
7	M/s Seral	Medicines	315,810	RHC
8	Stainlay	Medicines	1,507,000	BHU
9	Fynk Phrama	Medicines	1,274,000	BHU
10	Fynk Phrama	Medicines	92,950	BHU
11	Mega	Medicines	266,000	BHU
12	Glaxo	Medicines	507,310	BHU
13	Syden	B-Stop	89,950	BHU
14	Glax	Cap Amoxil	450,000	BHU
15	Seral	Medicines	34,173	BHU
16	Nabi Qasim	Medicines	601,200	BHU
17	Amson	Vaccciens	201,788	BHU
18	Amson	Vaccciens	150,000	BHU
19	Global	Medicines	9,800	BHU
20	Brook Phrama	Medicines	330,062	BHU
21	Geofman	Medicines	266,280	BHU
22	Ipram	Medicines	491,000	BHU
23	Benson Phrama	Medicines	270,000	BHU
24	Stanley	Medicines	770,000	BHU
25	Bio Lab	Cream Permitran	120,000	BHU
26	Unisa	Medicines	459,200	THQ
27	Cirin	Anti Rabbies	164,643	Admn

28	Frontier Dextorse	Metronidazole	52,880	Disp
29	Frontier Dextorse	Ciprofloxacin	66,320	Disp
30	Stanly	Metronidazole	87,000	MCH
31	-do-	Ferrous Sulphate	36,300	MCH
32	Macter	Maxil Dry Susp	117,390	RHC
33	-do-	Co-Amoxil	168,000	RHC
35	Stanly	Medicines	598,800	RHC
Total			10,908,194	

Annex-4
Para No. 2.5.1.7

Detail of non supply of medicines and X-ray films

S. No.	Name of Firm	Name of medicines	Date of supply order	Name of unit	Amount (Rs)
1	GSK	Medicines	19/5/2020	Disp	391,022
2	AGFA	X-Ray film	19-5-2020	THQ	319,145
3	AGFA	X-Ray film	19-5-2020	RHC	319,145
4	FDL	Medicines	19-5-2020	RHC	119,200
5	Mecter	Medicines	19-5-2020	RHC	285,390
6	Mecter	Medicines	19-5-2020	Disp	90,000
7	Cirin	Inj: sueemyle	17-10-2019	BHU	3,093
8	Cirin	Anti Rabies	17-10-2019	BHU	1,107,405
9	Stanly	Medicine	19-5-2020	RHC	598,800
10	Stanly	Medicines	19-5-2020	MCH	123,300
Total					3,356,500

Annex-5
Para No. 2.5.1.11

Detail of compulsory acquisition charges

S. No.	Particulars	Cost of Land (Rs)	15% compulsory Charges (Rs)
1	Purchase of land for Pakistan Navy Recruitment Centre	32,283,527	4,842,529
2	Construction of GPS Domel Nisar Tehsil Drosh	1,452,000	217,800
3	Purchase of land for GHS Barinis	4,400,000	660,000
4	Purchase of land HSS Bamborate	7,595,168	1,139,275
5	Purchase of land kalash Festival Behal Birir	361,091	54,163
6	Upgradation of GMS Jinjirate Koh	3,492,000	523,800
7	Purchase of land for Kalash Graveyard Bamborate	726,000	108,900
8	Purchase of land for Kalash Brone Bambortae	4,720,160	708,024
9	Purchase of for Residential House at Bambortae	198,246	29,736
10	Purchase of land Kalash Festival Rumboor	3,953,134	592,970
11	Purchase of land for Kalash Festival Bateht Rumboor	2,360,080	354,012
12	Purchase of land for Graveyard at Krakal	3,540,120	531,018
13	Purchase of land for access road Golain Bakha	432,575	64,886
14	Purchase of land for GHS Ghariate	2,215,400	332,310
15	Purchase of land for GPS Shishi	3,811,520	571,728
16	Purchase of land access road Ishpergole	327,607	40,140
17	Purchase of land Dam Area Golain	2,380,887	357,131
18	Purchase of land WSS WAPDA Colony	683,650	102,540
Total		74,933,165	11,230,962

