



**AUDIT REPORT
ON
THE ACCOUNTS OF
LOCAL GOVERNMENTS**

DISTRICT CHITRAL

AUDIT YEAR 2019-20

AUDITOR GENERAL OF PAKISTAN

TABLE OF CONTENTS

ABBREVIATIONS AND ACRONYMS	i
Preface	ii
EXECUTIVE SUMMARY	iii
Chapter 1	1
1.1 Sectoral Analysis	1
Chapter 2	8
District Government.....	8
2.1 Introduction	8
2.2 Comments on Budget and Accounts (Variance Analysis).....	9
2.3 Classified Summary of Audit Observations	10
2.4 Comments on the status of compliance with District Accounts Committee Directives	11
2.5 AUDIT PARAS.....	12
2.5.1 Fraud and Misappropriation	12
2.5.2 Irregularities	14
HR related irregularities	14
Management of Accounts with Commercial Banks	24
2.5.3 Value for money and service delivery issues	27
2.5.4 Others	31
CHAPTER-3	35
Tehsil Municipal Administration.....	35
3.1 Introduction.....	35
3.2 Comments on Budget and Accounts (Variance Analysis)	36
3.3 Classified Summary of Audit Observations	37
3.4 Comments on the status of compliance with Tehsil Accounts Committee Directives	37
3.5 AUDIT PARAS.....	38
3.5.1 Irregularities	38
Chapter 4	44
Assistant Director LGE &RDD	44
4.1 Introduction	44

4.2	Comments on Budget and Accounts (Variance Analysis)	46
4.3	Classified Summary of Audit Observations	47
4.4	Comments on the status of compliance with Village/Neighborhood Accounts Committee Directives	48
4.5	Audit Paras	49
4.5.1	Irregularities	49
4.5.2	Value for money and service delivery issues	51
	Annexures	56
	Annexure-01 Detail of MFDAC Paras	56
	Annexure-2 Detail of amount drawn under various heads on fake bills.....	57
	Annexure-3 Detail of Overpayment of HPA.....	59
	Annexure-4 Detail of Overpayment of RCA/CA.....	60
	Annexure-5 Detail of non supply of medicines.....	61
	Annexure-6 Detail of penalty for late supply of Medicines.....	66
	Annexure-7 Detail of plance of PTC funds in current bank accounts	67
	Annexure-8 Detail of non deposit of Helath Receipts	68
	Annexure-09 Detail of State Land in District Chitral not awarded on lease.....	69
	Annexure-10 Detail of Unauthentic payment of Land Acquisition.....	70
	Annexure-11 Detail of irregular expenditure on HDPE Pipes.....	71
	Annexure-13 Detail of Penalty for late completion of developmental schemes ..	73
	Annexure-14 Detail of Penalty for late completion of developmental schemes ..	74
	Annexure-15 Detail of works arwarded on abnormal below rates	76
	Annexure-16 Detail of Blockage of Developmental fund	77
	Annexure-17 Detail of unauthorized advance payment.....	78
	Annexure-18 Detail of Penalty AD LGRDD Chitral.....	79
	Annexure-19 Detail of non adjustment of income tax in developmental works ..	80
	Annexure-20 Detail of expenditure without TS by AD LGRDD Chitral	81

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	Durg 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 2018-19. The Director General of Audit, District Governments, Khyber Pakhtunkhwa conducted audit during 2019-2020 on test check basis with a view to report significant findings to the relevant stakeholders. The main body of the audit report includes 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 repeated requests.

The Audit Report is submitted to the Governor, Khyber Pakhtunkhwa in pursuance of Article 171 of the Constitution of the Islamic Republic of Pakistan, 1973 read with Section 37 of Khyber Pakhtunkhwa Local Government Act, 2013 for laying before the appropriate legislative forum.

Islamabad
Dated:

(Javaid Jehangir)
Auditor General of Pakistan

EXECUTIVE SUMMARY

The Directorate General Audit District Governments, Khyber Pakhtunkhwa carries out the audit of Local Governments in 27 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 and Chitral.

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 consist of three tiers which perform their operations under Khyber Pakhtunkhwa Local Government Act 2013. 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 100 VC's/NC's in district Chitral.

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. 4,390.36 million and Rs.13.125 million respectively for the financial year 2018-19.

Audit coverage relating to expenditure for the current audit year comprises 17 formations of 04 PAOs having a total expenditure of Rs.1,236.900 million for the financial year 2018-19. In terms of percentage, the audit coverage for expenditure is 28.17% 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.13.125 million for the

financial year 2018-19. 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.27.008 million was pointed out in this report. No recovery against these figures was reported.

c. Audit Methodology

Audit was conducted after understanding the business processes of Local Governments Chitral with respect to their functions, control structure and key controls. This helped auditors in understanding the systems, procedures, environment of the audited entity before starting the audit. Audit used desk audit techniques for analysis of compiled data and review of actual vouchers called for scrutiny and substantive testing.

d. Audit Impact

As a result of Audit no substantial impact was noticed as the management did not convene the DAC meeting. The departments were 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.

e. Comments on Internal Control and Internal Audit department

INTOSAI defines the internal control structure as the plans and action of an organization, including management's attitude, methods, procedures and other measures that provide reasonable assurance that the following general objectives are achieved:

- i. Assets are safeguarded against loss due to waste, abuse, mismanagement, errors, fraud and other irregularities.
- ii. Laws, regulations and management directives are complied with; and
- iii. Reliable financial and management data are developed, maintained and fairly disclosed in timely reports.

In most of the offices the internal controls were overridden by the management specifically in appointments, procurement of goods and services, deduction of taxes and recovery of government receipts etc. Another basic component of internal control, as envisaged under section 37(4) of LGA 2013, is internal audit which was not found in place in the Local Governments Chitral.

f. Key audit findings of the report

- i. Non compilation/Consolidation of Accounts of Local Governments- Rs.85.651 million¹
- ii. Misclassification of Developmental Expenditure of Rs. 107.242 Million²
- iii. Missappropriation was noted in 01 case amounting to Rs. 3.481 million.³
- iv. Irregularities & Non-Compliance were noted in 15 cases amounting to Rs. 211.206 million.⁴
- v. Values for money were noticed in 12 cases amounting to Rs. 112.034 million.⁵
- vi. Others were noticed in 06 cases amounting to Rs. 448.069 million⁶

g. Recommendations

- i. Disciplinary actions need to be taken to stop the practice of violation of the rules and regulations in spending the public money.

¹ Para 1.2.1

² Para 1.2.2

³ Para 2.5.1.1

⁴ Para 2.5.2.1 to 2.5.2.11, 3.5.1.1 to 3.5.1.2 & 4.5.1.1 to 4.5.1.2

⁵ Para 2.5.3.1 to 2.5.3.4, 3.5.2.1 to 3.5.2.4 & 4.5.2.1 to 4.5.2.4

⁶ Para 2.5.4.1 to 2.5.4.4, 3.5.3.1 & 4.5.3.1

- ii. Strenuous efforts need to be made by the departments to recover long outstanding dues on account of water charges.
- iii. Deduction of taxes on supplies and contracts need to be ensured.
- iv. 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.

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, Town Municipal Administrations and Village/Neighborhood Councils were established in District Chitral. In the light of LGA 2013, District Chitral is headed by Deputy Commissioner who is Principal Accounting Officer of the budget grant allocated to the 10 offices devolved at district level. Similarly, Town Municipal Administration is headed by Town 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. 5,005.72 million were allocated to 113 formations working under 04 PAOs. Out of which, expenditure of 4,390.36 million was made resulting into saving of Rs. 622.387 million. Receipts of Rs. 13.125 million were collected through these formations during the financial year 2018-19. Audit coverage relating to expenditure for the current audit year comprises 17 formations of 04 PAOs having a total expenditure of Rs. 1,236.900 million for the financial year 2018-19. In terms of percentage, the audit coverage for expenditure is 28.17% 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. 173.144 million into the consolidated financial statement of Local Government, Chitral. Similarly, the development expenditure of Rs. 107.242 million was presented under operating expenses, whereas, this should have been presented under the head “Physical Assets and Civil Works”.

District Government, Chitral 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 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 with prescribed format and necessary trainings to compile the accounts of TMAs and Village/Neighbourhood 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 656 primary, 83 middle, 76 secondary and 04 higher secondary schools in District Chitral. 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 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 District ADP and non salary budget as only 21% of District ADP and 74.40 % 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 54,688 in boys schools while 20,901 students were enrolled in female Government schools. Similarly, annual average of teacher's attendance rate and student attendance rate as per Independent Monitoring Unit (IMU) data were approximately 90% & 84% respectively. Furthermore, 76% schools in district Chitral were provided with all basic facilities like classrooms, water supply, group latrine, boundary walls and electrification against the target of 95% which shows that the target of provision of basic facilities was not achieved which ultimately suffered the poor students of 19% schools without provision of all basic facilities. Moreover, administrative visits of DEO, DDEO and SDEO were 46%.

Health

Health is another important sector of District Chitral with a total of 65 health facilities spread across the district, among which 04 are urban while the rest are rural based. Their further break-up is 19 BHUs, 33 CDs, 2 MCH Centres, 2 TB Clinics, 3 THQ Hospitals and 6 RHC with the total catchment area population of approximately 509,275.

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, 4,884 babies were born in health facilities. Out of them, 19 infant and 4 maternal deaths were recorded. Lab investigations and diagnostic facilities were also utilized as 77,891 lab tests, 15,096 X-rays, 5,002 ultrasounds and 3,348 ECGs were done in both primary and secondary health facilities in district Chitral. Figures of immunization from EPI

register shows 7,332/74% women and children received full immunization during 2018-19. 31,213 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. 4.822 which result in a shortfall of Rs. 11.177 million.

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 2018-19 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.85.651 million

Criteria

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.

Condition

During certification audit of the accounts of the DAO Chitral for the financial year 2018-19, 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. 85.651 million and Rs. 173.144 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.

Cause

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

Implication

Due to non-consolidation of accounts of TMAs and VCs/NCs the financial statements of local government remained incomplete which led to disclaimer of audit opinion.

DAC Decision

Para stands till correction of this omission.

Recommendation

Necessary action needs to be taken for the consolidation of Local Government Accounts into District Accounts.

1.2.2 Misclassification of developmental expenditure of Rs.107.242 million**Criteria**

According to Para 4.1.1.3 of APPM the accounting treatment details the record which needs to be maintained for complete and accurate recording of expenditure and receipts.

Condition

During certification audit of the accounts of the DAO Chitral for the financial year 2018-19, audit observed that the statement of cash receipts and payment did not show the correct position as the development expenditure of Rs. 107.242 million was presented under operating expenses, whereas, this should have been presented under the head “Physical Assets and Civil Works”.

Cause

The District Officer Finance and Planning Chitral budgeted the developmental expenditure under the head A 03970- others, meant for operating expenses. Resultantly expenditure was also booked by the DAO under the same head of accounts.

Implication

Due to misclassification in budgeting the expenditure was also misclassified under a irrelevant head of account. This action resulted into overstatement of expenditure and understatement of physical assets, thus rendering the financial statement as not presenting the true and fair picture.

DAC Decision

Para stands till correction of this omission.

Recommendation

The budgeting practices of the district govt. be rectified in future to enhance the truthfulness and reliability of the financial statements.

