



**AUDIT REPORT  
ON  
THE ACCOUNTS OF  
LOCAL GOVERNMENTS  
DISTRICT DIR UPPER**

**AUDIT YEAR 2020-21**

**AUDITOR GENERAL OF PAKISTAN**

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## **ABBREVIATIONS AND ACRONYMS**

AA	Administrative Approval
ADP	Annual Development Plan
AIR	Audit and Inspection Report
AP	Advance Para
APPM	Accounting Policies and Procedures Manual
APRs	Actual Payee receipts
ATL	Active Taxpayer List
BOK	Bank of Khyber
BOQ	Bill of Quantity
CDWP	Central Development Working Party
CPWA	Central Public Works Accounts
CPWD	Central Public Works Department
DAC	Departmental Accounts Committee
DC	Deputy Commissioner
DDO	Drawing & Disbursing Officer
DEO	District Education Officer
DG	Director General
DHO	District Health Officer
DP	Draft Para
DPR	Disabled Person Rehabilitation
DTL	Drug Testing Laboratory
E&SED	Elementary & Secondary Education Department
FD	Finance Department
FTR	Federal Treasury Rules
GFR	General Financial Rules
GGMS	Government Girls Middle School
GGPS	Government Girls Primary School
GPO	General Post Office
HDPE	High Density polyethylene
HPA	Health Professional Allowance
HRA	House Rent Allowance
IPSAS	International Public Sector Accounting Standards

KPPPRA	Khyber Pakhtunkhwa Public Procurement Rules Authority
LGE & RDD	Local Government, Election & Rural Development Department
LGA	Local Government Act
MB	Measurement Book
MFDAC	Memorandum for Departmental Accounts Committee
MCC	Medicines Co-Ordination Cell
NBP	National Bank of Pakistan
NC	Neighborhood Council
PAO	Principal Accounting Officer
PTC	Parent teacher Council
PLS	Profit & Loss Sharing
PMDC	Pakistan Medical and Dental Council
TAC	Tehsil Accounts Committee
TS	Technical Sanction
TMA	Tehsil Municipal Administration
TMO	Tehsil Municipal Officer
VC	Village Council
WSS	Water Supply and Sanitation

## **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 District Government, Tehsil Municipal Administrations, Assistant Director Local Government, Elections and Rural Development Department, in District Dir Upper for the financial year 2019-20. The Director General of Audit, District Governments, Khyber Pakhtunkhwa conducted audit during 2020-21 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 of the cases departments did not submit written replies till finalization of this report. DAC meeting were also not convened despite 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, (amended in 2019) for laying before the appropriate legislative forum.

Islamabad  
Dated:

**(Javaid Jehangir)**  
**Auditor General of Pakistan**

## EXECUTIVE SUMMARY

The Directorate General Audit District Governments, Khyber Pakhtunkhwa carries out the audit of Local Governments in 35 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 seven districts namely Swat, Shangla, Dir Lower, Dir Upper, Chitral Lower, Chitral Upper and Bajaur.

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 Dir Upper consist of three tiers which perform their operations under Khyber Pakhtunkhwa Local Government Act 2013(amended in 2019). Financial provisions of the Act describe the Local Consolidated Fund and Public Account for which Annual Budget Statement is approved by the respective councils in the form of budgetary grants. Top tier- the District Government comprises one Principal Accounting Officer (PAO) i.e. Deputy Commissioner for the District government, who is Officer in charge of 10 devolved departments including AD LGE & RDD. The second Tier- Town/Tehsil Municipal Administrations have one PAO i.e. Town/Tehsil Municipal Officer for each administration. There are four Tehsil Administrations in district Dir Upper. The third tier- Village and Neighborhood Councils have AD LGE & RDD as Principal Accounting Officer for these councils. There are 122 VC's/NC's in District Dir Upper.

### **a) Scope of audit**

This office is mandated to conduct audit of 237 formations working under 06 PAOs. Total expenditure and receipts<sup>1</sup> of these formations were Rs. 5,107.546million and Rs. 47.081 million respectively for the financial year 2019-2020.

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<sup>1</sup> District Government has no receipt

Audit coverage relating to expenditure for the current audit year comprises 21 formations of 6 PAOs having a total expenditure of Rs 1,497.137million for the financial year 2019-2020. In terms of percentage, the audit coverage for expenditure is 29% of auditable expenditure.

Audit coverage relating to receipts for the current audit year comprises 04 formations of 04 PAOs (4 TMAs) having a total receipt of Rs 47.081 million for the financial year 2019-2020. In terms of percentage, the audit coverage for receipt 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 58.332 million was pointed out in this report. No recovery against these figures was reported.

**c) Audit Methodology**

Audit was conducted according to INTOSI guidelines for Compliance audit and Financial Audit Manual of AGP.

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

**d) Audit Impact**

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



**e) Comments on Internal Control and Internal Audit department**

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

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

The organizational structure followed in the local Government Offices was according to the LGA 2013 (amended in 2019)

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

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

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

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

**f) Key audit findings of the report**

- i. Non compilation/Consolidation of Accounts of Local Governments-Rs 1233.313 million<sup>1</sup>
- ii. Unauthorized payments to DDOs instead of crossed cheques to venders - Rs 382.871 million<sup>2</sup>
- iii. Unverified payment of arrears of pay and allowances - Rs190.769 million<sup>3</sup>
- iv. Irregularities were noted in 32 cases amounting to Rs 318.331million.<sup>4</sup>
- v. Values for money were noticed in 09 cases amounting to Rs 40.077million<sup>5</sup>
- vi. Others were noted in 33 cases amounting to Rs 561.101 million.<sup>6</sup>

Minor irregularities/ weaknesses pointed during the audit are being pursued separately with the authorities concerned, as detailed in Annex-1.

**g) Recommendations**

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

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<sup>1</sup> Para 1.2.1

<sup>2</sup> Para 1.2.2

<sup>3</sup> Para 1.2.3

<sup>4</sup> Para 2.5.1.1 to 2.5.1.9, 3.5.1.1 to 3.5.1.11 and 4.5.1.1 to 4.5.1.2

<sup>5</sup> Para 2.5.2.1 to 2.5.2.5, 3.5.2.1 to 3.5.2.4

<sup>6</sup> Para 2.5.3.1 to 3.5.3.18, 3.5.3.1 to 3.5.3.11 and 4.5.2.1 to 4.5.2.4

# **CHAPTER-1**

## **Public Financial Management**

### **1.2 Sectoral Analysis**

#### **Introduction**

After promulgation of Local Government Act, 2013(amended in 2019), Local Government elections were held in 2015, which resulted in formation of three tiers of government in each district of Khyber Pakhtunkhwa. On the expiration of tenure of the district councils, Tehsil councils and village and neighborhood councils in the province, Local Government, Election and Rural Development department in its notification dated 4<sup>th</sup> September, 2019 authorized the DCs, TMOs and Assistant Directors Local Government and Rural Development Department to perform functions of respective Nazameen under local Government Act 2013, till formation of new elected local Government.

In the light of LGE&RDD's notification dated 4<sup>th</sup> September, 2019 District Dir Upper is headed by Deputy Commissioner who is Principal Accounting Officer of the budget grant allocated to the 10 offices devolved at district level. Similarly, Tehsil Municipal Administration is headed by Tehsil Municipal Officer who is the Principal Accounting Officer for the Tehsil Municipal Administration whereas Assistant Director LGE&RDD is the Principal Accounting Officer for Village/Neighborhood Councils.

In District Dir Upper, Funds amounting to Rs. 6495.171 million were allocated to 237 formations working under 06 PAOs. Out of which, expenditure of Rs. 5107.546 million was made resulting into saving of Rs. 1387.63 million. Receipts of Rs. 47.081 million were collected through these formations during the financial year 2019-20. Audit coverage relating to expenditure for the current audit year comprises 15 formations of 06 PAOs having a total expenditure of Rs. 1497.137 million for the financial year 2019-20. In terms of percentage, the audit coverage for expenditure is 29 % 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, Dir Upper did not reflect Rs. 1233.313 million into the consolidated financial statement of Local Government, Dir Upper.

District Government, Dir Upper was found lagging behind in many areas envisioned as integral component of the Local Government in the Khyber Pakhtunkhwa Local Government Act 2013(amended in 2019). The District Government could not establish & maintain Public Fund account as required under section 30 of LGA 2013(amended in 2019). Similarly, it also failed to prepare, present and approve the budget estimates of receipts from district council for District Government, Dir Upper as required under section 18 of LGA 2013. Most importantly, Finance Department, Khyber Pakhtunkhwa could not provide District Account Office, Dir Upper with prescribed format and necessary trainings to compile the accounts of TMAs and Village/Neighborhood councils and then reflect the same in the consolidated financial statement of the district, which resulted in disclaimer of its accounts by the Auditor General of Pakistan. Moreover, Internal Audit function could not be established as provided in sub section 4 of section 37 of LGA 2013(amended in 2019), as internal auditors were not posted in the District and Tehsil Councils. In addition, Asset management by District Government was yet another area it could not address as required under section 38 of the LGA 2013(amended in 2019).

The Local government provided services in the following sectors.

**Education:**

The education sector is one of the major sectors in district Dir Upper like other districts. Statistics show that there are 807 primary, 91 middle, 50 secondary and 22 higher secondary schools in District Dir Upper. The estimated Teacher Student Ratio is 1:51 at primary, 1:22 at middle, 1:24 at secondary and 1:33 at the level of higher secondary schools. District Dir Upper literacy rate is 42%, the Gross Enrollment Rate (GER) is 92 %, and the Net Enrollment Rate (NER) is 68 % at the primary level. On budgetary front, District Education office,

Dir Upper succeeded in spending 99.6 % of the District ADP and 65.99 % non-salary budgets.

District Education Offices in Dir Upper enrolled 176,375 in boys schools while 149,162 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 89.01% & 81.8% respectively. Furthermore, 59% schools in district Dir Upper were provided with all basic facilities like classrooms, water supply, group latrine, boundary walls and electrification. However, administrative visits of DEO, DDEO and SDEO were 105 %.

### **Health**

Health is another important sector of District Dir Upper with a total of 54 health facilities spread across the district among which 30 BHUs, 11 CDs, 3 leprosy centers, 3 SHCs, 4 RHC and 3 THQs/Category-D with the total catchment area population of approximately 946,421 as per survey carried out by Health department in 2017.

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, 6,368 babies were born with 4,861 and 1,507 in primary and secondary health facilities respectively. Out of them, 41 infant and 01 maternal deaths were recorded. Lab investigations and diagnostic facilities were also fully utilized as 185,901 lab tests, 3,321 X-rays, 12,057 ultrasounds and 427 ECGs were done in both primary and secondary health facilities in district Dir Upper. Figures of immunization from EPI register are also very impressive as 21,276 pregnant women received TT-2 vaccines, 30,156 kids under 12 months received full immunization. 6,683 families were provided

family planning services. Human resource data from facility records revealed that these health facilities were 105 vacant posts of medical officers and were amply provided with paramedics as only very few positions were found vacant. As these facilities were frequently visited by patients so they also generated good revenue from OPD services, indoor patient's treatment and other lab investigations etc.

### **Social Welfare**

In social Welfare and Women Empowerment sector, budgetary allocations were focused on providing social cushion to the deprived and marginalized segments of society especially, women and children. In the proposed development plan, the department had continued to proceed with its ongoing projects which included schemes for the wellbeing and safeguarding of destitute women, orphans, beggars, drug addicts and special persons.

There was no Rehabilitation center for drug addicts in district Dir Upper. District Officer Social welfare failed to provide rehabilitation aids and financial assistance during the year. Furthermore, various vocational and industrial trainings were provided by the Social Welfare Department. However, keeping in view the spread of drug use and incidence of poverty in Dir Upper, the efforts made by Social Welfare office, Dir Upper are not likely to bring about any visible improvement in the short or long run unless more resources are diverted to this sector.

### **Municipal Services**

Tehsil Municipal Administration consisting of the Tehsil council, Tehsil municipal officer, municipal officers and other officials of the local council service.