Annex-6
Para No. 3.5.1.1

Detail of pipes TMA Chitral

S. No.	Name of scheme	Amount (Rs)
01	Repair of pipe line at Moghulandeh	537,927
02	Provision of pipe at DirAyunSahen	391,972
03	Repair of pipeline Chumorkhon	200,000
04	Improvement of DWSS at ChitralGole	350,000
05	Improvement of Pipe line Thingshen	400,000
06	Improvement of pipeline GaxandehDanin	212,000
07	Repair of pipeline at GodehBroze	190,000
08	Repair of pipe line at Noll Broze	100,000
09	Provision of pipe UC Ayun	124,000
10	Provision of pipe Arkarayun	195,844
11	Provision of pipe at Der Ayun	484,000
12	Repair of pipe at MoghulanDeh	959,000
13	Improvement of pipe at Golin	98,000
14	Repair of WSS MadashilKarimabad	60,000
15	Provision of pipe at Danin	82,684
16	Provision of pipe at Dumoon	50,000
17	Improvement of pipe at preyet, koghozi, Mori	75,000
18	Improvement of pipe at shoghoremori	100,000
19	Provision of pipe VC Danin	90,000
20	Proviaion of pipe Jughoor	98,000
21	Repair of WSS SadamArkari	100,000
22	Provision of irrigation pipe at koh	53,820
23	Reh. Of WSS Daningole Sami	84,500
Total		5,036,747

Annex-7

Para No. 3.5.1.6

Detail of TS TMA Chitral

S. No.	Name of scheme	Expenditure (Rs)
1	Const of 1 additional room at GMS Rumboor	354,526
2	Const of Dug well solar simpla at Danin	750,000
3	Channelization of drain &Nallas& Cons of PW	1,700,000
4	Repair of religious place at Patragram	100,000
5	Repair of irrigation channel at Rumboor	100,000
6	Construction of 1 addl room at GHS Ayun	741,877
7	Provision of cement	98,000
8	WSS Shagram	97,700
9	Improv of WSS at Seen kolom Broz	55,000
Total		3,997,103

Annex-8
Para No. 3.5.1.2

Detail of pipes TMA Drosh

S. No.	Name of scheme	Amount (Rs)
01	Repair of pipe line at Mirkani	100,000
02	Repair of pipe line at aghar	100,000
03	Repair of pipeline Akroi	100,000
04	Provision of pipe at UC Achirate	250,000
05	Repair of WSS at Madaleshat	400,000
06	Improvement of pipeline Gax WSS at Pitaw, Mashidam, Arando Golr	200,000
07	WSS Paramser, Barow, Pichtan	600,000
08	Irrigation channel Kotik Dawtch etc	400,000
	Total	2,150,000

Annex-9
Para No. 3.5.1.8

Detail of TS TMA Drosh

S. No.	Name of scheme	Expenditure (Rs)
1	Const of protective bund at Ashirate khas	200,000
2	Madrassa at Shamsabad	100,000
3	Const of Masjid Golr Damil	200,000
4	Repair of Masjid Khairabad Pothindeh Madrastul Banat Shamsabad Madrassa Khatijatul Kubra Shahnighar	1,300,000
5	Const of Masjid Langrobat Payeen	300,000
6	Construction of room at Dispensary Damil Nisar	500,000
7	Const of link road kuurdam	400,000
8	Repair of Madrassa Tar, Tnigle, Masjid Balpanj, Madaklasht, Kalas & Birgah Nisar	95,000
9	Const of link road Kalkatak & Jinjirate	500,000
10	Protection Wall at Beori	150,000
11	Repair of link road Kaldam Bala, Kesudeh, Shahnighar, Khairabad, Laei and Banjal Bothinindeh	1,450,000
12	Repair of Irrigation Channel Arandu Lasht/ Goyi	300,000
13	Repair of Masjid Chkurjat at Birrga Bala	200,000
14	Repair of Masjid Qurba at Kesu Deh bala	200,000
15	Sanitiation scheme Schems at Aliy Dap	270,000
16	Repair of Darul ulum Drosh, Masjid Kim	1,100,000
17	Masjid Tawheedabad, Masjid Umar Farooq Kharabad	600,000
18	Restoration of road ashirate Khas	150,000
19	Sanitation Scheme at Drosh-ii	600,000
Total		8,615,000