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 2018-19	Revenue /Receipts audited FY 2018-19
1	Formations	10	4	992.156	0
	Total	10	4	992.156	0

2.2 Comments on Budget and Accounts (Variance Analysis)

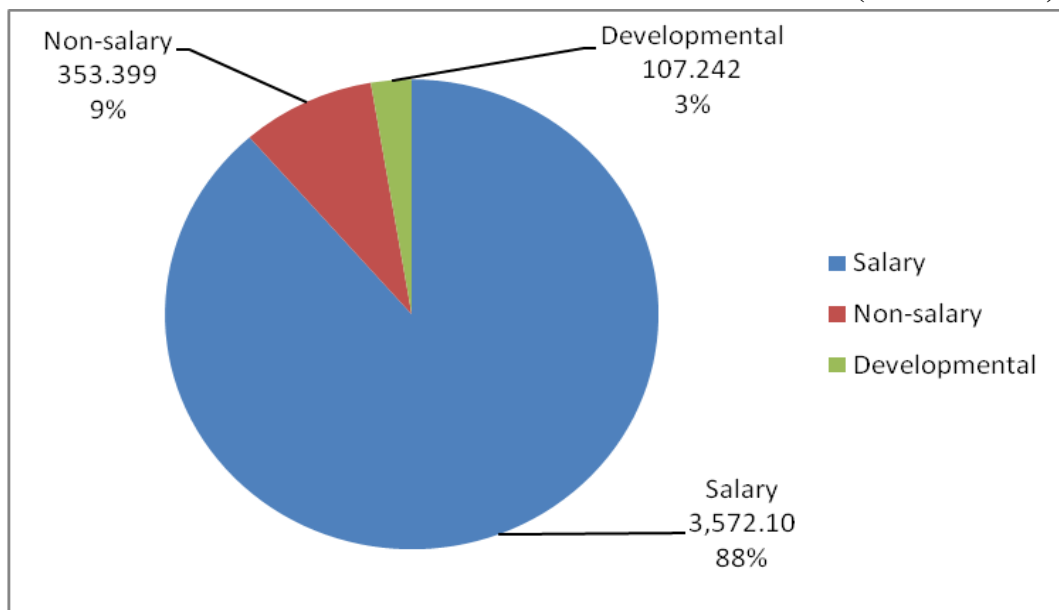
(Rs. in million)

District Government Chitral				
2018-19	Budget	Actual Expenditure/ Receipts	(Saving)/Excess	%age
Salary	3,887.384	3,572.102	315.282	8.11
Non-salary	391.265	353.399	37.865	9.67
Developmental (A/C-IV)	279.493	107.242	172.250	61.62
Developmental (A/C-I)	0	0	0	-
Total	4,558.142	4,032.743	525.397	11.52
Receipts	0	0	0	0

The savings of Rs. 525.397 million indicate inefficiency in the capacity of District Government Departments to utilize the amount allocated.

EXPENDITURE 2018-19

(Rs. in million)



2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs. 648.839 million were raised in this audit report. This amount also includes recoverables of Rs. 23.929 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	3.481
2	Irregularities	0
A	HR/Employees related irregularities	22.785
B	Procurement related irregularities	107.546
C	Management of Accounts with Commercial Banks	43.036
3	Value for money and service delivery issues	60.382
4	Others	411.609
	Total	648.839

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 Fraud and Misappropriation

2.5.1.1 Misappropriation amounting to Rs. 3.481 million

Section 41 of Local Government Act 2013 provides, “every official or servant of a local government, every member of a local council, and every person charged with administration and management of property of a local Government shall be personally responsible for any loss or waste, financial or otherwise, of any property belonging to a local Government which is a direct consequence of decisions made by him personally or under his directions in violation of this Act or any other law for the time being in force or which accrues Khyber Pakhtunkhwa Local Government Act, 2013 as a result of his negligence or misconduct, and shall be liable to pay such surcharge as may be determined by the respective Accounts Committee and such amount shall be recoverable as arrears of land revenue.

District Health Officer Chitral drew Rs. 3,000,552 under various heads during 2018-19. However, the units record shows that they had not received the amount under the concerned heads. The amount was just withdrawn and misappropriated. Detail at Annexure-2.

Moreover, Rs. 427,004 was drawn vide Cheque No.0580430 and 0580423 dt.25.06.2019 on account of purchase of various life saving drugs from Atizaz Medical Store Chitral. However, the store records shows that the medicines were not supplied and the amount drawn on fake bills.

Misappropriation occurred due to weak internal controls, which resulted in loss to Government.

When pointed out in August 2019, the management stated that reply would be submitted after scrutiny of record. However, no detail reply was furnished till finalization of this report.

Request for convening DAC meeting was made in September 2019, which was not convened till finalization of this report.

Audit recommends inquiry into the matter.

AIR Para No.11 & 12/DHO/ (2018-19)

2.5.2 Irregularities

HR related irregularities

2.5.2.1 Non deduction of HPA and Rural Compensatory Allowance in Urban Areas- Rs. 2.257 million

According to Finance department regulation wing notification No.FD(SOSR-II)8-18/2016 dated 07.01.2016, health professional allowance for MOs/dental surgeon is Rs. 82,000 in urban areas and Rs. 92,000 in rural areas working in category-C districts.

District Health Officer Chitral failed to deduct Rs. 2,257,600 on account of Health Professional Allowance and Rural Compensatory Allowance from various Doctors posted at THQ Hospitals located in Tehsil Headquarters during the year 2018-19 as per detail attached at Annexure-3 & 4.

Non deduction occurred due to weak internal control, which resulted in overpayment.

When pointed out management stated that detail of recovery would be submitted after scrutiny of record. Reply was not tenable as recovery proofs was provided till finalization of this report.

Request for convening DAC meeting was made in September 2019, which was not convened till finalization of this report.

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

AIR Para No.23/DHO/ (2018-19)

2.5.2.2 Unauthentic expenditure on contingent paid staff and other contingencies– Rs. 12.163 million

According to Rule 130 of CTR, money may not be withdrawn from the public exchequer without presentation of bills. Para 296 of CTR requires that the

controlling officer shall be responsible for seeing that the expenditure included in the bills, are of obvious necessity and are at fair and reasonable rates. Sanction and the requisite vouchers are all received and in order. The calculation is correct and the grants have not been exceeded over allotment.

District Health Officer Chitral transferred Rs. 12,163,531 to AKHSP (Agha Khan Health Service Pakistan) under Account-IV, however relevant record of expenditure was not available to verify the expenditure. Detail is as under:

S.No.	Name of Unit	Expenditure Head	Total Expenditure (Rs.)
1	RHC Shahgram	Contingent Paid Staff	2463,504
	-do-	Other Contingencies	1,083,660
		Total	3,547,164
2	RHC Mastuj	Contingent Paid Staff	1228,275
	-do-	Other Contingencies	770,000
		Total	1,998,275
3	THQ Garamcheshma	Contingent Paid Staff	4,633,692
	-do-	Other Contingencies	1,984,400
		Total	6,618,092
		G.Total	12,163,531

Unauthentic expenditure occurred due to weak financial management, which resulted in violation of rules.

When pointed out in August 2019, the management stated that a letter to this effect has been sent to the Manager AKHSP Chitral for provision of record. Reply was not satisfactory as record of expenditure was not provided till finalization of this report.

Request for convening DAC meeting was made in September 2018, which was not convened till finalization of this report.

Audit recommends investigation of the matter and action against the person(s) at fault.

AIR Para No.21/DHO (2018-19)

**2.5.2.3 Wasteful expenditure on salaries and contingency of Leprosy staff
Rs. 5.355 million**

Section 41 of Local Government Act 2013 provides, “every official or servant of a local government, every member of a local council, and every person charged with administration and management of property of a local Government shall be personally responsible for any loss or waste, financial or otherwise, of any property belonging to a local Government which is a direct consequence of decisions made by him personally or under his directions in violation of this Act or any other law for the time being in force or which accrues Khyber Pakhtunkhwa Local Government Act, 2013 as a result of his negligence or misconduct, and shall be liable to pay such surcharge as may be determined by the respective Accounts Committee and such amount shall be recoverable as arrears of land revenue.

District Health Officer Chitral incurred an expenditure of Rs. 5,355,279 under the head “Other Hospitals” during 2018-19 on staff of Leprosy Centers Chitral. However the leprosy activities were closed in June 2014 and the employees are drawing salary without any activity. Moreover POL and repair of vehicle for Rs. 86,144 was shown whereas no vehicle exists as per statement of Leprosy Units In-charge. Therefore the expenditure incurred under the head was held wasteful.

Wasteful expenditure occurred due to weak managerial control which resulted in loss to government.

When pointed out in August 2019, the management stated that detail reply would be submitted. However no detail reply was furnished till finalization of this report.

Request for convening DAC meeting was made in September 2019, which was not convened till finalization of this report.

Audit recommends investigation and action against the person(s) at fault besides staff adjustment in other units for utilization of their services.

AIR Para No.19/DHO/ (2018-19)

2.5.2.4 Unauthentic expenditure on account of Polio campaign -Rs. 3.010 million

According to Rule 130 of CTR, money may not be withdrawn from the public exchequer without presentation of bills. Para 296 of CTR requires that the controlling officer shall be responsible for seeing that the expenditure included in the bills, are of obvious necessity and are at fair and reasonable rates. Sanction and the requisite vouchers are all received and in order. The calculation is correct and the grants have not been exceeded over allotment.

District Health Officer Chitral drew Rs. 3,010,000 on account of Polio Campaign during 2018-19. However, no record was available to verify the expenditure.

Unauthentic payment occurred due to weak internal control which resulted in violation of rules.

When pointed out management stated that detail reply would be submitted after consultation of EPI Coordinator. However, no detail reply was furnished till finalization of this report.

Request for convening DAC meeting was made in September 2018, which was not convened till finalization of this report.

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

AIR Para No.20/DHO (2018-19)

Procurement related irregularities

2.5.2.5 Non-transparent procurement amounting to – Rs. 17.034 million and non imposition of penalty - Rs. 1.703 million

According to Rule 06 of the Khyber Pakhtunkhwa Public Procurement of Goods, Works and Services Rules 2014, the procuring entity shall use open competitive bidding as the principal method of procurement for the procurement of goods over the value of Rs. 100,000 (rupees one hundred thousand).

According to para 6 of the agreements, payment will be made to the suppliers on the production of delivery challan of the item duly signed by the responsible person of the related school with certificate that the items have been delivered to the schools in good condition.

District Education Officer (Female) Chitral drew Rs. 17,034,161 on account of purchase of furniture and science equipments during 2018-19. The following irregularities were noticed.

01. Open tender system was not adopted to achieve economical rates.
02. The local office made advance payment to the suppliers.
03. Penalty amounting to Rs. 1,703,414 was not imposed on the contractors on late supply.
04. The supplier of science equipments was not registered with KPRA.
05. Agreement was not executed with the supplier of science equipments.

Detail is as under:

Particular	Name of firm	Total Amount (Rs.)	Penalty @ 10% (Rs.)
School Furniture	Raza Trader	7,404,270	740,427
School Furniture	Danyal Traders	6,691,940	669,194
Science Equipments	Ali Scientific Store Lahore	1,260,239	126,023
Science Equipments	Frontier Trading Batkhela	268,409	26,840
Science Equipments	New Rahmat trader	1,409,303	140,930
	Total	17,034,161	1,703,414

Non adoption of open tender system, advance payment and late supply occurred due to weak financial control which resulted in violation of rules and loss to the Government.

When pointed out in August 2019, the management stated that the supply process is in final stage and will be completed in fifteen days. Reply was not convincing as no delivery challan was shown to audit.

Request for convening DAC meeting was made in September 2019, which was not convened till finalization of this report.

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

AIR Para No.01&02/DEO(F) (2018-19)

2.5.2.6 Irregular payment of Rs.56.682 million and non-imposition of penalty Rs.5.66 million

According to Clause 5 sub clause 3 of the contract agreement executed with the supplier if 100% supply of the order items to the government school is not completed within time line (2 month) the rate of 2% penalty per month on the approved value rate of the undelivered quantity of the items.

District Officer Education (Male) Chitral paid Rs. 56,682,085 for purchase of furniture and science equipment's with supply period of 02 months.i.e. 15-01-2019. Penalty at the rate of 10% amounting to Rs. 5,668,206 was not imposed. Detail as under: -

Particular	Name of firm	Date of Supply Order	Total Amount (Rs.)	Penalty (Rs.)
School Furniture	Raza Trader	15-11-2018	25,243,675	2,524,367
School Furniture	Danyal Traders	15-11-2018	25,259,825	2,525,982
Science Equipments	Ali Scientific Store Lahore	Nil	819,737	81,973
Science Equipments	Frontier Trading Batkhela	Nil	241,074	24,107

Science Equipments	New Rahmat Trader Swat	Nil	5,117,774	511,777
		Total	56,682,085	5,668,206

Non imposition of penalty occurred due to weak administrative control which resulted in loss to government.

When pointed out in August 2019, the management stated that the penalty will be recovered from the suppliers and report will be submitted. Reply was not convincing as no evidence was shown to audit.

Request for convening DAC meeting was made in September 2019, which was not convened till finalization of this report.

Audit recommends to recovered the amount of penalty from the person(s) at fault

AIR Para No.01 & 04/DEO(M) (2018-19)

**2.5.2.7 Unauthentic purchase of medicines without observing MCC rules
Rs. 18.440 million**

According to Para 6 of the Government MCC Khyber Pakhtunkhwa Peshawar No 1805-1909/DD dated 11/09/2018, the procuring entity shall arrange to obtain samples from each batch of the supplied drugs/medicines through notified drug inspectors concerned and send to the concerned Drug testing Laboratory for Test/ Analysis as provided in the drug Act 1976 and according to Para 6 the purchasing entity shall submit reports regarding the clinical efficacy of the Government approved brands of medicines, surgical disposables & other non drug items used at their ends, on the format enclosed with this letter. This report is mandatory and in case of failure, disciplinary action will be initiated against the head of the purchasing entity.