Tehsil Municipal Administrations, District Dir Upper did not fulfill some primary requirements envisioned as essential component of Local Government in the Khyber Pakhtunkhwa Local Government Act, 2013(amended in 2019). The Local Government could not establish & maintain Tehsil Public Fund Account as

required under the section 30 of LGA. Similarly, Teshsil 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, Dir Upper 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(amended in 2019), 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(amended in 2019).

## **1.2 AUDIT PARAS**

### **1.2.1 Non compilation/Consolidation of Accounts of Local Governments- Rs1,233.313 million**

According to section 36(3) of Local Government Act 2013(amended in 2019), 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.

The Accountant General Peshawar did not compile/consolidate the accounts of receipts and expenditure of Rs 1,233.313 million and Rs. 763.610million from the Government and local resources of the Local Governments i.e. TMAs, VCs and NCs of District Dir Upper for the financial year 2019-2020.

Provisions of the Local Govt Act 2013 by Local Governments in District Swat were not complied with.

Due to non-consolidation of accounts of TMAs and VCs/NCs the financial statements of local governments of District Swat remained incomplete.

When pointed out in September2020, management stated that the accounts of TMAs and VCs are compiled/ consolidated on regular basis in their respective ledgers/ registers.

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

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



### **1.2.2 Unauthorized payments to DDOs instead of crossed cheques to vendors - Rs 382.871 million**

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

District Accounts Officer Dir Upper, paid Rs 382,871,390 to various DDOs instead of issuance crossed cheques to Vender/Payees Accounts which was unauthorized.

Unauthorized issuance of cheques to DDOs occurred due to weak internal control which resulted in violation of rules.

All most in all cases payment of salary has been made to DDO due to the fact that employees were appointed and as per practice in vogue& as per AG-KP instruction issued in 2013 (copy attached) as per annexure “B” 1<sup>st</sup> payment of salary has been made to DDO to avoid any unlawful and doubtful payment.

DAC directed that issuance of cheques to DDOs should be stopped along with inquiry for fixing responsibility on the person(s) at fault. However no progress was shown till finalization this report

Audit recommends inquiry besides stoppage of cash payments.

### **1.2.3 Unverified payment of arrears of pay and allowances - Rs 190.769 million**

According to Para 89(4) (viii) of GFR Vol- I, the head of a department and the Accountant General will be jointly responsible for the reconciliation of figures given in the accounts maintained by head of department with those that appear in the Accountant General’s books.

During certification audit of Dir Upper for the year 2019-20 while analyzing HR data it was noticed that arrears of pay and allowances of Rs 190,769,094 was shown made which could not be verified.

True and fair view of accounts could not be presented without justification.

When pointed out in September 2020, management stated that photocopy of all passed/verified sources/Changes are enclosed for ready references.

DAC directed that random selection of samples be provided to audit for checking. However no record was provided till finalization this report.

Audit recommends inquiry besides provision of record as per DAC directives.

## **CHAPTER-2**

### **District Governments**

#### **2.1. Introduction**

Under Khyber Pakhtunkhwa Local Government Act 2013, activities of District Government are managed through offices of Deputy Commissioner and District Officers. Each department of the district 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 & Social Welfare.

According to section 13 of the Khyber Pakhtunkhwa Local Government Act 2013 (amended in 2019) 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**

S.No	Description	Total Nos	Audited	Expenditure audited FY 2019-2020 (Rs in million)	Revenue /Receipts audited FY 2019-2020 (Rs. in million)
1	Formations	10	04	1191.166	0

**2.2 Comments on Budget and Accounts (Variance Analysis)**

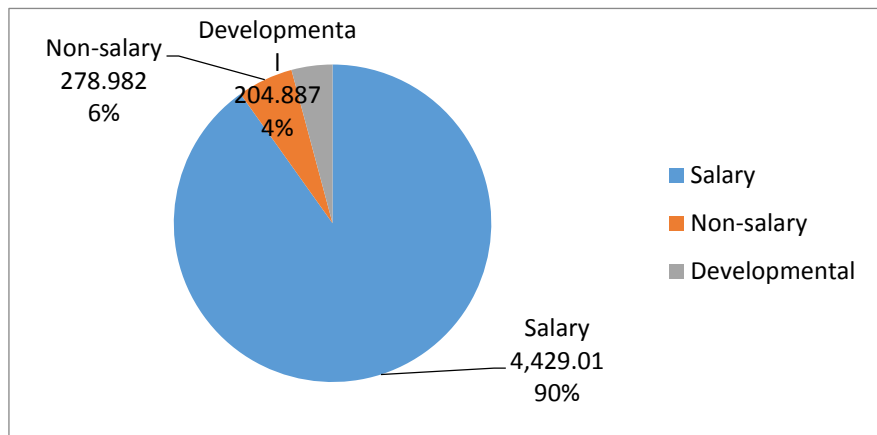
(Rs in million)

District Government Dir Upper				
2019-20	Budget	Actual Expenditure/ Receipts	(Saving)/Excess	%age
Salary	4456.021	4,429.01	-27.01	-0.606
Non-salary	435.448	278.982	-156.47	-35.932
Developmental	739.754	204.887	-534.87	-72.303
<b>Total</b>	<b>5631.223</b>	<b>4,912.88</b>	<b>-718.34</b>	<b>-12.756</b>
<b>Receipts</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

The savings of Rs 718.34million indicate inefficiency in the capacity of District Government Departments to utilize the amount allocated.

**EXPENDITURE 2019-20**

(Rs in million)



### 2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 493.323million were raised in this audit report. This amount also includes recoverable of Rs 41.884million 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	HR/Employees related irregularities	19.643
B	Procurement related irregularities	2.319
C	Management of Accounts with Commercial Banks	126.949
2	Value for money and service delivery issues	25.462
3	Others	318.950
	Total	493.323

### 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
	2018-19	Not Convened

## **2.5 AUDIT PARAS**

### **2.5.1 Irregularities**

#### **A. HR related irregularities**

##### **2.5.1.1 Overpayment on account of Conveyance Allowance and HRA –Rs 4.324 million**

- i. According to Government of Pakistan Accountant General Khyber Pakhtunkhwa letter No Computer/HR-LAB/CIC/203 dated 4-8-2011, Para 2(iv) Conveyance allowance is not admissible to government servant who resides in the office premises.
- ii. According to Government of Khyber Pakhtunkhwa Finance department letter No BOVII/FD/1-2/BE-20012-13 dated 5-11-2012, No such policy of exemption from house rent deduction exists. Even the provincial civil servant who has official within the premises and he refused to occupy such accommodation is also not entitled to house rent allowance.

District Health Officer Dir Upper paid Rs 4,324,218 on account of Conveyance Allowance and HRA to officers/officials for which they were not entitled during 2019-20 as detailed in annexure-2

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

When pointed out in August 2020, management stated that after scrutiny of record deduction will be made when outstanding against the defaulter. No progress was intimated to audit.

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

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

**AIR Para No.33 (2019-20)**

### **2.5.1.2 Irregular & unauthorized amounting to Rs 13.459 million detailment/ posting of health staff from Health Facilities**

According to Government of Khyber Pakhtunkhwa Health Department Notification No SO/(E) H-II/3-18/2020/Contract dated 3<sup>rd</sup> April 2020, of appointment with terms and condition S.No 2 THE POST WILL BE FACILITY SPECIFIC/non-transferable. Establishment Code Posting/transfer policy of the Provincial Government subsection (viii) No posting/transfers of the officers/officials on detailment basis shall be made.

According to Government of Khyber Pakhtunkhwa Establishment Code Posting/transfer policy of the Provincial Government subsection (viii) No posting/transfers of the officers/officials on detailment basis shall be made.

During scrutiny of the establishment records of the office of District Officer Health Dir Upper incurred expenditure amounting to Rs 13,459,463 for the financial year 2019-20, it was observed that Doctors were appointment on contract basis for the period of six months with the condition facility specific/non-transferable but local office transfer and posted on detainment basis in violation of the abovementioned rules.

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

When pointed out in August 2020, management stated the newly posted doctor were directed to performed their duties in corona ward, quarantine center for time being due to herd work. No time directed all MO to report for duties in their original place of positing. Reply is not convincing as no proof was produced to audit.

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

Audit recommends placement of staff at the right place besides action against the persons at fault.

**AIR Para No.30 (2019-20)**

**2.5.1.3 Illegal occupation of Government accommodations at various Health Units by unauthorized persons and non recovery of Rent –Rs 1.860 million approximately**

Para 13 of GFR controlling Officer must satisfy himself by internal check against irregularities, waste and fraud against loss of public money and store and copy of inspection report endorsed to audit.

During the Audit of District Health Officer Dir Upper for the financial year 2019-20 it was noticed that Government accommodations located inside the premises of various health units was illegally occupied by unauthorized persons since long. However, neither action was taken for vacation of Govt. Bungalows and Quarters from unauthorized persons nor Rent of Rs. 1,860,000 approximately was recovered from the occupant as per detail at Annexure-3.

Irregularity occurred due to weak financial control, which resulted in violation of rules, which resulted in loss to government.

When pointed out in August 2020, management stated that this office so many time requested to the concerned quarter to vacant the building which is the property of the health department to allot the said building to the health staff now the para in question will be sent to the concerned department to deduct the amount from the concerned staff who have occupied the residence of the health department.

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



Audit suggests immediate vacation of Govt. accommodations along with recovery of rent on actual market rates and action against the person(s) at fault.

**AIR Para No.34 (2019-20)**

**B. Procurement related irregularities**

**2.5.1.4 Advance payment in violation of agreement and non-supply of furniture– Rs 1.203 million**

According to 5 of the agreements, payment will be made to the suppliers on the production of delivery challan of the item dully 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(Male) Dir Upper withdrew Rs 1,203,087 from Government treasury on account of purchase of furniture during financial year 2019-20 and advance payment was made to the suppliers but no supply was made till date of audit.

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

When pointed out in November, 2020 management stated that detail reply will be sent.

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

Audit suggests inquiry into probable cause of irregularities.

**AIR Para No.02 (2019-20)**

#### **2.5.1.5 Advance payment in violation of agreement and non-supply of furniture– Rs 1.116 million**

According to 5 of the agreements, payment will be made to the suppliers on the production of delivery challan of the item dully 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) Dir Upper withdrew Rs 1,161,957 from Government treasury on account of purchase of furniture during financial year 2019-20 and advance payment was made to the suppliers but no supply was made till date of audit.

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

When pointed out in November 2020, management did not respond the audit observation.

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

Audit suggests inquiry into probable cause of irregularities.

**AIR Para No.08 (2019-20)**

## **C. Management of Accounts with Commercial Banks**

### **2.5.1.6 Irregular placement of public funds in current bank accounts Rs.2.218 million**

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

Deputy Commissioner Dir Upper retained Rs 2,218,052 as closing balance in current designated bank account instead of PLS in violation of Finance Department KPK.

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

When pointed out in August 2020, management stated in the light of audit observation the account of this office will be converted to PLS mode.

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

Audit recommends immediate conversion of current accounts into PLS mode.

**AIR Para No 31 (2019-20)**

**2.5.1.7 Irregular placement of public funds in current bank accounts  
Rs 120.634 million**

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

Deputy Commissioner Dir Upper retained Rs 120,634,102 as closing balance in current designated bank account instead of PLS in violation of Finance Department KPK. Detail as per annexure-4

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

When pointed out in July, 2020. Management replied that bank accounts of this office would be converted into PLS mode and progress would be shown to audit. Reply was not satisfactory as instructions for conversion of current accounts into PLS mode were issued in February 2014 which were not complied with even after lapse of more than six years due to which Government sustained loss in million each year.

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

Audit recommends immediate conversion of current accounts into PLS mode.

**AIR Para No.05 (2019-20)**

**2.5.1.8 Irregular retention of money in Designated Bank account - Rs1.879 million**

According to Para 15 of GFR Volume I, every one whose duty is to prepare and render any accounts or returns in respect of public money or store is personally responsible for their completeness and strict accuracy and their dispatch within the prescribed date.