Annex-10
Para No. 3.5.1.3

Detail of receipts TMA Chitral

S. No.	Source of Income	Bid Amount	Receipt up to 6/2020	Less receipts
01	Adda fee	4,200,000	2,130,000	2,070,000
02	Slaughter House	530,000	346,911	183,089
03	Public Latrine	51,000	7,650	43,350
04	Poultry fee	1,700,000	1,286,614	413,386
05	Sign Board fee	310,000	45,150	264,850
06	Shoukat flyChoachstand	60,000	57,000	3,000
07	Nazirullah bus stand	36,000	12,500	23,500
08	Muneer Travel service	36,000	19,000	17,000
09	AttaliqAdda	48,000	46,000	2,000
10	Waheed Ur Rehman stand	60,000	40,000	20,000
Total			3,990,825	3,040,175

Annex-11
Para No. 3.5.1.7

Detail of 10% penalty TMA Chitral

S. No.	Name of scheme	Due date of completion	Actual date of completion	Estimated cost (Rs)	Penalty @ 10% of E. Cost (Rs)
01	Const of protection wall ShiekhanandehRumboor	11.10.2019	Still in progress/ no completion report	150,000	15,000
02	Improvement of Senior Citizen Center Susoom	11.10.2019	Still in progress/ no completion report	100,000	10,000
03	Provision of cement	11.10.2019	Still in progress/ no completion report	100,000	10,000
04	Improvement of pipe at prayetkoghozi Mori	10.10.2019	Still in progress/ no completion report	146,000	14,600
05	Provision of pipe Dumoon	10.10.2019	Still in progress/ no completion report	100,000	10,000
06	Repair of Mosque Susoom	11.10.2019	Still in progress/ no completion report	100,000	10,000
07	Provision of solar lift Irrigation System NoghorgiOrghodeh	11.11.2019	Still in progress/ no completion report	1,200,000	120,000
08	Repair of damaged rooms at GMS KhurkashanDeh	10.10.2019	Still in progress/ no completion report	240,000	24,000
09	Street pavement chewdok	10.10.2019	Still in progress/ no completion report	300,000	30,000
10	HT/LT Pole in Chitral	10.10.2019	Still in progress/ no completion report	450,000	45,000
11	Repair of District Council Chitral	10.11.2019	Still in progress/ no completion report	1,000,000	100,000
12	Const of Dug Well (Solar/ Simpla) Danin	10.11.2019	Still in progress/ no completion report	1,500,000	150,000
13	Repair of Transformer in Chitral	11.11.2019	Still in progress/ no completion report	1,000,000	100,000
14	Provision of sports kits Ayun	11.10.2019	Still in progress/ no completion report	800,000	80,000
15	Const of 1 additional room GMS Rumboor	10.11.2019	Still in progress/ no completion report	740,000	74,000
16	Repair of Masjid Markaz E Islamia	11.11.2019	Still in progress/ no completion report	700,000	70,000
17	Repair of Dug Well KolPayeen	10.10.2019	Still in progress/ no completion report	100,000	10,000
18	Provision of Solar System at Jail	10.10.2019	Still in progress/ no completion report	150,000	15,000
19	Const of rooms at AchinGole	10.11.2019	Still in progress/ no	500,000	50,000