District Health Officer Chitral purchased medicines amounting to Rs. 18,439,810 from various suppliers during 2018-19. Neither DTL reports were provided for verification to ensure authenticity/standard of medicines nor clinical efficacy report of the medicines submitted to the competent authority. Moreover,

the medicines were issued to health units without confirmation of its standard from Drug Testing Laboratory which was illegal. Detail of medicines purchase is as under:

S#	Head	Purchase detail	Amount (Rs.)
1	THQ Hospitals	Purchase of Medicines	1,942,142
2	Civil Dispensaries	--do--	1,355,481
4	RHCs	--do--	1,980,000
5	BHUs	--do--	11,734,546
7	MCH	--do--	329,999
8	TBC	--do--	769,638
9	Administration	Purchase Life saving medical supplies	328,004
		Total	18,439,810

Unauthentic purchase of medicines occurred due to weak managerial control, which resulted in violation of government instructions.

When pointed out in August 2019, the management stated that samples have been sent to the Drug Testing Laboratory and reports will be submitted as and when received. Reply was not satisfactory as no DTL report was provided till finalization of this report.

Request for convening DAC meeting was made in September 2019, which was not convened till finalization of this report.

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

AIR Para No.16/DHO (2018-19)

2.5.2.8 Non supply of medicines - Rs. 7.527 million and non imposition of penalty - Rs. 142,868

According to para 22 of Government MCC Rate Contract agreement issued vide Director General Health Services Khyber PakhtunKhwā Peshawar letter No 1805-1909/DD (Preq/Reg/Drugs) dated 11/09/2018. The Supplier agrees that the supply of the ordered goods under this agreement shall be completed by the Supplier within thirty (30) days after the receipt of supply order/s from the Purchasing Agency, except in situation covered under clause-21 above regarding Force Majeure. In case of delay in supplies reaching to the

Purchasing Agency, shall impose penalties @ 3% and 7% upon the Supplier up to sixty days and in case of delay in supply beyond sixty days, as in clause-22(b) above, the supply order issued by the Purchasing Agency shall stand cancelled by forfeiting the bids security and / or performance guarantee and debarring the supplier for three (03) years and initiating the process for recommending permanent blacklisting of the supplier.

District Health Officer Chitral incurred expenditure of Rs. 7,527,587 on account of purchase of medicines. Medicines were not supplied within the stipulated period of time. No legal action under the MCC clause was initiated. Moreover, penalty amounting to Rs. 142,868 was not recovered on late supply of medicine amounting to Rs. 2,197,756. Detailed at Annexure-5 & 6.

Non supply of medicines occurred due to weak financial management, which resulted in loss to Government.

When pointed out in August 2019, the management stated that penalty will be recovered from the suppliers at the time of payment as and when supply completed. Reply was not satisfactory as the amount was drawn in advance without supply of medicines in violation of MCC rules.

Request for convening DAC meeting was made in September 2019, which was not convened till finalization of this report.

Audit recommends legal action against the suppliers as per MCC Rules besides recovery of penalty and action against the person(s) at fault.

AIR Para No.14 & 15/DHO/ (2018-19)

2.5.2.9 Loss due to unauthorized purchase of luxury vehicle – Rs. 7.863 million

According to Local Government Elections & Rural Development Department Government of Khyber Pakhtunkhwa, letter No.SO (Dir)/ LG/ Purchase of Vehicles/AAC/2017/35 dated 7th February, 2017, Para (i) that the

proposed purchase of new vehicles should be in accordance with the entitlement of the Additional Assistant Commissioners as per transport committee report of Administration Department i.e. Entitlement of AAC in District Chitral is Jimny Jeep 4x4 as per list.

According to Economy/Austerity Measures for the Financial Year 2018-19 issued by Finance Department vide letter No. BO.I/FD/5-8/2018-19 Para No.3 that there shall be complete ban on purchase of new vehicles.

Deputy Commissioner Chitral spent Rs. 7,863,000 on purchase of one fortuner vehicle for AAC Chitral from Toyota Mardan Motors during 2018-19 without observing the entitlement of the officer concerned which resulted in loss of Rs. 5,708,000. Moreover, purchase was made without obtaining approval of the Government.

Designation of Officer	Entitlement	Cost (Rs.)	Purchased vehicle	Purchased price (Rs.)	Loss (Rs.)
Additional Assistant Commissioner	Jimny 4x4	2,155,000	Fortuner 4x4 A/T 2755 CC	7,863,000	5,708,000

Unauthorized purchase occurred due to violation of Government orders which resulted in loss to the Government.

When pointed out in July 2019, the management stated that detail reply would be provided during DAC Meeting. No reply furnished by the Management.

Request for convening DAC meeting was made in September 2019, which was not convened till finalization of this report.

Audit recommends investigation and fixing responsibility on the person(s) at fault under intimation to audit.

AIR Para No.01/DC/ (2018-19)

Management of Accounts with Commercial Banks

2.5.2.10 Unauthorized placement of public fund in current bank accounts – Rs. 18.071 million

According to Government of Khyber Pakhtunkhwa Finance Department letter No.2/3(F/L)/FD/2016/Vol-X dated 10.02.2014 and subsequent reminder dated 16.03.2018 that no funds shall be placed in any commercial bank without prior approval of the Finance Department. Furthermore current accounts should be converted to PLS mode and the profit earned on Government fund shall be deposited into Government Treasury under relevant head of account immediately and not later than a week declared by the commercial bank. Failure to comply with these instructions shall be taken seriously and stern disciplinary proceedings will be initiated against the concerned officer/official.

According to Government of Khyber Pakhtunkhwa Finance Department letter No.2/3(F/L)/FD/2016/Vol-X dated 14.07.2017 Para 3(iv) that the balance in the designated bank accounts remaining on June 30th will not be available without its revival in next financial year by the Finance Department.

District Health Officer Chitral drew Rs. 18,071,464 from Government Treasury during 2018-19 and deposited in designated bank account. Moreover, the current bank account was not converted into PLS mode as per instruction of Finance department which resulted in loss to Government in shape of profit. Further revival of the said amount for utilization was required to be obtained from Finance Department Khyber Pakhtunkhwa as per criteria which was not done.

Unauthorized transfer and non conversion of account into PLS mode was occurred due to weak financial controls, which resulted in violation of rules and loss to government.

When pointed out in August 2019, the management stated that due to late release of budget, the amount was drawn from treasury and was kept in bank account for the best interest of poor patients of Chitral District. The detail of payees will be submitted. Reply was not satisfactory as the amount was drawn

and deposited in designated bank account without approval of Finance Department. Further the account was not converted into PLS mode.

Request for convening DAC meeting was made in September 2019, which was not convened till finalization of this report.

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

AIR Para No.18/DHO (2018-19)

2.5.2.11 Unauthentic expenditure on account of PTC fund and placement of fund in current accounts – Rs. 24.851 million

According to Government of Khyber Pakhtunkhwa, Elementary & Secondary Education Department letter No.SO(B&A)1-6/BCC/2018-19 dated 03.04.2019, all the District Education Officer (M&F) were directed to ensure 100% release of CRC & Petty Repair fund to the concerned schools so that they could make its utilization during the current financial year 2018-19.

District Education Officer (Male & Female) Chitral transferred an amount of Rs. 24,851,560 to PTCs, accounts of various schools, however relevant record i.e. progress report of work done, cash books, payment vouchers etc were not available to verify the expenditure as detailed below.

S#	Name of Office	Expenditure (Rs.)	Remarks
1	DEO (F)	12,425,780	Amount transferred to PTC Accounts of various schools for expenditure through PTC
2	DEO (M)	12,425,780	-do-
	Total	24,851,560	

Moreover, an amount of Rs. 8,424,793 was transferred to current designated bank accounts instead of PLS account, which was clear violation of government rules. Detail at Annexure-7.

Unauthentic expenditure occurred due to weak managerial control which resulted in violation of rules.

When pointed out in August 2019, the management stated that the PTC record will be obtained from the concerned schools. Reply was not convincing as no evidence was shown to audit till finalization of this report.

Request for convening DAC meeting was made in September 2019, which was not convened till finalization of this report.

Audit recommends investigation and action against the persons at fault under intimation to audit.

AIR Para No. 02&3/DEO(M) & 03&4/DEO(F) (2018-19)

2.5.3 Value for money and service delivery issues

2.5.3.1 Blockage of Disaster fund Rs. 55.278 million

Section 41 of Local Government Act 2013 provides, “every official or servant of a local government, every member of a local council, and every person charged with administration and management of property of a local Government shall be personally responsible for any loss or waste, financial or otherwise, of any property belonging to a local Government which is a direct consequence of decisions made by him personally or under his directions in violation of this Act or any other law for the time being in force or which accrues Khyber Pakhtunkhwa Local Government Act, 2013 as a result of his negligence or misconduct, and shall be liable to pay such surcharge as may be determined by the respective Accounts Committee and such amount shall be recoverable as arrears of land revenue.

DC Chitral received Rs. 55,278,000 on account of Disaster fund from Ex-District Council Chitral for Rehabilitation of flood affected schemes in Chitral during 2015-16. However, after lapse of four financial years i.e. till June 2019 the funds were not utilized which resulted in blockage of disaster fund and deprived the flood affected areas from rehabilitation.

Non utilization of developmental fund was due to weak financial controls which resulted in blockage of disaster fund.

When pointed out in August 2019, the management stated that necessary release will be made after fulfillment of all codal formalities as provided under the rules. Reply was not satisfactory as the fund was not utilized since 2015.

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

AIR Para No.10/DC (2018-19)

2.5.3.2 Non Utilization of autonomy fund due to weak performance of the Supervisory Officers - Rs. 1.80 Million

Section 41 of Local Government Act 2013 provides, “every official or servant of a local government, every member of a local council, and every person charged with administration and management of property of a local Government shall be personally responsible for any loss or waste, financial or otherwise, of any property belonging to a local Government which is a direct consequence of decisions made by him personally or under his directions in violation of this Act or any other law for the time being in force or which accrues Khyber Pakhtunkhwa Local Government Act, 2013 as a result of his negligence or misconduct, and shall be liable to pay such surcharge as may be determined by the respective Accounts Committee and such amount shall be recoverable as arrears of land revenue.

District Education Officer (Male) Chitral transfer Rs. 2,436,526 to Bank accounts of various schools under the heads autonomy fund during 2018-19. An amount of Rs. 634,542 was utilized during the year whereas Rs. 1,801,984 was not utilized.

Non utilization of fund occurred due to lack of interest in duties and weak performance of the officers the fund was not utilized so far, which resulted in blockage of Government money.

When pointed out t in August 2019, the management stated the record will be collected from the school and will be furnished to DAC. Reply was not convincing as irrelevant reply was given.

Request for convening DAC meeting was made in September 2019, which was not convened till finalization of this report.

Audit recommends investigation and action against the persons at fault.

AIR Para No.10/DEO(M) (2018-19)

2.5.3.3 Non deposit of health receipts- Rs. 1.038 million

According to Rules 5(c) of Khyber Pakhtunkhwa District Government Budget Rules 2016, it is responsibility of every controlling officer to ensure all sums due to Government are regularly and promptly assessed, realized and duly credited in the Public Account.

District Health Officer Chitral realized Rs. 1,525,390 on account of health receipts during financial year 2018-19 out of which Rs. 487,350 was deposited into government treasury while balance amount of Rs. 1,038,040 was not deposited. Detailed at Annexure-8.

Non deposit of government receipts occurred due to weak internal control which resulted in loss to the Government.

When pointed out in August 2019, the management stated that the amount of will be recovered from the units. Reply was not tenable as no proof of recovery was provided till finalization of this report.

Request for convening DAC meeting was made in September 2019, which was not convened till finalization of this report.

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

AIR Para No.13/DHO/ (2018-19)

2.5.3.4 Non surrender of saving of land acquisition Rs. 2.266 million

Section 41 of Local Government Act 2013 provides, “every official or servant of a local government, every member of a local council, and every person charged with administration and management of property of a local Government shall be personally responsible for any loss or waste, financial or otherwise, of any property belonging to a local Government which is a direct consequence of decisions made by him personally or under his directions in violation of this Act

or any other law for the time being in force or which accrues Khyber Pakhtunkhwa Local Government Act, 2013 as a result of his negligence or misconduct, and shall be liable to pay such surcharge as may be determined by the respective Accounts Committee and such amount shall be recoverable as arrears of land revenue.