Deputy Commissioner Dir Upper received Rs 3,300,000 from the acquiring Department vide Cheque No. 1560533 dated 14.12.2018 on account of acquisition land and deposited into Designated bank account of land for construction of Judicial Complex Wari. In revised calculation the land was found 3 Kanal and 18 Marla and 3.5 Sarsaya under Section -8, for Rs 1,420,480 which resulted in saving of Rs Rs 1,879,520 in the available amount. The saving amount was unnecessarily retained in bank account instead of refund to the acquiring department.

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

When pointed out in July, 2020. Management replied that the saving amount would be transferred to the concerned department and progress would be shown to audit. Reply was not satisfactory as no progress was shown to audit.

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

Audit recommends payment to the concerned or deposit into Government treasury in case of no justified claim and record be shown to audit.

**AIR Para No.15 (2019-20)**

**2.5.1.9 Irregular placement of public funds in current bank accounts  
Rs 2.218 million**

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

Deputy Commissioner Dir Upper retained Rs 2,218,052 as closing balance in current designated bank account instead of PLS in violation of Finance Department KPK.

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

When pointed out in August 2020, management stated in the light of audit observation the account of this office will be converted to PLS mode.

Audit recommends immediate conversion of current accounts into PLS mode.

**AIR Para No.31 (2019-20)**

## **2.5.2 Value for money and service delivery issues**

### **2.5.2.1 Non supply of medicines - Rs 1.410 million**

According to para 22 of Government MCC Rate Contract agreement issued vide Director General Health Services Khyber Pakhtunkhwa 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 Agencies, except in situation/s covered under clause-21 above regarding Force Majeure. In case of delay in supplies reaching to the Purchasing Agency, the following penalties shall be imposed by the Purchasing Agency upon the Supplier:

a. Upon delay in supply from thirty-one to forty-five (31 to 45) days, a lump sum penalty amounting to three per cent (03%) of the total quoted price of such goods, whose supply was delayed out of the same supply order as issued to the Supplier, shall be levied through deducting the total amount of penalty from the total pre-tax payable billed amount by the Purchasing Agency.

b. Upon delay in supply from forty-six days up to sixty (46 to 60) days, instead of three per cent (03%) as in clause-22(a) above, a lump sum total penalty amounting to seven per cent (07%) of the total quoted price of such goods, whose supply was delayed out of the same supply order as issued to the Supplier, shall be levied through deducting the total amount of penalty from the total pre-tax payable billed amount by the Purchasing Agency.

c. 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 to the extent of non-supplied items and in such a case, the Procuring Agency shall have the right, duty and authority to impose any or all of the below mentioned penalties; that is

i. Forfeiting the bids security and / or performance guarantee of the Supplier as related to this contract agreement; and / or

ii. Immediately debarring the Supplier from future participation and business for at least next three (03) calendar years with the Government of Khyber Pakhtunkhwa through MCC or any other health institution, project and / or

Program directly or indirectly run or implemented by or through the provincial Health Department or Purchasing Agencies in the Province, as defined in the SBDs, and District Governments in the Province; and / or

iii. Initiating the process for and recommending for permanent blacklisting of the Supplier with the Purchasing Agencies.

District Health Officer Dir Upper incurred expenditure of Rs 1,410,649 on account of purchase of medicines. Scrutiny of record revealed that the following medicines were not supplied till date of audit. Neither supply orders were cancelled nor penalty @ 3% amounting to Rs 98745 imposed. Detail is given at annexure-5

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

When pointed out in August 2020, management stated that penalty will be recovered from the concerned firm.

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

Audit recommends supply of medicines without further delay and recovery of penalty.

**AIR PARA NO.25 (2019-20)**

#### **2.5.2.2 Non deposit of Ambulance Charges Rs 1.129 million**

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



During audit of the accounts of the office of District Health Officer Dir Upper for the financial year 2019-20, it was observed that the Drivers/in charge of the Ambulances and Canteen charges of Cat-D hospital Wari did not deposited the realized amount of Rs 1,129,820 which was outstanding against the Drivers. Detail as per Annexure-6

Non deposit of Ambulance Charges occurred due to weak financial control which resulted in loss to government.

When pointed out in august 2020, management stated that after scrutiny of hospital record if any recovery will be made.

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

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

**AIR Para No.26 (2019-20)**

### **2.5.2.3 Non deposit of profit earned on Government funds into Government treasury – Rs 18.391 million**

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

Deputy Commissioner Dir Upper kept Government funds in 02 designated bank PLS accounts and earned profit of Rs 18,391,410 during financial year 2019-20. The amount of profit earned was not deposited into Government treasury. Detail is as under:

S.No	Name of bank and branch	Computerized Bank account No.	Purpose of Account	Total profit earned during 2019-20 (Rs)
01	BOP Dir upper	35934000013	Tehsildar Kalkot	1,962,589
02	NBP Dir upper	3009637082	Earthquake account	16,428,821
<b>Total</b>				18,391,410

The lapse occurred due to weak internal controls and resulted in undue retention of government dues and loss to exchequer.

When pointed out in July, 2020. Management replied that the profit earned on Government funds in the banks accounts of this office would be deposited into Government treasury under proper head of account and challans would be shown to audit. Reply was not satisfactory as documentary evidence/challan was not shown to audit.

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

Audit recommends immediate deposit of profit into Government treasury under intimation to audit along with documentary proofs.

**AIR Para No.01 (2019-20)**

#### 2.5.2.4 Non deposit of registration fee and stamp duty on acquisition of land - Rs 2.950 million

According to Section 51 of the Land Acquisition Act 1894, no award or agreement made under this Act, shall be chargeable with stamp duty and no person claiming under any such award or agreement shall be liable to pay any fees for a copy of the same.

According to Treasury Rule 7 (i), all the money received by or tendered to government officers on account of the revenue shall without undue delay be paid in full into a treasury.

According to Article 23 of Appendix “Schedule-1” of the Khyber Pakhtunkhwa Finance Act 2007, stamp duty @ 2% was chargeable on award of land (immovable property) in an urban area.

Deputy Commissioner Dir Upper did not deposit Rs 2,950,800 in Government treasury on account of registration and stamp duty fee on acquisition of land for 3 no of projects during 2019-20. Detail is given below:

S.No	Particular of land acquired	Cost of Land (Rs)	3% registration and stamp duty (Rs)
1	Const: of Dir to Sheringal and Patrak roaad	87,331,000	2,619,930
2	Const of Rescue 1122	1,343,604	38,388
3	Const of Judicial Complex	1,352,839	40,585
4	Barwal Play Ground	7,043,750	211,312
5	Judicial Complex	1,420,480	40585
	<b>Total</b>		<b>2,950,800</b>

The lapse occurred due to weak internal controls and resulted in undue retention of government dues and loss to exchequer.

When pointed out in July, 2020. Management replied that the concerned offices would be directed to deposit the same into Govt treasury and challans

would be shown to audit. Reply was not satisfactory as no progress was shown to audit.

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

Audit recommends deposit of registration fee and stamp duty into Government revenue and action against the person(s) at fault.

**AIR Para No.12 (2019-20)**

**2.5.2.5 Non deposit of 2% Property Tax on acquisition of land - Rs 1.967 million**

According to Article 23 of Appendix “Schedule-1” of the Khyber Pakhtunkhwa Finance Act 2007, stamp duty @ 2% was chargeable on award of land (immovable property) in an urban area.

Deputy Commissioner Dir Upper did not deposit Rs 1,967,199 on account of 2% property on acquisition of land for 2 no of projects during 2019-20. Detail is given below:

S.No	Particular of land acquired	Cost of Land (Rs)	2% District Council Fee (Rs)
1	Constt: of Dir to Sheringal and Patrak roaad	87,331,000	1,746,620
2	Const of Rescue 1122	1343604	25,592
3	Const of Judicial Complex	1352839	27,056
	Barwal Play Ground	7,043,750	140,875
	Judicial Complex	1,420,480	27,056
	<b>Total</b>		<b>1,967,199</b>

The lapse occurred due to weak internal controls and resulted in undue retention of government dues and loss to exchequer.

When pointed out in July, 2020. Management replied that the concerned offices would be directed to deposit the same into Govt treasury and challans would be shown to audit. Reply was not satisfactory as no progress was shown to audit.

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

Audit recommends transfer of district council fee and action against the person(s) at fault.

**AIR Para No.13 (2019-20)**

### **2.5.3 Others, including cases of accidents, negligence etc.**

#### **2.5.3.1 Non-credit of land compensation lapsed deposit into government revenue –Rs 105.105 million**

According to Para 399(iii) of CPWA Code, balances unclaimed for more than three complete accounting years shall be credit to Government as lapsed deposits.

Deputy Commissioner Dir Upper did not credit lapsed deposits on account of land compensation amounting to Rs 105,105,316, which remained unclaimed for more than three accounting years. The balance was unclaimed since 02-07-2014 to 30-06-2020, which was required to be deposited as lapsed deposit into Government revenue. Detail is given an annexure-7

The lapse occurred due to weak internal controls and resulted in undue retention of government dues and loss to exchequer.

When pointed out in July, 2020. Management replied that the after scrutiny of record lapsed deposit would be transferred to the concerned department and progress would be shown to audit. Reply was not satisfactory as no progress was shown to audit.

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

Audit recommends immediate crediting of lapsed deposits into Government treasury under intimation to audit.

**AIR Para No.16 (2019-20)**

### 2.5.3.2 Non reconciliation of expenditure-Rs 10.160 million

Para 89(4)(iii) of GFR the head of department / accountant general will jointly be responsible for the reconciliation of figure given in the accounts maintained by head of department and Rule 77 of the Treasury Rules Vol-I requires that every officer receiving money on behalf of the government should maintained cash book in Form T.R.4 and all monetary transactions should be entered in the cash book as soon as they occur and attested by the head of the office in token of check.

Deputy Commissioner Dir Upper incurred expenditure of Rs 10,160,022 during 2019-20 against the receipts amount of Rs 146,719,876 but no reconciliation was made with DAO for the receipts of money from the departments and payment thereof to the land owners. Therefore, authenticity of payment could not be ensured. Detail is as under:

S.No	Particular of land acquired	Total Amount	Expenditure (Rs)
1	UET Sub Campus at Dir Upper	125,000,000	-
2	Const of Rescue 1122	1,343,604	1,343,604
3	Const of Judicial Complex wari	3,300,000	1,420,480
4	Barwal Play Ground	17,076,272	7,395,938
	<b>Total</b>	146,719,876	10,160,022

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

When pointed out in July, 2020. Management replied that reconciliation would be made and would shown to audit. Reply was not satisfactory as no progress was shown to audit.

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

Audit recommends to regularizing the payment.

**AIR Para No.17 (2019-20)**

### **2.5.3.3 Unauthorized/irregular release of developmental fund - Rs5.275 million**

As per Guidelines for ADP No.668, up approved/Old/leftover schemes/ funded from other sources shall not be included in the scope of proposed schemes.

Para 10 (i) of General Financial Rules Volume I provides that every public officer is expected to exercise the same vigilance in respect of expenditure incurred from public moneys, as a person of ordinary prudence would exercise in respect of expenditure of his own money.

Deputy Commissioner Upper released Rs 5,275,000 out of ADP no.668 'Regional Development initiative for achieving SDGs fund to TMA Wari for work "Repair of Transformer and exertion of Pool" during financial year 2019-20. Audit holds that spending of the said fund for liabilities of DDI ADP No.858 2017-18 is unauthorized and irregular. Furthermore against the said the local office already approved developmental schemes in the DDC meeting held on 20.5.2020 and AA was issued. Moreover, payment was made to TMA Wari without technical sanction of the competent authority.

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

When pointed out in July, 2020. Management replied that as per guidelines for ADP 2019-20 scheme NO.668 "RDI" for achieving SDGs (Inclusive liabilities under SDPI, PP and DDIs). The scheme was administratively approved in 2017-18 under ADP i.e. District Development initiatives while the current release of FD KP reveals those inclusive liabilities under SPDI, PP, & DDIs) can also be meet out clearly reflected on the subject guidelines. As per policy the payment shall be done on work done basis.

Reply of the department not convincing as against the said fund the local office already approved developmental schemes in the DDC meeting held on



20.5.2020 and AA was issued. Furthermore, as per guidelines of the SDGs unapproved/old/leftover .schemes/funded from other source shall not be included.