			completion report		
20	Const of link road ReshneghannanDehOrgoch	10.11.2019	Still in progress/ no completion report	500,000	50,000
21	Const of room at GHS Chumurkhon	10.11.2019	Still in progress/ no completion report	800,000	80,000
22	Const of link road at DokChumorkhon	10.11.2019	Still in progress/ no completion report	500,000	50,000
23	Const of room at GGMS Chumurkhon	10.11.2019	Still in progress/ no completion report	800,000	80,000
24	Repair of Irigation channel Grombatgolebiri	10.11.2019	Still in progress/ no completion report	500,000	50,000
25	Repair of GGDC Hal Chitral	10.11.2019	Still in progress/ no completion report	800,000	80,000
26	Const of addt room at GMPS SehkhananDehBomburate	10.11.2019	Still in progress/ no completion report	740,000	74,000
27	Improvement of pipeline Thingshion	11.11.2019	Still in progress/ no completion report	400,000	40,000
28	Improvement of pipe GhaxandehDanin	11.11.2019	Still in progress/ no completion report	250,000	25,000
29	Improvement of channel Khurkashandeh	10.10.2019	Still in progress/ no completion report	200,000	20,000
30	Improvement of Channel PraitBala	18.10.2019	Still in progress/ no completion report	150,000	15,000
31	Upgradation pipe line Orghouch	10.10.2019	Still in progress/ no completion report	200,000	20,000
32	Repair of WSS Saddam SholArkari	10.10.2019	Still in progress/ no completion report	200,000	20,000
33	Const of protection wall river chitral side at GankoriniSingoor	10.10.2019	Still in progress/ no completion report	200,000	20,000
34	Repair of MadarsaMogholandehBala	10.10.2019	Still in progress/ no completion report	200,000	20,000
35	Provision of pipe VC Danin	11.10.2019	Still in progress/ no completion report	90,000	9,000
36	Provision of pipe DirAyunSahen	11.10.2019	Still in progress/ no completion report	480,000	48,000
37	WSS DaninGOle Sami	11.10.2019	Still in progress/ no completion report	80,000	8,000
38	Repair of pipeline Moghlandeh	10.12.2019	Still in progress/ no completion report	96,000	9,600
39	Provision of pipe line1-1/4 at Shalden	17.11.2019	Still in progress/ no completion report	370,000	37,000
40	Improvement of pipe Shoghore Mori	10.10.2019	Still in progress/ no completion report	200,000	20,000
41	Provision of irrigation channel	10.10.2019	Still in progress/ no completion report	100,000	10,000

42	DWSS Seen KuloomBroze	10.10.2019	Still in progress/ no completion report	100,000	10,000
43	Repair Masjid Bakaraabad	10.10.2019	Still in progress/ no completion report	100,000	10,000
44	Repair of CJ House Chitral	16.10.2019	Still in progress/ no completion report	400,000	40,000
45	Repair of Irrigation Channel Rumboor	11.10.2019	Still in progress/ no completion report	200,000	20,000
46	Repair of Channel Mori LashtBala	11.10.2019	Still in progress/ no completion report	100,000	10,000
Total				18,132,000	1,813,200

Annex-12
Para No. 3.5.1.5

Detail of bank profit TMA Drosh

S. No.	Name of Bank	Account No.	Date of profit credited	Amount
1	The Bank of Khyber Drosh	00853-00-3	10.07.2019	9,205
2	--do--	--do--	10.07.2019	4,703
3	--do--	--do--	10.07.2019	3,241
4	--do--	--do--	10.07.2019	4,474
6	--do--	--do--	09.01.2020	3,844
7	--do--	--do--	09.01.2020	998
8	--do--	--do--	09.01.2020	10,519
9	--do--	--do--	09.01.2020	22,366
10	--do--	--do--	09.01.2020	15,368
11	--do--	--do--	09.01.2020	37,800
12	--do--	--do--	08.07.2020	149,781
13	--do--	--do--	08.07.2020	119,231
14	--do--	--do--	08.07.2020	109,232
15	--do--	--do--	08.07.2020	85,981
16	--do--	--do--	08.07.2020	59,237
17	--do--	--do--	08.07.2020	49,376
Total				685,356

Annex-13
Para No. 4.5.1.4

Detail of TS AD LGE & RDD

S. No.	Name of Scheme	Name of contractor	E. Cost (Rs)
1	Provision and installation of poles and conductors at Drosh Gol	Kosh Azam	1315000
2	Repair and const: of irreg:Channel ,owir arkeri,	Rehmat Jalal	4,000,000
3	Const: of Link Road at sherati,Shishiko	Habibullah	2,000,000
4	Renovation & improvement of Sajgor Rumbor	Syed Jawad Ali Shah	1,000,000
5	Renovation & improvement of Drasgurl jastikhans (temple)	Syed Jawad AlShah	1,000,000
6	Improvement and rehabilitation of residential colony of minorities village batrik	M/S Zakirullah const:	3,000,000
7	Renovation & improvement of Aspar Birir jastikhans temple	Habib ur Rehman	2,500,000
8	Improvement and rehabilitation of residential colony of minorities village rambore	M/S Zakirullah const:	3,000,000
9	Improvement and rehabilitation of residential colony of chiristion community	M/S Sohail Ahmad	3,000,000
10	Renovation and improvement of Bashali rumbore	Sayed Jawad Hussain	6,000,000
11	Renevation and improvement Warian Barrier	Rahmat ayaz	500,000
Total			27,315,000