Deputy Commissioner Chitral received Rs. 67,389,656 from XEN C&W Division Chitral on account of land compensation for Bazund Boni Road. However due to re-measurement of land the cost of land was decreased to Rs. 65,123,370 which was paid to the Assistant Commissioner Mastuj vide cheque No.87550040 dated 16.11.2018. The remaining amount of Rs. 2,266,286 (67,389,656 - 65,123,370) was not surrender to the acquiring department and still lying in the designated account of DC Chitral.

Non surrender of saving occurred due to weak financial control, which resulted in loss to Government.

When pointed out in July 2019, the management stated that the balance amount will be placed at the disposal of acquiring department or Government treasury. Reply was not satisfactory as the saving amount was not returned till finalization of this report.

Request for convening DAC meeting was made in September 2019, which was not convened till finalization of this report.

Audit recommends deposit of the amount to concerned department and action against the person(s) at fault under intimation to audit.

AIR Para No.07/DC(2018-19)

2.5.4 Others

2.5.4.1 Loss to govt due to non-award of State land on lease -Rs. 250.258 million

According to Government of Khyber Pakhtunkhwa Board of Revenue, Revenue & Estate Department Letter No. Rev:IV/4/S.Land Lease Policy / 2015/19213-62 dated 24.08.2015 that all expired lease shall be renewed at the prevalent market rates for a specified period with conditions very clearly spelled out.

Deputy Commissioner Chitral did not award Agriculture state land measuring 387 Kanal 8 Marla and 23 Nos commercial shops in Chitral Bazar valuing Rs. 250,257,926 on lease through open auction to generate revenue on one side and safeguard the state land from illegal encroachment on the other as detailed at Annexure-9.

Non award was occurred due to weak managerial control which resulted in loss to Government.

When pointed out in August 2019, the management stated that at this stage revenue record have not been handed over to this office. Para relates to settlement officer. Reply was not satisfactory as all lease cases are prepared/moved by the concerned Deputy Commissioner as per Lease Policy. Further the land in question was already declared as state land in 1975 by the Provincial Government.

Audit recommends investigation and action against the persons at fault besides award of state land on market rates through open auction.

AIR Para No.08/DC (2018-19)

2.5.4.2 Unauthentic payment on account of land acquisition- Rs. 143.307 million

According to Para 290 of CTR, 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.

According to Rule 283 (I) of the CTR Vol- I, acquittance roll on Form TR 28 be maintained in support of payments.

Deputy Commissioner Chitral paid Rs. 143,307,466 to Assistant Commissioners Chitral and Mastuj on account of land compensation for onward disbursement to the land owners of ten (10) land acquisition cases, however actual payee receipts/acquittance rolls of the land owners were not available to verify the payment as per detail at Annexure-10.

Unauthentic payment occurred due to weak financial control, which resulted in violation of treasury rules.

When pointed out in August 2019, the management stated that actual payee receipts will be shown to audit. However, APRs. were not provided for verification till finalization of this report.

Proper acknowledgement of the paid amount duly verified by the competent authority be shown to audit.

AIR Para No.05/DC (2018-19)

2.5.4.3 Unauthentic expenditure on POL and repair of vehicles -Rs. 6.867 million

According to delegation of powers 2018, second schedule S.No. 12 that log book, history sheet and petrol account register shall be maintained for each motor vehicle.

Deputy Commissioner and District Health Officer Chitral incurred an expenditure of Rs. 6,867,721 on POL and repair of vehicles during 2018-19. However, log books were not available to verify the expenditure as detailed below:

S.No	Name of Office	Particulars	Amount (Rs.)	Remarks
1	DC	POL	3,596,822	Log books were not available to verify the expenditure
		Repair of Vehicles	1,862,990	--do--
2	DHO	POL	677,489	--do--
		Repair of Vehicles	730,420	--do--
		Total	6,867,721	

Unauthentic expenditure occurred due to weak internal control which resulted into misuse of public resources.

When pointed out in August 2019, the management stated that log books will be provided for verification before DAC Meeting. However Log books were not shown till finalization of this report.

Audit recommends investigation and fixing responsibility on the person (s) at fault besides provision of log books for verification.

AIR Para No.2/DC & 22/DHO (2018-19)

2.5.4.4 Loss due to non achievement of receipt target Rs. 11.177 million

According to Director General Health Services Khyber Pakhtunkhwa Peshawar letter No.1297/Budget/SNE dated 17.04.2018 Receipt target for District Health Officer Chitral was fixed Rs. 16,000,000 for the year 2018-19.

District Health Officer Chitral realized receipts of Rs. 4,822,742 during 2018-19 against the receipt target fixed by the Government for Rs. 16,000,000 in the following heads which resulted in a shortfall of Rs. 11,177,258 as detailed below:

S.No	Receipt Head	Target (Rs.)	Amount realized (Rs.)	Shortfall (Rs.)
1	OPD	4,100,000	3,709,230	390,770
2	Indoor	4,100,000	154,100	3,945,900
3	X-Ray	4,100,000	224,100	3,875,900
4	Laboratory	3,700,000	735,312	2,964,688
	Total	16,000,000	4,822,742	11,177,258

Non achievement of receipt target occurred due to weak financial control which resulted in loss to Government.

When pointed out no reply was furnished by the management.

Request for convening DAC meeting was made in September 2019, which was not convened till finalization of this report.

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

AIR Para No.26/DHO/ (2018-19)

CHAPTER-3

Tehsil Municipal Administration

3.1 Introduction

District Chitral has two Tehsils i.e. Chitral and Mastuj. 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 2018-19	Revenue /Receipts audited FY 2018-19
1	Formations	2	2	173.144	13.125
	Total	2	2	173.144	13.125

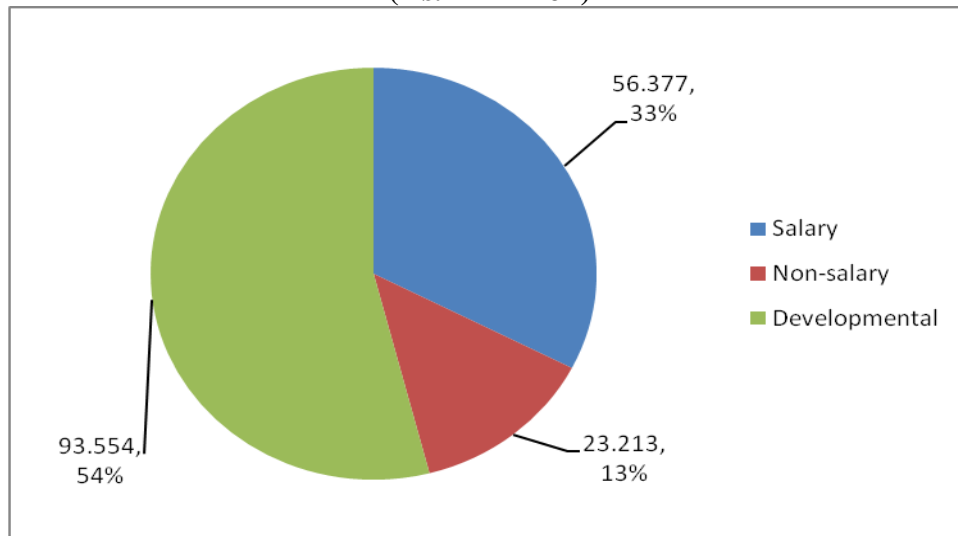
3.2 Comments on Budget and Accounts (Variance Analysis)

(Rs. in million)

2018-19	Budget	Actual Expenditure/ Receipts	(Saving)/Excess	%age
Salary	89.263	56.377	32.886	36.84
Non-salary	64.125	23.213	40.912	63.80
Developmental (A/C-IV)	109.720	93.554	16.166	14.73
Developmental (A/C-I)	0	0	0	
Total	263.108	173.144	89.964	34.19
Receipts	25.865	13.125	12.740	49.25

EXPENDITURE 2018-19

(Rs. in million)



3.3 Classified Summary of Audit Observations

Audit observations amounting to Rs. 31.405 million were raised in this audit report. This amount also includes recoverable of Rs. 9.936 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	3.569
2	Value for money and service delivery issues	9.936
3	Others	17.90
	Total	31.405

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	N/A
2.	2003-04	N/A
3.	2005-06	N/A
4.	2006-07	N/A
5.	2007-08	N/A
6.	2008-09	N/A
7.	2009-10	N/A
8.	2010-11	N/A
9	2011-12	N/A
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

A Procurement related irregularities

3.5.1.1 Irregular expenditure on installation of HDPE pipes–Rs. 2.160 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. 2,160,697 on account of supply and fixing of HDPE pipes in various water supply schemes during 2018-19. Local office did not adopt the above quality assurance steps to ensure the quality and health of the people of locality. In the absence of the above mentioned documents, the execution of substandard pipes could not be ruled out. Detail as per annexure-11.

Non compliance of the field staff occurred due to weak internal control, which resulted in violation of Government instruction.

When pointed out in October 2019, the management did not respond to the audit observation.

Request for convening DAC meeting was made in October 2019, which was not convened till finalization of this report.

Audit recommends to investigation and action against the person(s) at fault

AIR Para No.01/TMA Chitral (2018-19)

3.5.1.2 Irregular expenditure on installation of HDPE pipes–Rs. 1.409 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
Code No, on Product (year, month, date)

Tehsil Municipal Officer Mastuj incurred expenditure of Rs. 1,409,876 on account of supply and fixing HDPE pipes in various water supply schemes during 2018-19. On scrutiny of record, it was observed that that the Local office did not adopt the above quality assurance steps to ensure the quality and health of the people of locality. In the absence of the above mentioned documents, the execution of substandard pipes could not be ruled out. Detail at annexure-12.

Non compliance of the field staff occurred due to weak internal control, which resulted in violation of Government instruction.

When pointed out in October 2019, the management did not respond to the audit observation.

Request for convening DAC meeting was made in October 2019, which was not convened till finalization of this report.

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

AIR Para No.01/TMA Mastuj (2018-19)

3.5.2 Value for money and service delivery issues

3.5.2.1 Non imposition of penalty on late completion of schemes - Rs. 1.668 million

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

Tehsil Municipal Officer Chitral did not impose 10% penalty of Rs. 1,668,000 during 2018-19 on various contractors for late completion of developmental schemes. Detail at Annexure-13.

Non recovery of penalty occurred due to weak internal control, which resulted in loss to government.

When pointed out in October 2019, the management did not respond to the audit observation.

Request for convening DAC meeting was made in October 2019, which was not convened till finalization of this report.

Audit recommends recovery and action against the person at fault.

AIR Para No.02/TMA Chitral (2018-19)

3.5.2.2 Loss to government due to non recovery of water charges –Rs. 5.106 million

According to Rule 51(1) of TMA Budget Rules 2016, that the primary obligation of the TO (Regulation) shall be to ensure that all revenue due is claimed, realized and credited immediately into the Tehsil Fund under the proper receipt head.

During 2018-19, Tehsil Municipal Officer Chitral did not recover Government dues on account of water user charges which accumulated to a sum of Rs. 5,106,710 up to 30.6.2019 for which no efforts were made by the local office.

Non recovery of revenue occurred due to weak internal control, which resulted in loss to Government.

When pointed out in October 2019, the management did not respond to the audit observation.

Request for convening DAC meeting was made in October 2019, which was not convened till finalization of this report.

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

AIR Para No.03/TMA Chitral (2018-19)

3.5.2.3 Non imposition of penalty on late completion of schemes - Rs. 1.463 million

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

Tehsil Municipal Officer Mastuj did not impose 10% penalty of Rs. 1,463,000 during 2018-19 on various contractors for late completion of developmental schemes. Detail at Annexure-14.

Non recovery of penalty occurred due to weak internal control, which resulted in loss to government.

When pointed out in October 2019, the management did not respond to the audit observation.

Request for convening DAC meeting was made in October 2019, which was not convened till finalization of this report.

Audit suggests recovery and action against the person at fault.

AIR Para No.02/TMA Mastuj (2018-19)

3.5.2.4 Non recovery of 2% penalty on late deposit of monthly installments – Rs. 1.699 million

According to S. No. 07 of Policy Guidelines circulated vide letter No. AO-II/LCB/6-11/2018 dated 20-02-2018, 2% penalty will be liable on Contractor/Firm for late deposit of monthly installment.