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

**AIR Para No.21(2019-20)**

**2.5.3.4 Unauthentic payment on account of land acquisition- Rs.10.160 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, acquaintance roll on Form TR 28 be maintained in support of payments.

Deputy Commissioner Dir Upper paid Rs 10,160,022 to Assistant Commissioners on account of land compensation for onward disbursement to the land owners, however actual payee receipts/acquaintance rolls of the land owners were not available to verify the payment.

S.No	Particular of land acquired	Total Amount	Expenditure (Rs)
1	Const of Rescue 1122	1,343,604	1,343,604
2	Const of Judicial Complex wari	3,300,000	1,420,480
3	Barwal Play Ground	17,076,272	7,395,938
	<b>Total</b>	<b>21,719,876</b>	<b>10,160,022</b>

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

When pointed out in July, 2020. Management replied that APRs would be obtained from the concerned offices and would be produced to audit. Reply was not satisfactory as no progress was shown to audit.

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

Audit recommends proper acknowledgement of the paid amount duly verified by the competent authority be submitted to audit.

**AIR Para No.18 (2019-20)**

#### **2.5.3.5 Excess allocation of funds—Rs 2.00 million**

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

During audit of the accounts of Deputy Commissioner, Dir Upper it was noticed that the finance department KP release amounting to Rs 5,000,000 for emergency procurement of drugs and equipments for the control of corona virus disease vide release letter No. According to Government of Khyber Pakhtunkhwa BO/PFC-ii/FD2019-20/N/Salary dated 10.04.2020 scrutiny of record revealed that District Government Dir Upper release Rs 7,000,000 to DHO Dir Upper resulting in excess release of Rs 2,000,000.

When pointed out in July, 2020. Management replied that the FD released an amount of Rs 5 million for corona control and the said amount was released to DHO office. Furthermore, this office also released an amount of 2 million for the said purpose from District Govt AC-IV on request of DHO Office resulting an excess amount of Rs 2 million.

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

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

Audit recommends regularization from the competent authority.

### **AIR Para No.19 (2019-20)**

#### **2.5.3.6 Loss due to irregular award of State land without open tender system- Rs 1.816 million**

According to Tehsildar Dir and Barawal letter No. 234,235/Tehsildar Dir/State land dated 8-07-2019 and letter No. 2253/ Tehsildar Barawal/State land dated 12-07-2019 the current market rates of state land lease were Rs 6,003 and Rs 13,776 in Tehsil Dir and Rs 116,857 in Tehsil Barawal.

According to Para 23 of GFR Vol.-I, every Government officer is personally responsible for any loss sustained by Government through fraud or negligence either on his part or on the part of his subordinate staff.

Deputy Commissioner Dir Upper awarded state land measuring 47 Kanal and 5 Marla without adopting open tender system to various tenants since 2003 & 2006. The local office did not take any efforts for open auction of the state land in order to achieve high rates instead of the old rates. Thus, huge loss amounting to Rs 1,815,752 was sustained to Government. Detail is given at annexure-8

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

When pointed out in July, 2020. Management replied that efforts would be made to streamline the state land open auction process and progress would be

shown to audit. Reply was not satisfactory as documentary evidence was not shown to audit.

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

Audit recommends investigation, recovery of lease receipts on market rates from the occupants and action against the persons at fault.

**AIR Para No.02 (2019-20)**

**2.5.3.7 Unauthentic expenditure on account of developmental funds - Rs 14.197 million**

According to Treasury Rule 290, no money shall be withdrawn 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 76 (2)(d) of the Khyber Pakhtunkhwa District or City District Government (Budget) Rules 2016, the Principal Accounting Officer must see that the funds allotted to spending units are expended in the public interest and upon objects for which the money was provided;

District Education Officer (Female) Dir Upper withdrew Rs 1,4197,856on account of District ADP and transferred to the PTC accounts of schools during financial year 2019-20. The amount was kept in PTC bank accounts and it was observed that Utilization of fund as per procedure and in a transparent and efficient manner was not ensured because, Vouchers. Accounts, bank statements and progress reports pertaining to PTC fund was not submitted for scrutiny to the office of the DEO Office.

S.No	Cheque No & Date	Amount (Rs)
1	0634485 19.9.2019	1,983,080
2	0727204 10.10.2019	447,000

3	0727321 21.10.2019	720,000
4	0726835 4.12.19	360,000
5	0726971 16.12.19	400,000
6	0889471 21.4.2020	360,000
7	0889450 16.4.2020	3112,256
8	do	1297,760
9	0889690 14.5.2020	840,000
10	0890741 22.6.2020	4,467,760
	<b>Total</b>	<b>14,197,856</b>

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

When pointed out in November, 2020 management stated that detail reply will be sent.

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

Audit recommends detailed verification of PTC record and fixing responsibility on the person(s) at fault.

**AIR Para No.03 (2019-20)**

**2.5.3.8 Unauthentic expenditure on account of petty repair & CRC – Rs 16.499 million**

According to the financial procedure prescribed in the Finance Department letter No.B-V/FD/3-10/2006-07 dated 09.06.2007, the progress report, all vouchers and accounts pertaining to PTC fund shall be submitted to EDO (E&SE) for production to Audit. The EDO(E&SE) is required to ensure that the PTC funds are utilized as per procedure in a transparent and efficient manner.

District Education Officer Male Dir Upper paid Rs 52,016,000 on account of Petty Repair and Class Room Consumable items to school. During scrutiny of Record it was observed that Utilization of fund as per procedure and in a transparent and efficient manner was not ensured because, Vouchers. Accounts,

bank statements and progress reports pertaining to PTC fund was not submitted for scrutiny to the office of the DEO Office.

<b>S.No</b>	<b>Particular</b>	<b>Amount (Rs)</b>
01	Class Room Consumable	7,499,326
02	Petty Repair	9,000,000
	<b>Total</b>	<b>16,499,326</b>

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

When pointed out in November, 2020 management stated that detail reply will be sent.

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

Audit recommends that the relevant record be collected from the concerned for verification.

**AIR Para No.05 (2019-20)**

**2.5.3.09 Irregular /unauthentic expenditure on account of play areas – Rs 11.640million**

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

District Education Office (Male) Dir Upper transferred funds of Rs11,640,000 on account of Play Area to various schools in the financial year 2019-20. During scrutiny of record the following observations were raised.

1. The local office did not collect any report regarding the construction of play areas that whether the play areas were made according to approved drawing, design and specification.

2. No Certificate in this regard has been obtained from the head/in charge of the concerned school that such facilities were not carried out under any other schemes.
3. The progress of work and utilization of fund report of the work was also not available on the record of the local office.

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

When pointed out in November, 2020 management stated that detail reply will be sent.

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

Audit suggests inquiry into probable cause of irregularities.

**AIR PARA NO.06 (2019-20)**

**2.5.3.10 Non Recovery/ rectification of PTC funds -Rs 1.10 million**

According to Para 8 of GFR Vol-I, it is the duty of the Revenue or Administrative Department concerned to see that the dues of Government are correctly and promptly assessed collected and paid into the treasury.

According to Para 28 of GFR Vol-I, No amount due to Government should be left outstanding without sufficient reason and where any dues appear to be irrecoverable the orders of Competent authority for their adjustment must be sought.

During scrutiny of record of the District Education Officer (Male) Dir Upper it was observed that inquiries were conducted on PTC funds, in which recoveries/ Rectification were pointed out for the work either not done by the PTC concerned or substandard during the year 2019-20. The local office failed to recover the amount of Rs 1,100,000 for the work not done.

Audit observed that government dues remained outstanding due to weak management control and resulted in loss to public exchequer.

When pointed out in November, 2020 management stated that detail reply will be sent.

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

Audit recommends investigation/ Recovery besides fixing responsibility on the person (s) at

**AIR Para No. 09 (2019-20)**

**2.5.3.11 Irregular /unauthentic expenditure on account of play areas – Rs1.80 million**

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

District Education Office (Female) Dir Upper transferred funds of Rs 1,800,000 on account of Play Area to various schools in the financial year 2019-20. During scrutiny of record the following observations were raised.

1. The local office did not collect any report regarding the construction of play areas that whether the play areas were made according to approved drawing, design and specification.
2. No Certificate in this regard has been obtained from the head/in charge of the concerned school that such facilities were not carried out under any other schemes.
3. The progress of work and utilization of fund report of the work was also not available on the record of the local office



Irregular expenditure occurred due to weak administrative control, which resulted in violation of government rules/policy.

When pointed out in November 2020, management did not respond the audit observation.

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

Audit suggests inquiry into probable cause of irregularities.

**AIR PARA NO.02 (2019-20)**

**2.5.3.12 Unauthentic payment of stipends without reconciliation – Rs56.319 million**

According to Government of Khyber Pakhtunkhwa Elementary & Secondary Education Department letter No. DPC/Stipends/E&SED/2017-18 dated 24<sup>th</sup> May 2018, DEO will sign reconciliation with District Post Offices, installment wise instead of cheque wise in order to rectify discrepancies between PMG and MIS figures.

According to Treasury Rule 7 (i), all the money received by or tendered to government officers on account of the revenue shall without undue delay be paid in full into a treasury.

District Education Officer (Female) Dir Upper transferred Rs 56,319,176 to Senior Post Master GPO Batkhela Malakand on account of stipend of girls students of class 6th to 10th of district Dir Upper during financial year 2019-20 in two installments in January and March 2020. The Senior Post Master disbursed stipends of Rs 56,319,176 among girls students at school level Audit held that reconciliations at schools level and district level were not made in violation of rules, and acknowledgement of receipts of money, counter signed by the

concerned head mistress/Principal were not obtained due to which the actual payment could not be authenticated and verified.

Unauthentic payment was occurred due to weak internal control.

When pointed out in November 2020, management did not respond the audit observation.

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

Audit recommends proper reconciliations at schools and district level on prescribed form 6 and form 7 as approved as per standard operating procedure and recovery of the unpaid amount from the GPO and deposit into Government treasury.

**AIR Para No.03(2019-20)**

**2.5.3.13 Unauthentic expenditure on account of petty repair & CRC – Rs 7.6 million**

According to the financial procedure prescribed in the Finance Department letter No.B-V/FD/3-10/2006-07 dated 09.06.2007, the progress report, all vouchers and accounts pertaining to PTC fund shall be submitted to EDO (E&SE) for production to Audit. The EDO(E&SE) is required to ensure that the PTC funds are utilized as per procedure in a transparent and efficient manner.

District Education Officer female Dir Upper paid Rs 7,600,000 on account of Petty Repair and Class Room Consumable items to 279 No of school. During scrutiny of Record it was observed that Utilization of fund as per procedure and in a transparent and efficient manner was not ensured because, Vouchers, Accounts, bank statements and progress reports pertaining to PTC fund was not submitted for scrutiny to the office of the DEO Office.

S.No	Particular	Amount (Rs)
1	Class Room Consumable	2,300,000

2	Petty Repair	5,300,000
	<b>Total</b>	<b>7,600,000</b>

The irregularity occurred due to non-compliance of the orders and non observance of PTC guidelines and weak financial controls, which resulted in violation of government instructions.

When pointed out in November 2020, management did not respond the audit observation.

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

Audit recommends that the relevant record June be collected from the concerned for verification.

**AIR Para No.04 (2019-20)**

**2.5.3.14 Unauthentic expenditure on account of developmental funds  
Rs 1.691 million**

According to Treasury Rule 290, no money shall be withdrawn 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 76 (2)(d) of the Khyber Pakhtunkhwa District or City District Government (Budget) Rules 2016, the Principal Accounting Officer must see that the funds allotted to spending units are expended in the public interest and upon objects for which the money was provided;

District Education Officer (Female) Dir Upper withdrew Rs 1,691,857 on account of District ADP and transferred to the PTC accounts of schools during financial year 2019-20. The amount was kept in PTC bank accounts and it was observed that Utilization of fund as per procedure and in a transparent and

efficient manner was not ensured because, Vouchers. Accounts, bank statements and progress reports pertaining to PTC fund was not submitted for scrutiny to the office of the DEO Office. As per detail given below:

S.No	Cheque No & Date	Amount
1	0891025 24.6.2020	240,000
2	0726606 12.11.2019	461,857
3	072731821.10.2019	390,000
4	0727319 21.10.2019	600,000
	<b>Total</b>	<b>1,691,857</b>

Irregular retention/ non utilization of funds in PTC accounts occurred due to weak financial management which resulted in violation of rules.