Annex-14
Para No. 4.5.1.2

Detail of award of works on abnormal below rates AD LGE & RDD

S. No.	Name of Scheme	Name of contractor	E. Cost (Rs)	Percentage Below
1	Const: of Link Road at sherati, Shishiko	Habibullah	2,000,000	43.07
2	Renovation & improvement of Sajgor Rumbor	Syed Jawad Ali Shah	1,000,000	45.10
3	Renovation & improvement of Bihal Birir	Habib Ur Rehman	3,000,000	42.75
4	Renovation & improvement of Mandew Barir	Zakirullah	1,000,000	42.20
5	Renovation & improvement of Drasgurl jastikhans (temple)	Syed Jawad AlShah	1,000,000	45.08
6	Renovation & improvement of Karkal jastikhans temple	Habibur rehman	1,500,000	42.75 1
7	Renovation & Rehabilitation of residential Area at village guru birir	Zakirullh	3,000,000	41.5 1
8	Renovation & improvement of Hingaw Batrik	Rehmat Ayaz	500,000	40.00,
9	Const: of boundary wall around grave yard of kalash community	Sayed Jawad Hussain Shah	1,000,000	41.98
10	Improvement and rehabilitation of residential colony of minorities village batrik	M/S Zakirullah const:	3,000,000	41.05
11	Renovation & improvement of Aspar Birir jastikhans temple	Habib ur Rehman	2,500,000	42.75 1
12	Improvement and rehabilitation of residential colony of minorities village rambore	M/S Zakirullah const:	3,000,000	41.20
13	Renovation and improvement of Bashali rumbore	Sayed Jawad Hussain	6,000,000	45.10
14	Renevation and improvement Warian Barrier	Rahmat ayaz	500,000	40.00
Total			29,000,000	

Annex-15
Para No. 4.5.1.3

Detail of 10% penalty AD LGE & RDD

S. No.	Name of Scheme	Date of work order	E. Cost (Rs)	Penalty (Rs)
1	Provision and installation of poles and conductors at Drosh gol	27/10/2016	1,315,000	131,500
2	Repair and const: of irreg:Channel ,owir arkeri,	5/3/2018	4,000,000	400,000
3	Const: of Link Road at sherati,Shishiko	5/3/2018	2,000,000	200,000
4	Renovation & improvement of Sajgor Rumbor	15/4/2019	1,000,000	100,000
5	Renovation & improvement of Bihal Birir	15/4/2019	3,000,000	300,000
6	Renovation & improvement of Mandew Barir	17/5/2019	1,000,000	100,000
7	Renovation & improvement of Drasgurl jastikhans (temple)	15/4/2019	1,000,000	100,000
8	Renovation & improvement of Karkal jastikhans temple	22/4/2019	1,500,000	150,000
9	Renovation & Rehabilitation of residential Area at village guru birir	15/4/2019	3,000,000	300,000
10	Renovation & improvement of Hingaw Batrik	17/5/2019	500,000	50,000
11	Const: of boundary wall around grave yard of kalash community	17/5/2019	1,000,000	100,000
12	Improvement and rehabilitation of residential colony of minorities village batrik	17/5/2019	3,000,000	300,000
13	Renovation & improvement of Aspar Birir jastikhans temple	25/9/2019	2,500,000	250,000
14	Improvement and rehabilitation of residential colony of minorities village rambore	17/5/2019	3,000,000	300,000
15	Improvement and rehabilitation of residential colony of chirstion community	17/5/2019	3,000,000	300,000
16	Renovation and improvement of Bashali rumbore	25/9/2019	6,000,000	600,000
17	Renevation and improvement Warian Barrier	15/5/2019	500,000	50,000
Total			37,315,000	3,731,500