Tehsil Municipal Officer Chitral did not recover Rs. 1,699,824 on account of 2% penalty on late deposit of monthly installment of GBS Chitral during the financial year 2018-19. Detail is given below:

S#	Month	Due Date of payment	Actual date of payment	Delay in deposit of Installment (Days)	Installment per month (Rs.)	2% penalty (Rs.)	Total Amount (Rs.)
01	07/ 2018	10-07-18	18-9-18	68	252,955	5,059	344,012
02	08/ 2018	10-08-18	19-10-18	69	252,955	5,059	349,071
03	09/2018	10-09-18	12-12-18	92	252,955	5,059	465,428
04	10/2018	10-10-18	27-01-19	107	252,955	5,059	541,313
Total							1,699,824

Non imposition of penalty occurred due to weak financial control, which resulted in loss to Government.

When pointed out in October 2019, management did not respond to the audit observation.

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

AIR Para No.07/TMA Chitral (2018-19)

3.5.3 Others

3.5.3.1 Irregular expenditure without Technical Sanction – Rs. 17.90 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 Rs. 17,900,000 on account of various developmental schemes during 2018-19. During 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 is given below:

S. No.	Name of scheme	Expenditure (Rs.)
1	Channelization and Protection at Chitral –II	1,700,000
2	Repair of District Council Chitral	1,000,000
3	Provision of Solar Uplift system Noghori Ourghuch	1,200,000
4	DWSS for Tehsil Chitral	8,000,000
5	Improvement and Repair of Masjid Chitral	3,000,000
6	Construction & Rehabilitation of protection wall in Chitral	3,000,000
Total		17,900,000

Irregular expenditure occurred due to weak financial control, which resulted in violation of Government Rules.

When pointed out in October 2019, the management did not respond to the audit observation.

Request for convening DAC meeting was made in October 2019, which was not convened till finalization of this report.

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

AIR Para No.01/TMA Chitral (2018-19)

Chapter 4

Assistant Director LGE &RDD

4.1 Introduction

Assistant Director Local Government, Election and Rural Development Department in District Chitral 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 neighbourhood councils
- iii. Matters related to local taxes, grants, budget of village and neighbourhood 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 neighbourhood councils
- vii. Review, evaluation and assessment of local government system, processes and procedures in the district particularly at the village and neighbourhood 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 neighbourhood 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 2018-19	Revenue /Receipts audited FY 2018-19
1	Formations	101	11	95.487	-
	Total	101	11	95.487	-

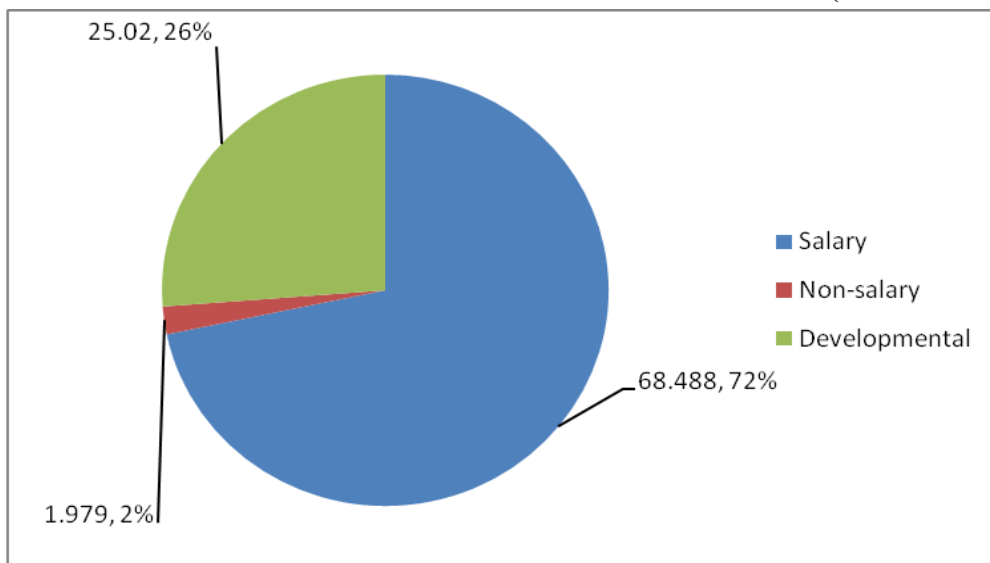
4.2 Comments on Budget and Accounts (Variance Analysis)

(Rs. in million)

2018-19	Budget	Actual Expenditure/ Receipts	(Saving)/Excess	%age
Salary	68.488	68.488	0	-
Non-salary	1.979	1.979	0	-
Developmental	27.347	25.020	2.327	8.51
Total	97.814	95.487	2.327	2.37
Receipts	0	0	0	0

EXPENDITURE 2018-19

(Rs. in million)



4.3 Classified Summary of Audit Observations

Audit observations amounting to Rs. 94.546 million were raised in this audit report. This amount also includes recoverable of Rs. 3.248 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	34.27
2	Value for money and service delivery issues	41.716
3	Others	18.560
	Total	94.546

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	N/A
2.	2003-04	N/A
3.	2005-06	N/A
4.	2006-07	N/A
5.	2007-08	N/A
6.	2008-09	N/A
7.	2009-10	N/A
8.	2010-11	N/A
9	2011-12	N/A
10	2012-13	N/A
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 Irregular expenditure on installation of GI and HDPE pipes-Rs. 5.170 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)

Assistant Director LG&RDD Chitral incurred an expenditure of Rs.5,170,000 on account of Supply and Fixing GI and HDPE pipes in various Water supply Schemes in the financial year 2018-19. On scrutiny of record, it was observed that that the Local office did not adopt the following quality assurance steps to ensure the quality of pipes as well as the health of the people of locality. In the absence of the above mentioned documents the entry of substandard Pipes cannot be rolled out. Detail is as under.

S.No	Name of Schemes	Name of contractors	E.Cost (Rs. in million)
1	Repair of Wss at arandu kass	Diamand Chitral	0.20
2	Provision of pipe line in UC Mashkili koghuzi	Diamand Chitral	1.00
3	Repair of WSS Masjid bioli payeen	Diamandchitral	0.15
4	Provision of HDPE Pipe	Diamand chitral	0.60
5	ADP Scheme V/C Raman	Subhan ud din	0.60
6	ADP Scheme V/C Gahrit	Sabir mohammad	0.65
7	ADP Scheme V/C Parkusap	Fiazat Ali shah	0.72
8	ADP Scheme V/C Gaht Warijun	M samiullah	1.25
		Total	5.17

Non compliance of the field staff occurred due to weak internal control, which resulted in violation of Government instruction.

Audit recommends enquiry into a probable cause of irregularity.

AIR Para No 03 (2018-19)

4.5.1.2 Irregular award of Civil Works on abnormal below rate Rs. 29.10 million

According to letter No.PO(LG)KPPRA/2017-18 dated 10/7/2017 abnormal below tender 40%-65% be discourage in order to achieve the objective laid down in Section 2(q)of the KPPRA Rules

Assistant Director LG&RDD Chitral awarded various developmental Schemes to the contractor with estimated cost of Rs. 29,100,000 in the financial year 2018-19. 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. The abnormal below rate is a questionable mark on the specification and standardization of the work Detail as in Annexure-15.

Award of civil works on abnormal below rates was occurred due to weak managerial control, which resulted in loss to government.

When pointed out in November 2019, the management did not respond to the audit observation.

Request for convening DAC meeting was made in December 2019, which was not convened till finalization of this report.

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

AIR Para No 04/AD LG&RDD (2018-19)

4.5.2 Value for money and service delivery issues

4.5.2.1 Loss to Government due to Blockage of Money Rs. 26.100 million

Section 41 of Local Government Act 2013 provides, “every official or servant of a local government, every member of a local council, and every person charged with administration and management of property of a local Government shall be personally responsible for any loss or waste, financial or otherwise, of any property belonging to a local Government which is a direct consequence of decisions made by him personally or under his directions in violation of this Act or any other law for the time being in force or which accrues Khyber Pakhtunkhwa Local Government Act, 2013 as a result of his negligence or misconduct, and shall be liable to pay such surcharge as may be determined by the respective Accounts Committee and such amount shall be recoverable as arrears of land revenue.

Assistant Director LG&RDD Chitral awarded Eleven (11) Nos of developmental Schemes to the contractors with estimated cost of Rs. 26,100,000 in the financial year 2018-19. During scrutiny of record it came to notice that contractors did not start the work so far. Detail as per Annexure-16.

Non execution of work occurred due to weak internal control, which resulted in loss to government.

When pointed out in November 2019, the management stated that funds will be utilized and will be shown to Audit. Reply was not convincing as no progress shown till finalization of this report.

Request for convening of DAC meeting was made in December 2019, however, meeting of DAC could not be convened till finalization of this report.

Audit recommends enquiry into a probable cause of non execution of works.

AIR Para No 06 (2018-19)

4.5.2.2 Unauthorized Advance Payment and interest thereon Rs.12.37 million

Para 227 of CPWA Code provides that no financial aid be given to the contractor in any form.

Assistant Director LG&RDD Chitral awarded contracts for the execution of work in the financial year 2018-19 as per detail in Annexure-17. During scrutiny of record it came to notice that the local office paid Rs.12,370,000 as advance which was not really advance due to the following reasons.

- Stock register of material at site was neither prepared nor produced for audit scrutiny which showed that money was paid as advanced to the contractor without supply of steel and bricks as such all the transaction were fake.
- No such sanction was produced.
- Advances are Interest Bearing Advances but nothing to this effect was on record. Interest at bank rate should be recovered from the contractor.
- Application of the contractors for secured advance and indenture for secured advance (Form-31) was not available on record.

Advance payment to the contractors occurred due to weak internal control, which resulted in loss to government.

When pointed out in November 2019, the management did not respond to the audit observation.

Request for convening DAC meeting was made in December 2019, which was not convened till finalization of this report.

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

AIR Para No 08/AD LG&RDD (2018-19)

4.5.2.3 Non-imposition of penalty due to non- completion of works –Rs. 1.706 Million

According to Government of Khyber Pakhtunkhwa C & W Department letter No SO (PAC) DAC/2-2009/Distt Audit W & SD dated July, 20 2009 read with Secretary C & W letter No. WM/General/ W& S/ATD/2008-09/688-98 dated 19.05.2009 and No. SO (A)/ VI/ 3-86/ C&WD/ Volume-XII dated 17.08.1995, up to 10% penalty be levied on defaulting contractors for delayed works.

Assistant Director LG&RDD Chitral incurred expenditure of Rs.1,706,000 on execution of various developmental schemes in the financial year 2018-19. During scrutiny of record it came to notice that the schemes were not completed within the stipulated period of time. The local office was required to impose 10% penalty amounting to Rs.1,706,000 but failed to do so. Detail as per Annexure-18.

Delay in works execution and non-imposition of penalty occurred due to weak internal control, which resulted in deprivation of public from the benefits of the schemes and loss to Government.

The Irregularity was pointed out in November 2019. The management replied that in the subject schemes will be scrutinized and penalty if any will be imposed. Reply was not convincing as no progress was shown to audit till finalization of this report.

Request for convening of DAC meeting was made in December 2019, however, meeting of DAC could not be convened till finalization of this report.

Audit recommends imposition of penalty and action against the person(s) at fault.

AIR Para No.02/2018-2019

4.5.2.4 Non-deduction of Income Tax – Rs. 1.54 million

According to Finance Department Khyber Pakhtunkhwa Notification NO.SO(Dev-II) FD/12-6/14-5 dated 05.01.2015, the Competent Authority has been pleased to direct that all Provincial Works Departments, while preparing Cost Estimates of developmental projects which fall in the tax exempted areas such as PATA, shall frame the same on Market Rate System-2015 (MRS-2015) but with 7% less cost to defray the amount added in the rate analysis of all works/construction/supply items to meet withholding tax.

Assistant Director LG&RDD Chitral executed various developmental schemes with estimated cost of Rs. 22,120,000 million in financial year 2018-19 during scrutiny of record it was observed that the income tax @ of 7% was not adjusted, thus the Government was put into loss of Rs. 1,548,400 . Detail as per annexure-19.

Non adjustment of income tax occurred due to weak internal control which resulted in loss to government.

Audit recommends recovery and action against the person at fault.

AIR Para No.07/2018-2019

4.5.3 Others

4.5.3.1 Irregular expenditure without Technical Sanction – Rs. 18.560 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.