When pointed out in November 2020, management did not respond the audit observation.

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

Audit recommends detailed verification of PTC record and fixing responsibility on the person(s) at fault.

**AIR Para No.07 (2019-20)**

**2.5.3.15 Unauthorized payment on account of Budget Bonus amounting to Rs 1.950 million**

According to Serial No 3 of the Second Schedule of Delegation of Powers under the Financial Rules and Powers of Re-Appropriation Rules-2018, only Chief Secretary have Full Powers upto 3 months Basic Pay to accord sanction for expenditure on Budget Bonus.

Deputy Commissioner Dir Upper granted Budget Bonus of Rs 1,950,270 during financial year 2019-20 to the staff of his office without obtaining sanction of the competent authority. As per detail given below:

S. No	Head of account	Particular	Total expenditure (Rs)	Details
01	Honoraria	Budget Bonus	865,140	Sanction No. 15272 dated 7.8.2019
	Honoraria	Do	1,085,130	Sanction No.8173 dated 6.5.2020
<b>Total</b>			<b>1,950,270</b>	

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

When pointed out in July, 2020. Management replied that according to Delegation of Powers, the DC is empowered to grant honoraria to those officers/officials who rendered extra services in government duty. Reply was not satisfactory for budget bonus According to Serial No 3 of the Second Schedule of Delegation of Powers under the Financial Rules and Powers of Re-Appropriation Rules-2018, only Chief Secretary have Full Powers.

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

Audit recommends recovery from the concerned or person (s) responsible and deposit into Government treasury under intimation to audit.

**AIR Para No.03 (2019-20)**

**2.5.3.16 Unauthorized retention of security arrangement funds of Polio Campaigns in designated bank and non-payment – Rs 28.840 million**

According to Treasury Rule 290, no money shall be withdrawn 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.

Deputy Commissioner Dir Upper retained Rs 28,840,050 on account of security arrangements in polio campaigns out of which no payment was made

during financial year 2019-20 or received demand but the amount was retained in designated bank account. The surplus amount was required to be refunded to the quarter concerned, which was not done.

<b>cheque no</b>	<b>Police Security fund</b>	<b>Balance as on 30.6.2020</b>
<b>Balance on 1.7.19</b>		26,376,300
98353190	15.12.2019	852,250
98353196	19.8.2019	855,000
983553181	14.5.2019	756,500
<b>Total</b>		<b>28,840,050</b>

Irregularity occurred due to weak financial control, which resulted in unnecessary blockage of public money in designated bank account.

When pointed out in July, 2020. Management replied that as per direction of the same were not refunded to the quarter concerned. However, the same would be refunded and progress would be shown to audit. Reply was not satisfactory as no progress was shown to audit.

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

Audit recommends payment to the concerned or deposit into Government treasury in case of no justified claim and record be shown to audit.

**AIR Para No.10 (2019-20)**

**2.5.3.17 Unauthentic receipts on account of Arms Licenses – Rs 1.536 million**

As per Agreement deed Para 6.1 monthly licenses receipts must be submitted by M/S M.Comm private limited into treasury on 5<sup>th</sup> date of next month and communication into this effect shall be made to the authorities.

During audit of the accounts record of Deputy Commissioner Dir upper for financial year 2019-20, it was noticed that Rs 1,536,060 was collected by M/s M.Comm (A2Z E-Payments) on account of Arms licenses in District Dir Upper but no proof of deposit into treasury was available in the local office. Furthermore reconciliation of receipts collected by M/S M.Comm Private Ltd with Home Department was also not made for the financial year 2019-20.

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

When pointed out in July, 2020. Management replied that reconciliation would be obtained from the concerned and would be show to audit Reply was not satisfactory as no evidence of deposit of money into Government was shown to audit.

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

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

**AIR PARA NO.09 (2019-20)**

**2.5.3.18 Loss to Government due to additional payment of 15% compulsory acquisition of land – Rs 1.262 million**

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

According to Section 3(d) of the Act “Court” means a **Principal Civil Court** of original jurisdiction, unless the Provincial Government has appointed a special judicial officer within any specified local limits to perform the functions of the Court under this Act.

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

Deputy Commissioner Dir Upper transferred Rs 8,414,098 to Tehsildar as land compensations of three (03) schemes with additional payment of Rs 1,262,115 on account of 15 % compulsory acquisition charges during financial year 2019-2020 for further payment to the land owners. Audit held that the payment of 15% compulsory acquisition charges was in violation of Act referred to above which resulted in overpayment to the landowners and loss to the Government. Detail is as under:

S.No	Particular of land acquired	Total Amount (Rs)	Cost of Land (Rs)
1	Const of Rescue 1122	1,112,716	166,907
2	Const of Judicial Complex wari	1,176,382	176,457
3	Barwal Play Ground	6,125,000	918,750
	<b>Total</b>	8,414,098	1,262,115

Compulsory acquisition charges were paid in violation of rules which resulted in loss the Government.

When pointed out in July, 2019. Management replied that 15% compulsory acquisition was made on urgency basis as per request of the acquiring department. Reply of the management was not satisfactory as according to section 23(2) of Land Acquisition Act 1894, the court shall in every case award a sum of 15% on such market value, in consideration of the compulsory nature of the acquisition and according to Section 3(d) of the Act “Court” means a Principal Civil Court of original jurisdiction, unless the Provincial Government has appointed a special judicial officer within any specified local limits to



perform the functions of the Court under this Act. The Court has never award 15% additional charges as compulsory.

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

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

**AIR Para No.14 (2019-20)**

## CHAPTER-3

### Tehsil Municipal Administration

#### 3.1 Introduction

District Dir Upper has four Tehsils i.e. Dir Upper, Wari, Barawal and Kalkot. 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 as under:-**

- (a) Monitor and supervise the performance of functionaries of Government offices located in the Tehsil and hold them accountable by making inquiries and reports to the district government or, as the case may be, Government for consideration and action;
- (b) Prepare spatial plans for the Tehsil including plans for land use and zoning and disseminate these plans for public enquiry;
- (c) Execute and manage development plans for improvement of municipal services and infrastructure;
- (d) Exercise control over land-use, land-subdivision, land development and zoning by public and private sectors for any purpose, including for agriculture, industry, commercial markets, shopping centers; residential, recreation, parks, entertainment, passenger and freight transport and transit stations;
- (e) Enforce municipal laws, rules and bye-laws;
- (f) Prevent and remove encroachments;
- (g) Regulate affixing of sign-boards and advertisements;
- (h) Provide, manage, operate, maintain and improve municipal services;
- (i) Prepare budget, long term and annual municipal development programmes;

- (j) Maintain 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;
- (k) Collect taxes, fines and penalties provided under this Act;
- (l) Organize sports, cultural, recreational events, fairs and shows;
- (m) Organize cattle fairs and cattle markets;
- (n) Co-ordinate and support municipal functions amongst village and neighborhood councils;
- (o) Regulate markets and services, issue licenses, permits, grant permissions and impose penalties for violation thereof;
- (p) Manage municipal properties, assets and funds;
- (q) Develop and manage schemes, including site development in collaboration with district government;

### Detail of audit planned formations expenditures and receipts

S.No	Description	Total Nos	Audited	Expenditure audited FY 2019-2020 (Rs in million)	Revenue /Receipts audited FY 2019-2020 (Rs. in million)
1	Formations	03	03	146.027	71.643

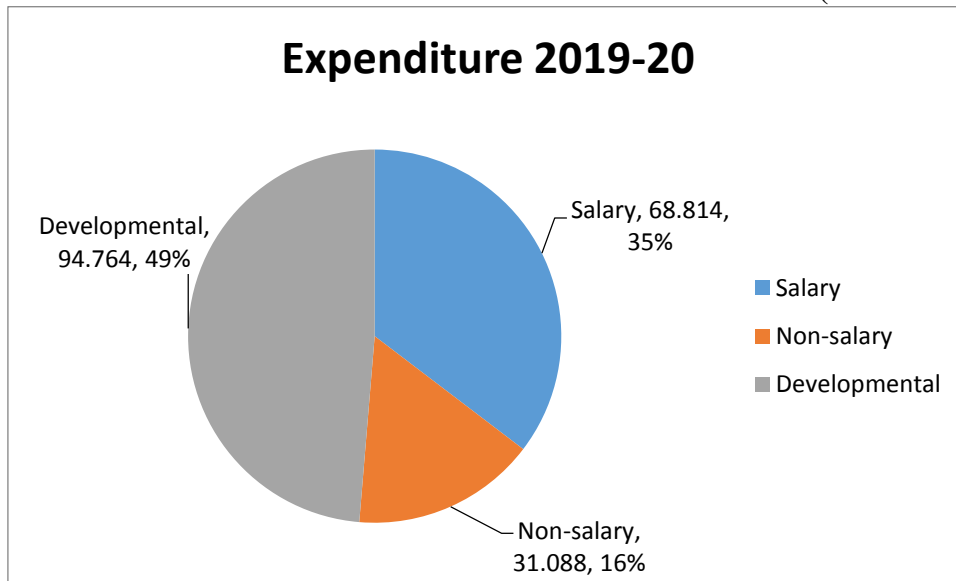
### 3.2 Comments on Budget and Accounts (Variance Analysis)

(Rs in million)

TMAs				
2019-2020	Budget	Actual Expenditure/ Receipts	(Saving)/Excess	%age
Salary	85.001	68.814	-16.186	19%
Non-salary	261.141	31.088	-230.053	88%
Developmental	517.802	94.764	-423.038	81%
<b>Total</b>	<b>863.944</b>	<b>194.666</b>	<b>-669.277</b>	
<b>Receipts</b>	<b>41.655</b>	<b>47.081</b>	5.426	13%

The savings of Rs 669.277 million indicate inefficiency in the capacity of District Government Departments to utilize the amount allocated.

(Rs in million)



### 3.3 Classified Summary of Audit Observations

Audit observations amounting<sup>8</sup> to Rs 347.632million were raised in this audit report. This amount also includes recoverable of Rs 14.615 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

Sr. No.	Classification <sup>i</sup>	Amount (Rs.) <sup>ii</sup>
1	Irregularities	
A	HR/Employees related irregularities	32.419
B	Procurement related irregularities	0
C	Management of Accounts with Commercial Banks	90.411
2	Value for money and service delivery issues	14.615
3	Others, including cases of accidents, negligence etc.	210.187
	<b>Total</b>	<b>347.632</b>

### **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:

<b>Sr. No.</b>	<b>Audit Year</b>	<b>TAC meeting</b>
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	2019-20	Not Convened

### **3.5 AUDIT PARAS**

#### **3.5.1 Irregularities**

##### **A. HR related irregularities**

###### **3.5.1.1 Irregular cash payment of pay & allowances – Rs 14.497 million**

According to para 4.6.3.1 of Accounting Policies and Procedure Manual, the normal method of payment of monthly salaries of all government employees shall be by credit transfer direct to a bank account nominated by the employee. This is the most secure and economical method of payment and it automatically ensures that recipients have access to their salary on the due date. Moreover, direct credit has tangible advantages, over payment by cheque or cash, against risks of theft or fraud.

TMO Dir Upper paid Rs 14,797,661 on account of pay & allowances and Pension payment to the staff through DDO instead by their bank account in violation of rules during the year 2019-20. Hence, disbursements through cash, actual payments to the concerned could not be verified and chances of misappropriation could not be ruled out.

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

When pointed out in August 2020, management stated that the pay and allowances already transferred to Bank account. The pensioner already directed through TOF to open the accounts without further loss of time to transfer the pension through concerned bank account to avoid audit objection in the record will be shown to next audit.

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

Audit recommends regularization of payment.

**AIR PARA NO.46 (2019-20)**

**3.5.1.2 Irregular cash payment of pay & allowances – Rs 9.409 million**

According to para 4.6.3.1 of Accounting Policies and Procedure Manual, the normal method of payment of monthly salaries of all government employees shall be by credit transfer direct to a bank account nominated by the employee. This is the most secure and economical method of payment and it automatically ensures that recipients have access to their salary on the due date. Moreover, direct credit has tangible advantages, over payment by cheque or cash, against risks of theft or fraud.

TMO Barawal paid Rs 9,409,246 on account of pay & allowances to the staff through DDO open cheque instead by their bank account in violation of rules during the year 2019-20. Hence, disbursements through cash, actual payments to the concerned could not be verified and chances of misappropriation could not be ruled out.

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

When pointed out in November 2020, management stated that detail reply would be submitted later on.

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

Audit recommends regularization of payment.

**AIR PARA NO.52 (2019-20)**

### **3.5.1.3 Irregular cash payment of pay & allowances – Rs3.913 million**

According to para 4.6.3.1 of Accounting Policies and Procedure Manual, the normal method of payment of monthly salaries of all government employees shall be by credit transfer direct to a bank account nominated by the employee. This is the most secure and economical method of payment and it automatically ensures that recipients have access to their salary on the due date. Moreover, direct credit has tangible advantages, over payment by cheque or cash, against risks of theft or fraud.

Tehsil Municipal Officer Kalkot paid Rs on account of pay & allowances to the staff through DDO open cheque instead by their bank account in violation of rules during the year 2019-20. Hence, disbursements through cash, actual payments to the concerned could not be verified and chances of misappropriation could not be ruled out.

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

When pointed out in August 2020, management did not respond the audit observation.

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

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

**AIR Para No. 01 (2019-20)**



**3.5.1.4 Irregular and un-authorized drawl and payment of salaries -  
Rs 4.60 million**

According to Para 04 of the Economy/Austerity Measures for the financial year 2018-19, circulated vide Government of Khyber Pakhtunkhwa Finance Department letter No. BO-I/FD/5-8/2018-19/Austerity Measures dated Peshawar the 29.10.2018, no appointment of contingent paid/fixed pay staff shall be made during the course of the financial year 2019-20.

According to LCB letter no. AO/LCB/General/2015 dated 14/12/15, Appointment ate restricted banned on contract basis.

Tehsil Municipal Officer TMA Kalkot Dir Upper appointed 10 Nos of contingent paid staff on fixed pay without approval of Finance or the above mentioned committed above and incurred expenditure of Rs 1842300 on their pay during 2019-20. Detail of the staff as regard to place of duty and attendance was not provided, in absence of which appointment of fixed pay employees and expenditure there on was held irregular and unauthorised.

Irregularity occurred due to violation of rules which resulted in loss to the Govt.

When pointed out in August 2020, management did not respond the audit observation.

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

Audit suggests investigation in the matter for fixing responsibility and action against the person(s) at fault.

**AIR Para No.09 (2019-20)**

## **B. Management of Accounts with Commercial Banks**

### **3.5.1.5 Unauthorized transfer of developmental fund to commercial bank - Rs 28.437 million**

According to Government of Khyber Pakhtunkhwa Finance Department letter No.2/3(F/L)FD/2007-08/Vol-IX dated 10<sup>th</sup> February 2014 that no funds shall be placed in any commercial bank from the PLAs or Assignment Accounts without prior approval of the Finance Department as contained in Para-6 & 7 of GFR Volume-I. Furthermore 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.

Tehsil Municipal Officer TMA Wari received Rs 28,437,499 from Deputy Commissioner Dir Upper on account of developmental fund during 2019-20 as per detail at Annexure. The amount was deposited in designated bank account instead of PLA which was unauthorized.

Unauthorized transfer occurred due to weak financial controls, which resulted in violation of rules and government orders.

When pointed out in October 2020, management did not respond the audit observation.

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

Audit recommends justification.

**AIR Para No.03 (2019-20)**

### 3.5.1.6 Irregular retention of government funds in non PLS account- Rs.21.762 million

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

TMO Wari Dir Upper retained government funds amounting to Rs 21,762,996 in designated current accounts instead of PLS account despite the clear instruction of the Finance department as per detail given below.

S. No.	Name of bank and branch	Account title	Bank account No.	Balance in the account as on 30.06.2019 (Rs)
01	NBP wari	TMA wari (Developmental)	4101819987	9929930
	BOK Wari	TMA wari (earnest money)	00263006	11,833,066
<b>Total</b>				<b>21,762,996</b>

Irregular retention occurred due to placement of public fund in current bank accounts in violation of rules which resulted in loss to the Government.

When pointed out in October 2020, management did not respond the audit observation.

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

Audit recommends justification.

**AIR Para No.04 (2019-20)**

### **3.5.1.7 Unauthorized retention of developmental fund in current commercial bank account and non converted into PLS Rs.9.425 million**

According to Government of Khyber Pakhtunkhwa Finance Department letter No.2/3(F/L)FD/2007-08/Vol-IX dated 10<sup>th</sup> February 2014 that no funds shall be placed in any commercial bank from the PLAs or Assignment Accounts without prior approval of the Finance Department as contained in Para-6 & 7 of GFR Volume-I. Furthermore 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.

Tehsil Municipal Officer TMA Dir retained Rs 9,425,479 on account of developmental fund in commercial bank instead of PLA during 2019-20 which was unauthorized.

Furthermore, the bank account not converted into PLS.

The lapse occurred due to weak internal controls and resulted in undue retention of government dues and loss to authority.

When pointed out in August 2020, management stated the amount received from the DC on work done basis which transferred from the DAO which were placed in the said account and further paid to the contractor. The said amount in the security of the schemes under CMD. The council has maintained PLS account in the BOK and amount will be transferred to PLS account.

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

Audit recommends investigations and action against the person(s) at fault besides immediate transfer of developmental fund into PLA under intimation to audit.

**AIR Para No.50 (2019-20)**

**3.5.1.8 Unauthorized transfer of developmental fund to commercial bank Rs 6.142 million**

According to Government of Khyber Pakhtunkhwa Finance Department letter No.2/3(F/L)FD/2007-08/Vol-IX dated 10<sup>th</sup> February 2014 that no funds shall be placed in any commercial bank from the PLAs or Assignment Accounts without prior approval of the Finance Department as contained in Para-6 & 7 of GFR Volume-I. Furthermore 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.

Tehsil Municipal Officer TMA Barawal received Rs 6,142,312 from Deputy Commissioner Dir Upper on account of developmental fund during 2019-20 as per detail at Annexure. The amount was deposited in designated bank account instead of PLA which was unauthorized.

The lapse occurred due to weak internal controls and resulted in undue retention of government dues and loss to authority.

When pointed out in November 2020, management stated that detail reply would be submitted later on.

Audit recommends investigations and action against the person(s) at fault besides immediate transfer of developmental fund into PLA under intimation to audit.

**AIR Para No.57 (2019-20)**

### 3.5.1.9 Unauthorized transfer of developmental fund to commercial bank Rs 10.00 million

According to Government of Khyber Pakhtunkhwa Finance Department letter No.2/3(F/L)FD/2007-08/Vol-IX dated 10<sup>th</sup> February 2014 that no funds shall be placed in any commercial bank from the PLAs or Assignment Accounts without prior approval of the Finance Department as contained in Para-6 & 7 of GFR Volume-I. Furthermore 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.

Tehsil Municipal Officer TMA Kalkot received Rs 10.00 on account of 30% ADP fund during 2019-20 as per detail below. The amount was unauthorisely withdrawn from PLA and deposited in designated bank account as detailed:

S.No	Particulars	Cheque No & date	Amount received(Rs)
1	Developmental fund	A542524 dt 02.09.2019	5,000,000
3	Developmental fund	A542569 dt03.06.2020	5,000,000
	<b>Total</b>		<b>10,000,000</b>

The lapse occurred due to weak internal controls and resulted in undue retention of government dues and loss to authority.

When pointed out in August 2020, management did not respond the audit observation.

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

Audit recommends investigations and action against the person(s) at fault besides immediate transfer of developmental fund into PLA under intimation to audit.

**AIR Para No.4 (2019-20)**

**3.5.1.10 Loss to Government due to Non conversion of current bank account into PLS Mode Rs 1.800 million**

Finance department letter No. 2/3(F/L) FD 20017-18/Vol. ix dated Peshawar the 10<sup>th</sup> February 2014 provides that Finance Department has from time to time allowed/sanctioned Bank accounts in commercial Bank for various Departments/ Autonomous Bodies/Corporations in KP for particular and specific purposes. Now it has been decided that such accounts may be converted to PLS mode and the profit so earned be deposited in Govt. Treasury under relevant head and not later than a week when declared by the concerned bank.

Tehsil Municipal Officer TMA Kalkot Dir Upper operating current Account for transfer of cash from treasury to DDO account instead of PLS mode resulted in violation of Government's instructions and loss to Government.

S/No.	Account No. Bank	Account title	Amount as 30.06.20
1	012600003677008-BOK Khar Branch Bajar	TMO TMA Kalkot DDO	4,279,832
02	012600004100000-BOK Khar Branch Bajar	TMO TMA Kalkot Security	32,696,809
	<b>Total</b>		<b>36,976,641</b>

The mean balance for the whole year remained 30,000,000/= with a minimum rate of interest 6% put Govt into a loss of Rs 1,800,000 .The irregularity occurred due to violation of rules resulted in loss to Government.

The lapse occurred due to weak internal controls and resulted in undue retention of government dues and loss to authority.

When pointed out in August 2020, management did not respond the audit observation.

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

Audit recommends transfer of funds to PLS mode and fixing responsibilities against the persons at fault besides recovery to the tune of mark up for the period under report.

**AIR Para No.8 (2019-20)**

**3.5.1.11 Irregular drawl of Rs 12,845,935 from (Dev & Sec) Bank Account**

According to rule 290 of Treasury Rules, “no money should be drawn from Treasury unless required for immediate disbursement. It is not permissible to draw money from treasury in anticipation of demand or to prevent lapse of budget grant”.

According to rule 77(ii) of CTR, every officer receiving money on behalf of the Government should maintain a cash book in Form TR 4 and all monetary transactions should be entered in the cashbook as soon as they occur and attested by the head of the office in token of check. The cash book should be closed regularly and completely checked.

During scrutiny of record of Tehsil Municipal Officer TMA Kalkot Dir Upper for the year 2019-20 it was observed that in the designated bank account (A/c No: 012600004100000 BOK) of TMO kalkot an amount of Rs 12,845,935 shown drawn but where about was not found obtained nor produced to Audit.. Furthermore security register or cash book was also not produced to Audit to justify the drawl amount from bank.

The lapse occurred due to weak internal controls and resulted in undue retention of government dues and loss to authority.

When pointed out in August 2020, management did not respond the audit observation.

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



The matter is brought into notice for justification under intimation to Audit.

**AIR Para No.14 (2019-20)**

### **3.5.2. Value for money and service delivery issues**

#### **3.5.2.1 Non recovery of rent of shops –Rs 3.138 million**

According to Para 26 of GFR Vol-I, it is the duty of departmental controlling officer to see that all sums due to government are regularly and promptly assessed, realized and duly credited in the public account.

TMO Dir Upper did not recover Rs 3,138,580 on account of rent of shops/open land located in General Bus Stand Dir from 57 tenants during 2019-20.as per detail in annxure-9

Non recovery of rent occurred due to weak internal control, which resulted in loss to the authority.

When pointed out in August 2020, management stated the delay occurred in the recovery process due to Covid-19 pandemic and lock down in the area. Now majority of shopkeeper deposit the outstanding amount in the TMA Account. The record and bank challan will be shown to next audit.

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

Audit recommends recovery of rent of shops from the tenants and action against the person(s) at fault.

**AIR Para No.47 (2019-20)**

### **3.5.2.2 Non recovery of principal amount of General Bus Stands and cattle fair- Rs 1.594 million**

According to condition No. 2 of the agreement, the contractor was bound to deposit complete monthly installments in TMA Accounts.