Assistant Director LG&RDD Chitral Chitral incurred an expenditure of Rs. 18,560,000 on developmental schemes during 2018-19 with out obtaining technical sanctions of the competent authority before commencement of work. Detail as per Annexure-20.

Irregular expenditure occurred due to weak financial control, which resulted in violation of rules.

When pointed out in November 2019, the management did not respond to the audit observation.

Request for convening DAC meeting was made in December 2019, which was not convened till finalization of this report.

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

AIR Para No 01/AD LG&RDD (2018-19)

Annexures

Annexure-01

Detail of MFDAC Paras

S. No	AIR Para No	Caption of Para	Rs. in million
DC Chitral			
1	3	Loss due to non-deduction of stamp duty	0.082
2	4	Overpayment of HRA, CA and TA/DA	0.152
3	6	Non deposit of 2% TMA Tax	0.302
4	9	Irregular award of state land without adopting open tender system and non realization of state land receipts	0.573
DHO Chitral			
5	7	Loss due to non-deduction of stamp duty	0.212
6	14	Non deduction of sales tax	0.185
7	15	Loss due to non auction of 10 Nos old vehicles	-
TMA Chitral			
8	04	Non deduction of Professional tax	0.163
9	05	Non deposit of stamp duty	0.127
10	06	Non deduction of income tax from the contractor	0.390
11	08	Non transfer of profit to Provincial Government	0.794
TMA Mastuj			
12	02	Non deduction of Professional tax	0.548
13	03	Non deposit of stamp duty	0.195
AD LGRDD			
14	05	Loss to government due to non deduction of voids	0.293
15	09	Loss due to non deposit of Stamp duty	0.327
16	10	Non-deduction of Income Tax	0.571

Annexure-2
Para 2.5.1.1

Detail of amount drawn under various heads on fake bills

S#	Head	Particulars	Amount (Rs.)	Remarks
1	BHUs	Transportation of goods	597,030	Amount shown paid to contractor for transportation of medicines, however as per statements of in-charge concerned units all medicines were transported by him through own arrangements for which no payment was made till date.
2	-do-	Repair of Equipments	110,000	No claim submitted by concerned Units.
3	-do-	Repair of Furniture	27,500	-do-
4	RHCs	Transportation of goods	495,945	Amount shown paid to contractor for transportation of medicines, however as per statements of in-charge concerned units, all medicines were transported by him through own arrangements for which no payment was made till date.
5		Repair of Machinery and Equipments	27,400	No claim submitted by concerned Units.
6		Repair of Furniture	11,000	-do-
7	THQ Hospitals	Transportation of goods	586,533	Amount shown paid to contractor for transportation of medicines, however as per statements of in-charge concerned units all medicines were transported by him through own arrangements for which no payment was made till date.
8		Repair of Machinery and Equipments	440,000	No claim submitted by concerned Units.
9		Repair of Furniture	56,100	-do-
10	Dispensary	Transportation of goods	378,900	Amount shown paid to contractor for transportation of medicines, however as per statements of in-charge concerned units all medicines were transported by him through own arrangements for which no payment was made till date.
11		Repair of Equipments	52,300	No claim submitted by concerned Units.

12		Repair of Furniture	27,500	-do-
13	Other Hospitals	POL	65,144	-do-
14	-do-	Repair of Transport	21,000	No claim submitted by concerned Unit.
15	-do-	Workshop/Seminars	30,000	No claim submitted by concerned Unit.
16	EPI	Transportation of Goods	39,000	Amount shown paid to contractor for transportation of medicines, however as per statements of in-charge concerned units all medicines were transported by him through own arrangements for which no payment was made till date.
17	-do-	Repair of M&E	8,000	No claim submitted by concerned Unit.
18	MCH	Transportation of Goods	27,200	Amount shown paid to contractor for transportation of medicines, however as per statements of in-charge concerned units all medicines were transported by him through own arrangements for which no payment was made till date.
		Total	3,000,552	
19	Admni	Transportation of IHP Items	54,000	No detail of items transported and no record of payment to whom made was available.
		G.Total	3,054,552	

S#	Name of Firm	Bill No. & Date	Amount (Rs.)
1	M/S Atizaz Medical Store Chitral	3882 dt. 19.6.2019	99,000
2	-do-	3883 dt. 19.6.2019	99,000
3	-do	3884 dt. 19.6.2019	99,000
4	-do	3885 dt. 19.6.2019	42,504
5	-do	3886 dt. 19.6.2019	87,500
		Total	427,004

Annexure-3
Para 2.5.2.1

Detail of non deduction of HPA

S.No	Name	Designation	Paid Rate (Rs.)	Admissible Rate (Rs.)	Diff(Rs.)	Months	Amount (Rs.)
1	Dr. Faizul Mulk Jilani	MO	92,000	82,000	10,000	12	120,000
2	Dr Mirajuddin	SMO	92,000	82,000	10,000	12	120,000
3	Dr. Faman Wali	SMO	92,000	82,000	10,000	12	120,000
4	Dr Sardar Nawaz MO	MO	92,000	82,000	10,000	12	120,000
5	Dr Saeeda Rabbani	SMO	92,000	82,000	10,000	12	120,000
6	Dr Ziaul Mulk	PMO	92,000	82,000	10,000	12	120,000
7	Dr Shakil Ahmad	MO	92,000	82,000	10,000	12	120,000
8	Dr Shafiuddin	MO	92,000	82,000	10,000	12	120,000
9	Dr Basharat Hussain	MO	92,000	82,000	10,000	12	120,000
10	Dr Shehla Perveen	WMO	92,000	82,000	10,000	03	30,000
11	Dr Samiuddin	MO	92,000	82,000	10,000	12	120,000
12	Dr Fawad Ali	MO	92,000	82,000	10,000	12	120,000
13	Dr Mohammad Ismail	MO	92,000	82,000	10,000	03	30,000
14	Dr Mohibuddin	SDS	92,000	82,000	10,000	12	120,000
15	Dr Anila Zaib	WMO	92,000	82,000	10,000	07	70,000
16	Dr Salim Saifullah Khan	MO	92,000	82,000	10,000	08	80,000
17	Dr Allauddin Mian	MO	92,000	82,000	10,000	10	100,000
18	Dr Samiullah Khan	MO	92,000	82,000	10,000	02	20,000
19	Dr Ziaullah Khan	MO	92,000	82,000	10,000	02	20,000
20	Dr Ijaz Ahmad	DS	92,000	82,000	10,000	12	120,000
21	Dr Muhammad Yaqoob Khan	PMO	92,000	82,000	10,000	04	40,000
22	Dr Muhammad Basit	MO	92,000	82,000	10,000	02	20,000
23	Dr Yahya Khan	MO	92,000	82,000	10,000	04	40,000
24	Dr Zarina Azam	WMO	92,000	82,000	10,000	01	10,000
						Total	2,020,000

Annexure-4
Para 2.5.2.1

Detail of non deduction of RCA/CA

S.No	Personal No	Name & Designation	RCA Per month	Total Amount (Rs.)
1	00319184	Dr Faizul Mulk Jilani MO	1200x12	14,400
2	00319805	Dr Mirajuddin SMO	1200x12	14,400
3	00319820	Dr Farman Wali SMO	1200x12	14,400
4	00319885	Dr Saeeda Rabbani SMO	1500x12	18,000
5	00709255	Dr Shakeel Ahmad MO	1200x12	14,400
6	00810201	Dr Basharat Hussain MO	1200x12	14,400
7	00810243	Dr Shela Perveen MO	1200x3	3,600
8	00835180	Dr Samiuddin MO	1200x12	14,400
9	00835271	Dr Fawad Ali MO	1200x12	14,400
10	00848856	Dr Mohammad Ismail MO	1200x3	3,600
11	00871937	Dr Zohra Wali Khan MO	1200x3	3,600
12	00383090	Dr Mohibuddin SDS	1200x12	14,400
13	00893959	Dr Muhammad Basit MO	1200x2	2,400
14	00318307	Dr Yahya Khan PMO	1200x4	4,800
15	00810244	Dr Salim Saifullah Khan MO	1200x8	9,600
16	00835377	Dr Allauddin Mian MO	1200x10	12,000
17	00841835	Dr Samiullah Khan MO	1200x2	2,400
18	00842277	Dr Ziaullah Khan MO	1200x2	2,400
			Total RCA	177,600
19	00313138	Dr Shazada Hairderulmulk DHO	5,000x12 (CA)	60,000
			G.Total	237,600

**Annexure-5
Para 2.5.2.8**

Detail of non supply of medicines

S #	Head	Name of Firm	Supply Order date	Name of Medicine	Qty	Rate (Rs.)	Amount (Rs.)	Remarks
1	BHU	Novamed Pharma Lahore	04.03.2019	Inj. Diclofenac Sodium 3ml	5,0000	4.48	224,000	Not received till 06.8.2019
2	-do-	-do-	-do-	Tab Diclofenac Sodium 50mg	400,000	0.48	192,000	--do--
3	-do-	-do-	-do-	Tab Citrizine 10mg	160,000	0.4	64,000	-do-
4	-do-	Astelas Pharma Peshawar	-do-	Inj. Astetaxm 500 mg	4,000	25.97	103,880	--do--
5	-do-	-do-	-do-	Inj. Astetaxm 1GM	4,000	33.97	135,880	-do-
6	-do-	-do-	-do-	Inj. Astexone 1GM	4,000	33.97	135,880	--do--
7	-do-	-do-	-do-	Inj. Astexone 500mg	4,000	23.97	95,880	--do--
8	-do-	Surge Lab Sheikhpura	-do-	Lidoject 2% Inj	10,000	10.20	102,000	--do--
9	-do-	-do-	-do-	Clotide 10mg Inj	10,000	6.50	65,000	-do--
10	-do-	Brooks Pharma Karachi	-do-	Inj. Nalbuphine 10mg	1,000	20	20,000	--do--
11	-do-	-do-	-do-	Inj. Dexamethasone 4mg	15,000	6.4	96,000	-do-
12	-do-	Hashir Surgical Peshawar	-do-	IV Cannula G,20	2,000	37.50	75,000	-do-
13	-do-	-do-	-do-	IV Cannula G,22	2,000	37.50	75,000	-do-

14	-do-	-do-	-do-	IV Cannula G,24	4,000	39.90	159,600	-do-
15	-do-	-do-	-do-	Surgical Gloves	2,000	27.70	55,400	-do-
16	-do-	Zafa Pharma Karachi	-do-	Cap Nitedil 10mg	3,333	38.10	126,987	-do-
17	-do-	-do-	-do-	Tab Famtaza 40mg	20,000	23	460,000	-do-
18	-do-	MEGA Pharma Lahore	-do-	Tab. Mantelukost 10mg	100,000	1.80	180,000	-do-
19	-do-	Global Pharma Islamabad	-do-	Transolide 500mg Inj.	10,000	17.40	174,000	-do-
20	-do-	Lasani HC Swabi	-do-	Disposable Syringe 5cc	40,000	4.05	162,000	-do-
BHUs Total							2,702,507	
1	RHC	Stallion Pharma Lahore	21.5.2019	Amoxicilline Cap 500mg	100000	4.55	455,000	-do-
2	-do-	-do-	-do-	Susp. Amoxicillin 125mg/5ml	2000	30.16	60,320	-do-
3	-do-	Stanley Pharma Peshawar	-do-	Syp.Metronidazole	2000	23	46,000	-do-
4	-do-	-do-	-do-	Tab Mefenamic Acid	50,000	1.40	70,000	-do-
5	-do-	-do-	-do-	Tab Paracetamol	200,000	0.70	140,000	-do-
6	-do-	-do-	-do-	Syp Paracetamol	2,000	19.50	39,000	-do-
7	-do-	-do-	-do-	Tab Ciprofloxacin 500mg	50,000	3.50	175,000	-do-
8	-do-	-do-	-do-	Syp Aluminium	3,000	28.50	85,500	-do-