Tehsil Municipal Officer, TMA Wari awarded the contract of Bus Stand and Cattle fair to contractors for Rs 5,866,360 for the financial year 2019-20. The contractor deposited Rs 4,271,500 till the date of audit i.e. and the remaining amount of Rs 1,594,860 remained outstanding.

S.No	Name of contract	Bid Amount	Amount Deposited	Amount Due
1	GBS Wari	5,110,000	3,709,500	1,400,500
2	Cattle fair wari	756360	562000	194,360
		5,866,360	4,271,500	1,594,860

Non recovery occurred due to weak financial management which resulted in loss to authority.

When pointed out in October 2020, management did not respond the audit observation.

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

Audit recommends recovery.

**AIR Para No.1 (2019-20)**

### **3.5.2.3 Non deduction/ adjustment of Income Tax –Rs 8.083 million**

According to Finance Department Khyber Pakhtunkhwa Notification NO SO (Dev-II) FD/12-6/14-5 dated 21.04.2015, 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 but

with 7 % less cost to defray the amount added in the rate analysis of all works/construction/supply items to meet withholding tax.

Tehsil Municipal Officer, TMA Upper Dir paid Rs 140,500,000 account of developmental works on MRS, which already includes 7% income tax but income tax of Rs 8,083,535 was not deducted from the contractor bills, due to which resulted in overpayment. Detail is given in annexure-10

The above lapses occurred due to weak internal and management controls, which resulted in loss to Government.

When pointed out in August 2020, management stated Malakand division is free tax zone area; the said tax act has not been extended to Malakand division. Moreover, the 7% income tax will be adjusted in the work done of the said work which would be shown to next audit. Reply is not convincing as not adjustment of income tax is violation of the FD notification and no progress was shown to audit.

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

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

**AIR Para No.41 (2019-20)**

**3.5.2.4 Non recovery of outstanding installments on account of Bus Stand - Rs 1.800 million**

According to condition No. 2 of the agreement, the contractor was bound to deposit complete monthly installments in TMA Accounts.

Tehsil Municipal Officer, TMA Dir awarded the contract of Bus Stand and sign Board to a contractor for Rs 11,000,000 for the financial year 2019-20.

The contractor deposited Rs 7,000,000 till the date of audit i.e. and the remaining amount of Rs 1,800,000 remained outstanding.

Non recovery occurred due to weak financial management which resulted in loss to authority.

When pointed out in August 2020, management stated that due to Covid-19 Pandemic lockdown the contractor not deposit the installments, the adda sealed by the District Administration on the direction of Federal/ Provincial Government through secretary relief and rehabilitation department kpk.

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

Audit recommends recovery from the contractor and deposit in the TMA account under intimation to audit.

**AIR Para No.43 (2019-20)**

### 3.5.3. Others, including cases of accidents, negligence etc.

#### 3.5.3.1 Irregular expenditure without Technical Sanction amounting to Rs 22.735 million and Excess payment due deviation from the approved PC-I /AA - Rs 6.948 million

According to Para 71 CPWD Code, an officer of the Public Works Department may pass excess over estimates provided that the excess is not more than 5% of the amount sanctioned. The Sub Divisional Officer, before making payments to the contractors is required to compare the quantities in the bills and see that all the quantities and rates are correctly entered and that all the calculations have been checked arithmetically as per Para 220 and 221 of CPWA Code.

Tehsil Municipal Officer, TMA Upper Dir excess execution of work for Rs 7,941,522 on account of developmental works due to deviation from approved PC-I/AA during 2019-20.

Furthermore, expenditure of Rs 22,735,430 on account of developmental schemes but Technical Sanction was not obtained from the competent authority.

As per detail given below:

Name scheme	Item of work	Qty as per PC-I	Qty paid	Diff	Rat	Amount
Asphalt Road (KM# 1) Parraw Bridge to Arsahd House	Granular sub base coursing pitran gravel	403.99	975.36	571.37	1257.96	718,760
	water bound macadam base course	466.14	975.36	509.22	2187.2	1,113,766
Asphalt Road (KM# 2) Arshad House to Anwar Zeb House	PCC 1:3:6 50%	0	730.17	730.17	3860.32	2,818,690
Asphalt Road (K# 3) Anwar Zeb House to Siah Nagha PCC Road	PCC 1:3:6 50%	0	852.34	852.34	3860.32	3,290,305
<b>Total</b>						<b>7,941,522</b>

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

When pointed out in August 2020, management stated that Technical Sanction will be obtained from the competent authority on completion of scheme and placed in the concerned file.

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

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

**AIR Para No.45 (2019-20)**

**3.5.3.2 Unjustified payment due to deviation from the approved BOQ/PC-I - Rs 4.397 million**

According to Para 2.58 read with Para 2.100 of B& R code, before a work is given out on contract, BOQ be prepared and approved for all items of works.

Tehsil Municipal Officer, TMA Dir upper paid Rs 4,397,496 for excess quantities of works which were not approved in the PCI-BOQ which was unjustified and deviation from PC-I/BOQ during 2019-20 as detailed below:

S.No	Name of work	Qty as per PC-I /BOQ M <sup>3</sup>	Qty paid M <sup>3</sup>	Diff M <sup>3</sup>	Rate (Rs)	Amount (Rs)
1	Digging of well	0	0	0		4,397,496

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

When pointed out in August 2020, management stated that the scheme is in running position and adjustment will be made in the final bill/ Technical Sanction.

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

Audit recommends justification.

**AIR Para No.49 (2019-20)**

**3.5.3.3 Unauthorized expenditure without Technical Sanction –Rs  
29.491 million**

According Para 178 of GFR read with Para 56 of CPWD Code provides that no work should be commenced or liability incurred until administrative approval and sanction has been obtained from the competent authority, a properly detailed design and estimate has been sanctioned and funds to cover the charge have been provided by the competent authority.

According to Khyber Pakhtunkhwa PPRA letter No. KPPRA/M&E/suggestions/4-16/2014-15/539 dated 22.05.2015, addressed to all Secretaries of the Departments, cost estimates of Non MRS items including Solar Energy and other such new technologies should be rationalized/ revised after careful market analysis by bringing those down for justification and matching to the market rates which results huge losses to the Government.

TMO Kalkot incurred an expenditure of Rs 29,491,168 on various developmental scheme ” during 2019-20 without obtaining technical sanction from the competent authority and market rate analysis. Detail is given below.

S #	Nomenclature of Scheme	Estimated Cost	Expenditure (Rs)
1	Const / Widening and PCC of Road Jumkai	20,000,000	18,153,391
2	Cost/ Rehabilitation of Kumrat Road	100,000,000	6,289,000
3	Pakage 7 Women Member Tehsil Council Kalkot	1,828,945	1,555,500
4	Const. of PCC Road at Gawoon Gwadli	8,000,000	00
5	Cost. Of Bridge Batal Kaka Mohalah sheurmin	11,500,000	3,493,277
			<b>29,491,168</b>



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

When pointed out in August 2020, management did not respond the audit observation.

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

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

**AIR Para No.05 (2019-20)**

**3.5.3.4 Unauthorized expenditure without Technical Sanction – Rs.19.400 million**

According Para 178 of GFR read with Para 56 of CPWD Code provides that no work should be commenced or liability incurred until administrative approval and sanction has been obtained from the competent authority, a properly detailed design and estimate has been sanctioned and funds to cover the charge have been provided by the competent authority.

According to Khyber Pakhtunkhwa PPRA letter No. KPPRA/M&E/suggestions/4-16/2014-15/539 dated 22.05.2015, addressed to all Secretaries of the Departments, cost estimates of Non MRS items including Solar Energy and other such new technologies should be rationalized/ revised after careful market analysis by bringing those down for justification and matching to the market rates which results huge losses to the Government.

TMO Kalkot incurred an expenditure of Rs 19,400,000 under ADP 856 “Solarization at Kalkot, Thall Patrak, and shiringle Bazar Dir Upper with an

estimated cost of Rs 40.00 M without obtaining technical sanction from the competent authority and market rate analysis.

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

When pointed out in August 2020, management did not respond the audit observation.

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

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

**AIR Para No.17 (2019-20)**

**3.5.3.5 Non Imposition of Penalty for Incomplete Schemes- Rs 16.311 million**

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

TMO Kalkot Dir failed to impose penalty of Rs 16,311,494@ 10% of the estimated cost of Rs 163,464,945 on account of 12 Nos. schemes which was not completed in stipulated time period. Detail is given at annexure-11

The above lapses occurred due to weak internal and management controls, which resulted in loss to Government.

When pointed out in August 2020, management did not respond the audit observation.

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

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

**AIR Para No.06 (2019-20)**

**3.5.3.6 Irregular expenditure on account of POL and repair of vehicles Rs– 1.345 million**

According to Rule 22 of Government of Khyber Pakhtunkhwa Transport Rules 1964 and Transport Policy 2005, Logbook in respect of every official vehicle should be maintained and entries of POL and repair of vehicle should be made in the logbook and attested by allottee of vehicle.

Tehsil Municipal Officer TMA Kalkot incurred expenditure of Rs 975688/= and Rs 369700/= on account of POL charges and repair of vehicles respectively during 2019-20. However, logbooks in respect of vehicles were not maintained.

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

When pointed out in August 2020, management did not respond the audit observation.

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

Audit recommends investigation and disciplinary action besides maintenance and production of logbooks to audit.

**AIR Para No.07 (2019-20)**

### 3.5.3.7 Unauthorized expenditure without Technical Sanction –Rs 66.686 million

According Para 178 of GFR read with Para 56 of CPWD Code provides that no work should be commenced or liability incurred until administrative approval and sanction has been obtained from the competent authority, a properly detailed design and estimate has been sanctioned and funds to cover the charge have been provided by the competent authority.

TMO Wari incurred an expenditure of Rs 66,686,767 on account of developmental schemes during 2019-20 without obtaining technical sanction from the competent authority. Detail is given below.

S #	Nomenclature of Scheme	Estimated Cost	Expenditure (Rs)
1	Cosnt BTR Road at UC Nehag	11,000,000	2,820,576
2	Cosnt BTR Road at UC Sundal	9,000,000	437,099
3	Const /Imp/Reh/PCC/BTR road at Bandai	7,600,000	3,659,960
4	Const /Imp/Reh/PCC/BTR road at Akhagram & Pashta	18,000,000	12,076,266
5	Replacement of rusted pipe at Bandai Dollar Spring to Bandai Khas	3,000,000	1,358,529
6	Replacement of rusted pipe at Jatgram Jaba khwar	4,500,000	2,037,793
7	Construction of Roads in UCs Kotkay, Chapar, Sundal etc	50,000,000	44,296,544
<b>G. Total =</b>		<b>103,100,000</b>	<b>66,686,767</b>

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

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

When pointed out in October 2020, management did not respond the audit observation.

Audit recommends action against the person(s) at fault and inquiry by the competent forum into the actual quantities required to be executed.

**AIR Para No.5 (2019-20)**

**3.5.3.8 Non transfer of Pension Contributions - Rs 2.944 million**

According to Rule 5 of the Khyber Pakhtunkhwa Local Councils Servants (Pension), Rules 1980, for every Local Council, to which these rules have been extended, there shall be maintained a Pension Fund, to the credit where of shall be placed :-

- (a) the amounts contributed by the local council and
- (b) Such contribution per month for every servant of the Local Council as would have been payable by the local council.

Tehsil Municipal Officer, TMA Wari did not transfer Rs 2,944,586 on account of pension contributions to Pension Account during financial year 2019-20.

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

When pointed out in October 2020, management did not respond the audit observation.

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

Audit recommends transferring pension contributions to pension account of the TMA.

**AIR Para No.6 (2019-20)**

### 3.5.3.9 Irregular expenditure without technical sanctions – Rs 3.570 million

According to Para-56 of CPWD Code that the work must not be started/ executed without obtaining technical sanction. According to Para 32 of CPWA Code, no work shall be executed without Administrative Approval / Technical Sanction and Budget allotment.