				Hydroxide+ Mgm				
9	-do-	Davis Pharma Islamabad	-do-	Tab Iron Hydroxide Polymaltose 100mg	43,000	1.99	85,510	-do-
1 0	-do-	Astellas Pharma Peshawar	-do-	Astexone 2mg Inj.	2,000	89.97	179,940	-do-
RHCs Total							1,336,270	
1	THQ	Sanofi Aventis Karachi	21.5.20 19	Haemacel Infusion 500ml	400	302.41	120,964	
2	-do-	Zafa Pharma Karachi	-do-	Tab Zindigi 20mg	714	43.96	31,387	-do-
3	-do-	-do-	-do-	Inj Hydralazine 20mg	400	21.54	8,616	-do-
4	-do-	-do-	-do-	Inj Zimpicillin 500mg	203	173	35,119	-do-
5	-do-	Stallion Pharma Lahore	-do-	Amoxicilline Cap 500mg	2,000	29.9	59,800	-do-
6	-do-	Kaizen Pharma Karachi	-do-	Claract DS 250ml	500	217.18	108,950	-do-
7	-do-	Saffron Pharma Faisalabad	-do-	Cytototal 200mcg Tablet	10,000	5.4	54,000	-do-
8	-do-	CCL Pharma Lahore	-do-	Tab Clopidogril (Noclot)	15,000	1.90	28,500	-do-
9	-do-	Feroz Sons Rawalpindi	-do-	Tab Carvida 6.5mg	2,000	1.63	3,260	-do-
1 0	-do-	Sami Pharma Karachi	-do-	Tab Actim 5mg	2,000	2.25	4,500	-do-
1 1	-do-	Atco Lab Karachi	-do-	Tab Ascard 75mg	20,000	0.633	12,660	-do-
				THQ Total			467,756	

1	Dispensary	Bosh Phrama Karachi	-do-	Tab.Calamox 625mg	20,000	10.69	213,800	-do-
2	-do-	-do-	-do-	Tab Calamox 1000mg	20,000	13.79	275,800	-do-
3	-do-	Hashir Surgical Peshawar	-do-	IV Fluid Set	3377	17.88	60,380	-do-
				Dispensary Total			549,980	
1	TBC	Amson Vaccines Islamabad	29.4.2019	Tab Pyridoxine 50mg	53,571	1.4	74,999	-do-
	-do-	Getz Pharma Karachi	-do-	Tab Claritec 500mg	9970	13.5	133,785	-do-
	-do-	-do-	-do-	Tab Leflox	18,292	4.1	74,997	-do-
		Abbot Lab Karachi	-do-	Tab Surbix T	28,160	2.734	76,989	-do-
		Sami Pharma Karachi	-do-	Tab Pantorprazole 20mg	21,923	3.5	76,371	-do-
	-do-	Bosh Pharma Karachi	-do-	Tab Amoxicilin 625mg	13,231	10.69	141,443	-do-
	-do-	Stanley Pharma Peshawar	-do-	Syp Aluminium Hydroxide 120 ml	2671	28.5	74,983	-do-
	-do-	-do-	-do-	Syp Acefyline 10ml	2000	37.5	75,000	-do-
	-do-	Zafa Pharma Karachi	-do-	Famtidine 40mg	17,857	2.3	41,071	-do-
TBC Total							769,638	
1	Lab Chemicals RHC	Tahir Scientific Peshawar	15.5.19	31 items of Lab Chemicals for RHCs	--	--	224,173	-do-
2	-do- THQ	-do-	-do-	31 items of Lab Chemicals for THQ	--	--	375,549	-do-

				Hospitals				
Total Lab Chemicals							599,722	
1	X-Ray Films THQ	AGFA Pak Peshawar	17.6.19	Various size films and developer, fixer	--	--	201,750	-do-
Total X-Ray Films							201,750	
1	Bedding Clothing all heads	Ihtisham Enterprises Peshawar	03.06.2019	Mattress Foam with Rexene cover	97 Nos	4,938	478,986	-do-
2	-do-	Continental Enterprises Peshawar	-do-	Bed Sheets	122 Nos	499	60,878	-do-
3	-do-	-do-	-do-	Blanket Duple ply	110 Nos	1,750	192,500	-do-
4	-do-	IBS Pharma Peshawar	-do-	Table Cover Large	143 Nos	800	114,400	-do-
5	-do-	IZ Enterprises Peshawar	-do-	Pillow Cover	112 Nos	475	53,200	-do-
Bedding/Clothing Total							899,964	
G.Total							7,527,587	

**Annexure-6
Para 2.5.2.8**

Detail of penalty for late supply of Medicines

S#	Head	Name of Firm	Supply Order date	Delivery date as per supply order	Actual delivery as per unit record	Delay	Cost (Rs.)	Penalty (Rs.)
1	BHUs	Unisa Pharma Nowshera	-do-	-do-	25.7.19	112 days	264,796	18,536
2	RHCs	-do-	21.5.19	20.6.19	25.7.19	35 days	205,800	14,406
3	-do-	Novamid Pharma Lahore	1.1.19	30.1.19	25.2.19	26 days	97,920	6,855
4	-do-	Unisa Pharam Nowshera	21.5.19	20.6.19	22.7.19	32 days	205,800	14,406
5	Dispensary	Unisa Pharam Nowshera	1.1.19	30.1.19	12.3.19	13 days	274,400	8,232
5	-do-	Novamid	1.1.19	30.1.19	25.3.19	54 days	60,800	4,256
6	-do-	Unisa Pharam Nowshera	21.5.19	20.6.19	22.7.19	32 days	68,600	4,802
7	MCH	Getz Pharma Karachi	1.1.19	30.1.19	03.6.19	124 days	162,640	11,385
8	THQ Hospitals	Stanly Pharma Pehsawar	1.1.19	30.1.19	7.5.19	97 days	857,000	59,990
					Total		2,197,756	142,868

Annexure-7
Para 2.5.2.11

Detail of placement of PTC funds in current bank accounts

S.No	Account Title	Name of Bank	Amount (Rs.)
1	GGMS Kushum	NBP	55,126
2	GGMS Mughlandeh	NBP	68,816
3	GGMS Chuinj	NBP	22,725
4	GGMS Ayun	NBP	122,086
5	GGMS Goohkir	NBP	473,650
6	GGMS Parwak	NBP	77,580
7	GGMS Potenian deh Drosh	NBP	30,988
8	GGMS Morilasht	NBP	239,383
9	GGMS Kessu	NBP	62,466
10	GGMS Danin	NBP	1,126,224
11	GGMS Neshko	NBP	119,125
		Total	2,398,169

Annexure-8
Para 2.5.3.3

Detail of non deposit of Helath Receipts

S.No	Name of Unit	Receipt Head	Total Receipts as per Unit Record (Rs.)	Receipts Deposited as per DAO Record (Rs.)	Difference (Rs.)
1	RHC Ayun	OPD	160,930	155,750	5,180
2	BHU Nishko	-do-	86,710	79,430	7,280
3	BHU Laspur	-do-	37,100	36,790	310
4	BHU Reshun	-do-	64,970	63,380	15,90
5	CD Rayeen	-do-	19,330	17,180	2,150
6	CD Birir	-do-	11,570	9,820	1,750
7	CD Narkorate	-do-	20,920	19,640	1,280
8	CD D/Nisar	-do-	28,490	20,980	7,510
9	RHC Drassun	Indoor	8,730	220	8,510
10	THQ Booni	ECG	71,880	66,060	5,820
11	THQ Darosh	-do-	238,440	18,100	220,340
12	THQ Booni	Ambulance	158,700	0	158,700
13	RHC Kaghuzi	-do-	130,040	0	130,040
14	RHC Ayun	-do-	84,700	0	84,700
15	RHC Drassun	-do-	59,720	0	59,720
16	RHC Arandu	-do-	12,660	0	12,660
17	THQ Darosh	-do-	330,500	0	330,500
	Total		1,525,390	487,350	1,038,040

Annexure-09
Para 2.5.4.1

Detail of State Land in District Chitral not awarded on lease

S.No	Particulars	Location	Total Area	Rate per Kanal as per VT	Total Value (Approx) (Rs.)
1	State Agriculture Land at Bamburat	Bamburat Tehsil Chitral	58.85 Kanal	1,072,760	63,131,926
2	State Agriculture Land at Darosh	Tehsil Darosh	4.28 Kanal	1,650,000	7,062,000
3	Agriculture Land at Pahandaruchi Goleen	Goleen Tehsil Chitral	4.28 Kanal	550,000	2,354,000
4	State Land at Raghlasht	Raghlasht Chitral Boni Road	320 Kanal	500,000	160,000,000
Total			387.41 Kanal		232,547,926

Detail of Shops in Chitral Bazar not awarded on lease

S.No	Particulars	Name of Occupant	Area	Rate per Marla as per Valuation Table (Rs.)	Total Value (Approx) (Rs.)
1	7 Nos Shops in Chitral Bazar	Haider S/O Hakim Mubarak Shah	7 Marla	770,000	5,390,000
2	02 Shops in Chitral Bazar	Nurul Akbar S/O Abdul Akbar	2 Marla	770,000	1,540,000
3	01 shop site Chitral Bazar	Chiragh Din	1 Marla	770,000	770,000
4	02 Shops in Chitral Bazar	Mian Gul Jan	2 Marla	770,000	1,540,000
5	01 shop site in Chitral Bazar	Mian Gul Jan S/O Ibadullah	1 Marla	770,000	770,000
6	08 Shops in Chitral Bazar	Arshullah S/O Salahu-ud-Din	8 Marla	770,000	6,160,000
7	02 Shops site in Chitral Bazar	Mohammad Umar S/O Mian Umar	2 Marla	770,000	1,540,000
	23 Nos Shops			Total	17,710,000

Annexure-10
Para 2.5.4.2

Detail of Unauthentic payment of Land Acquisition

S #	Particulars	Amount (Rs.)
1	Construction of By Pass Road Chitral	278,493
2	Rehabilitation of damaged infrastructure in Chitral	130,046
3	Additional Land for Road Baka Golain	792,526
4	Construction of Gramchashma Kandojal Road	11,164,130
5	Construction of Mines & Mineral Office Chitral	4,433,335
6	Purchase of Additional land for Judicial complex at Jaghore	11,401,999
7	Land Compensation for Installation of LPG Air Plant at Singoor Chitral	11,869,720
8	Received on account of Warijune Road	8,875,102
9	Boni Bazund Road	65,123,370
10	Golen Gol HPP Compensation of damage trees at the Transmission Line from Koghuzi to Broze	29,238,745
	Total	143,307,466

Annexure-11
Para 3.5.1.1

Detail of irregular expenditure on HDPE Pipes

S. No.	Name of scheme	Amount (Rs.)
01	Repair of DWSS Arkari	84,577
02	Provision of pipe line for Asghore Gole	226,919
03	Construction of WSS Arkari	43,401
04	WSS tashqar	200,000
05	Water Supply Scheme	295,170
06	Pipe for Gree, Parsan and Gram	68,080
07	DWSS Acholga	154,000
08	Provision of pipes VC Shoghore	1,088,550
Total		2,160,697

Annexure-12
Para 3.5.1.2

Detail of irregular installation of HDPE Pipe

S. No.	Name of scheme	Amount (Rs.)
01	Repair of pipe line Rustamandeh	50,573
02	Provision of pipe Yarkhun Sub Head- B	54,571
03	Provision of pipe bang	47,624
04	Reh: of pipeline and Channel at Shagram	157,172
05	WSS Ramanich	132,009
06	Wasum Irrigation pipe Yarkhun	125,313
07	Extension of WSS Shot Madak	146,009
08	Provision of 3500 Rft pipe VC Maskin	126,247
09	Const: of water tank C/O Rehmat Ali	30,348
10	Const: of pipe line Islamia College Reshun	30,348
11	Const: of pipeline Parandeh	18,209
12	Pipe line Shakarandeh	49,808
13	WSS Sharandeh Harchin	166,750
14	Provision of pipe VC Laspur	81,707
15	Repair of pipe line Perkusap	114,867
16	Repair of WSS Sholkoch	78,321
Total		1,409,876

Annexure-13
Para 3.5.2.1

Detail of Penalty for late completion of developmental schemes

S. No.	Scheme	W/order date	Due date of Completion	Actual date of completion	E.Cost (Rs.)	10% Penalty (Rs.)
1	Dwss for Tehsil Chitral	3-7-2018	3-1-2019	In progress as on 20.10.2019	8000000	800,000
2	Improvement & Repair of Masjid in Chitral	13-8-2018	13-2-2019	-do-	3000000	300,000
3	Construction & Rehabilitation of protection wall in Chitral	13-8-2018	13-2-2019	-do-	3000000	300,000
4	Vocational Centre Golen payeen	28-11-2018	28-5-2018	-do-	180000	18,000
5	Dug Well Juti Lasht	3-7-2018	3-10-2018	-do-	200000	20,000
6	Repair of link road at Sangalandeh	28-8-2018	28-1-2019	-do-	200000	20,000
7	Repair of Water Tank at Gufti	4-12-2018	4-6-2018	-do-	300000	30,000
8	Repair of Channel at Zitur	4-12-2018	4-6-2018	-do-	200000	20,000
9	Vocational Centre Jang Bazaar Payeen	13-11-2018	13-5-2018	-do-	1200000	120,000
10	Repair of pipeline at Besti	8-8-2018	8-12-2018	-do-	100000	10,000
11	Construction of road at Upper Mughlandeh	9-7-2018	9-1-2019	-do-	300000	30,000
Total						1,668,000

Annexure-14
Para 3.5.2.3

Detail of Penalty for late completion of developmental schemes

S. No.	Scheme	W/order date	Due date of Completion	Actual date of completion	E. Cost (Rs.)	10% Penalty (Rs.)
1	Clearance of Malba Saht Mulkoh	5-4-2018	5-10-2018	In progress as on 20.10.2019	400,000	40,000
2	Protection wall Ramdas Reshun	6-4-2018	6-10-2018	-do-	400,000	40,000
3	Rep: of Water Channel Lowmali Kosht	5-4-2018	5-10-2018	-do-	300,000	30,000
4	Rep: of Road Guchdur Booni	6-4-2018	6-10-2018	-do-	500,000	50,000
5	Civil Channel Zait Dok	6-4-2018	6-10-2018	-do-	350,000	35,000
6	Removal of Malba Khuz Payeen	6-4-2018	6-10-2018	-do-	700,000	70,000
7	Protection Wall Chapali	6-4-2018	6-10-2018	-do-	500,000	50,000
8	Protection Wall jinlasht	6-4-2018	6-10-2018	-do-	400,000	40,000
9	Protection Wall Kargin Mastuj	6-4-2018	6-10-2018	-do-	400,000	40,000
10	Repair of Building and Equipments Bar Room Mastuj	6-4-2018	6-10-2018	-do-	1,000,000	100,000
11	Link road Gohkir	6-4-2018	6-10-2018	-do-	350,000	35,000
12	Reconst: of Magasarandeh Goghen Gohkir	6-4-2018	6-10-2018	-do-	500,000	50,000
13	Const: of Jammata Khana School Awi	6-4-2018	6-10-2018	-do-	500,000	50,000
14	Meragram to Sonoghar Road Ishpederi	6-4-2018	6-10-2018	-do-	400,000	40,000
15	Pav: of Lasht road	6-4-2018	6-10-2018	-do-	600,000	60,000

16	Channelization of Yarkhun River and P/Wall at Toq	6-4-2018	6-10-2018	-do-	1,000,000	100,000
17	Provision of water pumps Syedandeh Brep	6-4-2018	6-10-2018	-do-	500,000	50,000
18	Const: of link road Gasht Afxal Aman Village	6-4-2018	6-10-2018	-do-	400,000	40,000
19	Provision of water pumps for Tube Well Syedandeh perkusaf	6-4-2018	6-10-2018	-do-	400,000	40,000
20	Bumbagh Channel	6-4-2018	6-10-2018	-do-	400,000	40,000
21	Const: of road Istabobe Mezheli Mulkoh	6-4-2018	6-10-2018	-do-	500,000	50,000
22	Const: of playground Owir	28-12-2018	28-6-2019	-do-	300,000	30,000
23	Irrigation Channel Shagram Torkhow	6-4-2018	6-10-2018	-do-	550,000	55,000
24	Protection Wall near Hospital Reshun Gole	6-4-2018	6-10-2018	-do-	400,000	40,000
25	Protection Wall Bang Payeen	5-4-2018	5-10-2018	-do-	400,000	40,000
26	Const: of One Room Dispensary Madak	28-2-2018	28-8-2018	-do-	440,000	44,000
27	Const: of newly proposed Health Unit at Barumkagh Phas-II	22-4-2018	22-10-2018	-do-	560,000	56,000
28	Kahtali road Gohkir	22-2-2018	22-8-2018	-do-	400,000	40,000
29	Const: of 2 Rooms with Toilet Dispensary Dubargar	22-2-2018	22-8-2018	-do-	520,000	52,000
30	Repair of Earthquake damaged dispensary at Charun Owir	22-2-2018	22-8-2018	-do-	560,000	56,000
Total						1,463,000

Annexure-15
Para 4.5.1.2

Detail of works awarded on abnormal below rates

S.No	Name of Scheme	Name of contractor	E.Cost (Rs. in million)	Awarded rate
22	Improvement and Rehabilitation of residential colony bumborite	M/S Zakirullah	3.00	41.50 % below
37	Provision of HDPE Pipe	Diamand	0.600	42.75
39	Renovation and improvement of Bihal Birir	Habibur rehman	3.00	42.75
41	Imp&Reh of residential Area village guru birir	Zakirullah	3.00	41.15
43	Const:of b/wall around grave yard of kalash community	Sayed Wajid Hussain Shah	1.00	41.99
46	Renand impr of Drasguru jastikhans temple	Sayed Wajid Hussain Shah	1.00	45.08
47	Renand impr of sajgar rambor	Sayed Wajid Hussain Shah	1.00	45.10
49	Renand impr of Mandew Birir	Zakirullah	1.00	42.20
51	Renand impr of Bashali Rambor	Sayed Wajid Hussain Shah	6.00	45.10
52	Imp and Rehb of residential colony kalash gram	Sayed Wajid Hussain Shah	5.00	45.12
53	Renovation and improvement of karkal jastikhan temple	Habibur rehman	1.5	42.75
54	Imp and Rehb of residential colony at grom rumbor	M/S Zakirullah	3.00	41.20
		Total	29.10	

Annexure-16
Para 4.5.2.1

Detail of Blockage of Developmental fund

S.No	Name of Scheme	Name of contractor	E.Cost (Rs. in million)
38	Provision of HDPE Pipe	Diamand	0.60
40	Renovation and improvement of Bihal Birir	Habibur rehman	3.00
42	Imp&Reh of residential Area village guru birir	Zakirullah	3.00
44	Const:of b/wall around grave yard of kalash community	Sayed Wajid Hussain Shah	1.00
45	Renand impr of Drasguru jastikhans temple	Sayed Wajid Hussain Shah	1.00
48	Renand impr of sajgar rambor	Sayed Wajid Hussain Shah	1.00
50	Renand impr of Mandew Birir	Zakirullah	1.00
51	Renand impr of Bashali Rambor	Sayed Wajid Hussain Shah	6.00
52	Imp and Rehb of residential colony kalash gram	Sayed Wajid Hussain Shah	5.00
53	Renovation and improvement of karkal jastikhan temple	Habibur rehman	1.50
54	Imp and Rehb of residential colony at grom rumbor	M/S Zakirullah	3.00
		Total	26.10

Annexure-17
Para 4.5.2.2

Detail of unauthorized advance payment

S.No	Name of Scheme	Name of contractor	E.Cost (Rs. in million)
1	Repair of power house channel tar	Mohammad Wali shah	0.15
2	Repair of WSS UC Lotkoh	Sohil Ahmad	5.00
3	Repair of Kuju bridge	M.Wali Shah	0.30
4	Const: of irrigation channel goldur	Rehmat Jalal	2.00
5	Provision of 25 w transfermor	M.Ibrahim	1.20
6	Check Dam	M.wali Shah	0.90
7	Const: of Link road	Rehmat Jalal	0.45
8	Const: of Link road	M.wali Shah	0.45
9	Dastakari Centre Ghore Bala	M wali shah	0.90
10	Provision of electric pol for hydro power	Diamand	0.30
11	Provision of HDPE Pipe	Diamand	0.60
12	Removal of malbas from roads	Mohammad Wali	0.12
		Total	12.37

Annexure-18
Para 4.5.2.3

Detail of Penalty AD LGRDD Chitral

S.No	Name of Scheme	Name of contractor	E.Cost (Rs. in million)	Penalty (Rs.)
1	Const: of road from irogh to kandujal	Sohil Ahmad	10.00	1,000,000
2	Const: of Pcc Road in UC langa Drosh	M.Ibrahim	0.50	50,000
3	Pvt: of street at Arandu	Diamond Chitral	0.20	20,000
4	Const: of link road dankhindore-3	-do-	0.30	30,000
5	Re-Const: of Madrass at paitasingol ursoon	-do-	0.30	30,000
6	Repair of Wss at arandu kass	-do-	0.20	20,000
7	Provision of pipe line in UC Mashkili koghuzi	-do-	1.00	100,000
8	Const: of link road for Domail Nisar	-do-	0.25	25,000
9	Repair of link road langorbat bala	-do-	0.30	30,000
10	ADP Scheme V/C Werkup	Mohammad Sami ullah	1.10	110,000
11	ADP Scheme V/C sangoor	Fiazat Ali shah	0.88	88,000
12	ADP Scheme V/C Laspur	Faizat Ali shah	0.93	93,000
13	ADP Scheme V/C Mastuj	M.Samiullah	1.10	110,000
		Total	17.06	1,706,000

Annexure-19
Para 4.5.2.4

Detail of non adjustment of income tax in developmental works

S.No	Name of Scheme	Name of contractor	E.Cost (Rs. in million)	7% Income tax (Rs.)
1	Improvement and Rehabilitation of residential colony bumborite	M/S Zakirullah	3.00	210,000
2	ADP Scheme V/C Sweer	Irshad Ahmad	0.40	28,000
3	ADP Scheme V/C Parsan	Pinin khan	0.70	49,000
4	ADP Scheme V/C Harchin	Israr ud din mughal	1.00	70,000
5	ADP Scheme V/C Orghoch	Maneger khan	0.50	35,000
6	ADP Scheme V/C Bumborath	Suhanudin	1.36	95,200
7	ADP Scheme V/C Nagar	Dimand Chitral	0.85	59,500
8	ADP Scheme V/C Ayun 1	Subhan ud din	1.10	77,000
9	ADP Scheme V/C Ursoon	Irshad Ahmad	0.80	56,000
10	ADP Scheme V/C Raman	Subhan ud din	0.60	42,000
11	ADP Scheme V/C Gahrit	Sabir mohammad	0.65	45,500
12	ADP Scheme V/C Werkup	Mohammad Sami ullah	1.10	77,000
13	ADP Scheme V/C paktwari	Israr uddin	1.10	77,000
14	ADP Scheme V/C Heart	SubHan ud din	1.00	70,000
15	ADP Scheme V/C Damal	Dimand Chitral	1.30	91,000
16	ADP SchemeN/C Danin 2	Nimatullah	0.80	56,000
17	ADP Scheme V/C Parwak	Dilshad Khan	0.60	42,000
18	ADP Scheme V/C Boni 2	Rahmat Ayaz	0.83	58,100
19	ADP Scheme V/C Parkusap	Fiazat Ali shah	0.72	50,400
20	ADP Scheme V/C sangoor	Fiazat Ali shah	0.88	61,600
21	ADP Scheme V/C Ashrat 2	Irshad Ahmad	0.80	56,000
22	ADP Scheme V/C Laspur	Faizat Ali shah	0.93	65,100
25	ADP Scheme V/C Mastuj	M.Samiullah	1.10	77,000
		Total	22.12	1,548,400

Annexure-20
Para 4.5.3.1

Detail of expenditure without TS by AD LGRDD Chitral

S.No	Name of Scheme	Name of contractor	E.Cost (Rs. in million)
1	Repair of Kuju bridge	M.Wali Shah	0.30
2	Improvement and Rehabilitation of residential colony bumborite	M/S Zakirullah	3.00
3	Const: of irrigation channel goldur	Rehmat Jalal	2.00
4	ADP Scheme V/C Sangoor	Faizat Ali Shah	0.30
5	ADP Scheme V/C Sweer	Irshad Ahmad	0.40
6	ADP Scheme V/C danin -1	Israr ud din mughal	0.50
7	ADP Scheme V/C Parsan	Pinin khan	0.70
8	ADP Scheme V/C Harchin	Israr ud din mughal	1.00
9	ADP Scheme V/C Orghoch	Maneger khan	0.50
10	ADP Scheme V/C Bumborath	Suhanudin	1.36
11	ADP Scheme V/C Nagar	Dimand Chitral	0.85
12	ADP Scheme V/C Ayun 1	Subhan ud din	1.10
13	ADP Scheme V/C Ursoon	Irshad Ahmad	0.80
14	ADP Scheme V/C Raman	Subhan ud din	0.60
15	ADP Scheme V/C Gahrit	Sabir mohammad	0.65
16	ADP Scheme V/C Werkup	Mohammad Sami ullah	1.10
17	ADP Scheme V/C paktwari	Israr uddin	1.10
18	ADP Scheme V/C Heart	SubHan ud din	1.00
19	ADP Scheme V/C Damal	Dimand Chitral	1.30
		Total	18.56