Tehsil Municipal Officer, TMA Barwal District Dir did not obtain technical sanctions of schemes of estimated cost of Rs6,800,000 while payment of Rs3,570,778 was made in these schemes without technical sanctions. Detail is as under:

S.No	Name of scheme	E/Cost (Rs)	Expenditure (Rs)
1	Construction Of Various R/wall U/C Shahi kot	1,200,000	582,587
2	Construction Of 11No,s Open well U/C Janbhatti	1,100,000	810,139
3	Construction Of Various R/Wall at U/C Janbhatti	1,600,000	827,227
4	Construction Of Various R.Wall/Water Pond U/C Barawal	1,700,000	939,504
5	Construction Of Various Dug Well at	1,200,000	411,321
	<b>Total</b>	<b>6,800,000</b>	<b>3,570,778</b>

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

When pointed out in November 2020, management stated that detail reply would be submitted later on.

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

Audit recommends fixing responsibility for payment without technical sanctions.

**AIR Para No. 53 (2019-20)**

### **3.5.3.10 Non transfer of Pension Contributions - Rs 3.1009 million**

According to Rule 5 of the Khyber Pakhtunkhwa Local Councils Servants (Pension), Rules 1980, for every Local Council, to which these rules have been extended, there shall be maintained a Pension Fund, to the credit where of shall be placed :-

- (a) the amounts contributed by the local council and
- (b) Such contribution per month for every servant of the Local Council as would have been payable by the local council.

Tehsil Municipal Officer, TMA Barawal did not transfer Rs 3,100,993 on account of pension contributions to Pension Account during financial year 2019-20. Detail is as under:

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

When pointed out in November 2020, management stated that detail reply would be submitted later on.

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

Audit recommends transferring pension contributions to pension account of the TMA.

**AIR Para No. 54 (2019-20)**

### **3.5.3.11 Unauthorized expenditure without Technical Sanction – Rs80.995 million**

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. Further, Para 178(iii) of GFR

Vol.-I states that no work should be commenced or liability incurred in connection with it until administrative approval and sanction has been obtained from the competent authority, a properly detailed design and estimate has been sanctioned and funds to cover the charge have been provided by the competent authority.

TMO Dir Upper incurred expenditure of Rs 80,995,186 on various developmental schemes during 2019-20 without obtaining technical sanction of the competent authority before commencement of work. Detail is given at Annexure-12

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

When pointed out in August 2020, management stated that technical sanction would be obtained from the competent authority which would be shown to next audit party.

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

Audit recommends condonation by the competent forum and action against the person (s) at fault.

**AIR Para No. 40 (2019-20)**



## CHAPTER-4

### AD LGE &RDD

#### 4.1 Introduction

There is an Assistant Director Local Government Election & Rural Development Department and 122 VCs/NCs. Each VCs/NCs has a Nazim and 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 Dir Upper.

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

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

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

**Functions and Powers of the Village Council or Neighborhood Council include:**

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

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

**Detail of audit planned formations expenditures and receipts**

S.No	Description	Total Nos	Audited	Expenditure audited FY 2019-20 (Rs in million)	Revenue /Receipts audited FY 2019-20 (Rs. in million)
1	Formations	123	07	111.305	Nil

**4.2 Comments on Budget and Accounts (Variance Analysis)**

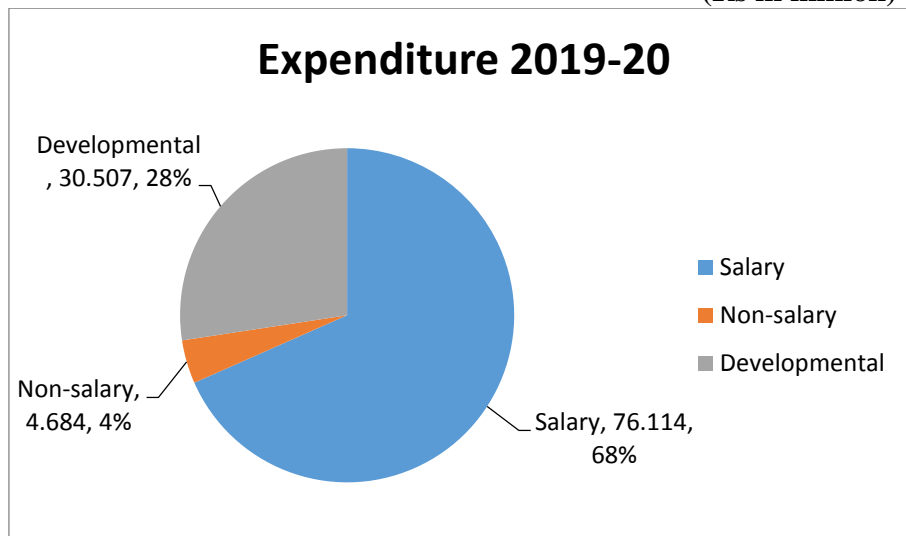
(Rs in million)

AD LGE&RDD				
2019-20	Budget	Actual Expenditure/ Receipts	(Saving)/Excess	%age
Salary	78.774	76.114	-2.66	3
Non-salary	6.52	4.684	-1.836	28
Developmental	300.597	30.507	-270.09	89
<b>Total</b>	<b>385.891</b>	<b>111.305</b>	<b>-274.586</b>	
<b>Receipts</b>	<b>0</b>	<b>0</b>	<b>0</b>	

The savings of Rs 274.586 million indicate inefficiency in the capacity of District Government Departments to utilize the amount allocated.

**EXPENDITURE 2019-20**

(Rs in million)



### 4.3 Classified Summary of Audit Observations

Audit observations amounting<sup>iii</sup> to Rs 78.554 million were raised in this audit report. This amount also includes recoverable of Rs 1.833 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	Management of Accounts with Commercial Banks	46.59
2	Others	31.964
	Total	78.554

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

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

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

## 4.5 AUDIT PARAS

### 4.5.1 Irregularities

#### A. Management of Accounts with Commercial Banks

##### 4.5.1.1 Loss due to placement of public fund in current bank accounts – Rs 40.799 million

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

During audit of the accounts of the office of AD LGE&RDD Dir Upper for the financial year 2019-20 it was noticed that 04 current designated bank accounts were maintained in the local office and did not convert the account to PLS mode in violation of instructions of the Finance Department due to which government sustaining a continuous loss to the extent of profit rate as declared by banks.

S.	Name of bank and branch	Account title	Bank account No.	Balance in the account as on 30.06.2020 (Rs)
1	BOK Dir	AD LG&RDD Secretary District Council	3908	252,990
2	BOK Dir	AD LG&RDD	2219	391,967
3	BOK Dir	AD LG&RDD security AC	3515	24,421,007
4	BOK Dir	AD LG&RDD developmental	3516	15,539,755
<b>Total</b>				<b>40,799,719</b>

The lapse occurred due to weak internal controls and resulted in undue retention of government dues and loss to exchequer.

When pointed out in November 2020, management did not respond the audit observation.

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

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

**AIR Para No. 01 (2019-20)**

**4.5.1.2 Unauthorized retention of funds in current account – Rs 5.660 million**

According to Government of Khyber Pakhtunkhwa Finance Department letter No 2/3-(F/L)-FD/2007-2008/Vol-IX dated 10-02-2014, current accounts should be converted to PLS mode and the profit earned be deposited in Government treasury under relevant head of account immediately.

Secretaries Village Councils Dir Upper retained village council fund of Rs5,660,946 in current account during 2019-20 in violation of Government instructions. As per detail given below:

S.No	Name of VCs/NCs	Closing balance as on 30.6.2020 (Rs)
1	VC Jetkot Guryal	2,064,000
2	VC Nusrat	592,692
3	VC Tarpatar	3,004,254
	Total	5,660,946

The lapse occurred due to weak internal controls and resulted in undue retention of government dues and loss to exchequer.

When pointed out in November 2020, management did not respond the audit observation.

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

Audit recommends immediate conversion of current account into Profit & Loss Sharing account.

**AIR Para No. 02 (2019-20)**



#### 4.5.2 Others, including cases of accidents, negligence etc.

##### 4.5.2.1 Unauthorized expenditure without pre-audit -Rs 5.559 million

According to Clause 36 (2) (d) and (e) of the Khyber Pakhtunkhwa Local Government Act 2013, the village Accountant will maintain accounts of the Village Council and Neighborhood Accountant will maintain accounts of the Neighborhood Council and the Accounts Officers mentioned in clauses (d) & (e) shall perform pre-audit of all payments from the respective Fund before approving disbursements of monies.

Secretaries Village Councils Dir Upper incurred an expenditure of Rs 5,559,498 during the year 2019-20 on account of non salary heads without pre-audit by the Village Accountant or the staff of the Local Fund Audit Department which was contrary to the above rules. Detail is given below.

S.No	Name VCs/NCs	Head of account	Expenditure (Rs)
1	VC Jetkot Guryal	Developmental	920,106
	VC Pashta	Do	1,400,000
	VC Qulandai	Do	2,039,392
2	VC Nusrat	do	1,200,000
		Total	<b>5,559,498</b>

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

When pointed out in November 2020, management did not respond the audit observation.

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

Audit recommends condonation by the competent forum and future compliance through the system.

**AIR Para No.-01,01,01,01(2019-20)**

**4.5.2.2 Unauthentic payment without having record entry in MB –Rs 1.966 million**

According to Para 209(d) of CPWA Code, it is incumbent upon the person, responsible for measurements in the MB to record the correct actual figures and according to Para 220 and 221 of CPWA Code that the Sub Divisional Officer, before making payments to the contractors is required to compare the quantities in the bills and see that all the quantities and rates are correctly entered and that all the calculations have been checked arithmetically.

Assistant Director LGE&RDD Dir Upper paid Rs 1,966,679 to a contractor in the work “Beautification of Dir”. However, record entry of the work was not made in MB No 9D/10 page 25. Thus, the expenditure/payment was held unauthentic.

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

When pointed out in November 2020, management did not respond the audit observation.

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

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

**AIR Para No.-04 (2019-20)**

#### 4.5.2.3 Irregular expenditure without Technical Sanction of- Rs 22.606 million

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. Further, Para 178(iii) of GFR Vol.-I states that no work should be commenced or liability incurred in connection with it until administrative approval and sanction has been obtained from the competent authority, a properly detailed design and estimate has been sanctioned and funds to cover the charge have been provided by the competent authority.

Assistant Director LGE&RDD, Dir Upper incurred expenditure of Rs 22,606,672 on account of developmental schemes during 2019-20. Technical Sanctions were not obtained from the competent authority and schemes were executed without any comments on the feasibility and technical aspects of the schemes. Thus the expenditure without technical sanctions was held irregular. Detail is given below.

S.No	Name of work	E.Cost	Bid Cost
1	Cosnt of Road ala Salamkot UC Chukyatan	5,000,000	3,734,774
2	const/PCC links road at VC Panakot uc Qulandai	4,200,000	1,411,837
3	PCC Road at Rokhan payeem	4,000,000	2,298,950
4	imp/wid/pcc road yayage gharbi road	10,000,000	7,900,522
5	PCC of Lewa khwar road qashqaray bala	4,000,000	3,617,567
6	Cosnt of links roads at vc qulandai	5,000,000	3,643,022
	Total	32,200,000	22,606,672

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

When pointed out in November 2020, management did not respond the audit observation.

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

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

**Air Para No 3 (2019-20)**

**4.5.2.4 Loss to Government due to non adjustment of 7% income tax - Rs 1.833 million**

According to Finance Department Khyber Pakhtunkhwa Notification NO.SO(Dev-II) FD/12-6/14-5 dated 21.04.2015, 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 Dir incurred expenditure of Rs 26,186,663 on account of execution of civil Works in 2019-20. During scrutiny of record it was observed that 7%. Income tax amounting to Rs 1,833,066 was not adjusted in the contractor's bills which need immediate recovery. Detail as per below:

S.No	Name of work	E.Cost	Bid Cost	7% income Tax
1	Cosnt of Road ala Salamkot UC Chukyatan	5,000,000	3,734,774	261,434
2	const/PCC links road at VC Panakot uc Qulandai	4,200,000	1,411,837	98,829
3	PCC Road at Rokhan payeem	4,000,000	2,298,950	160,927
4	imp/wid/pcc road yayage gharbi road	10,000,000	7,900,522	553,037
5	Const of PCC links roads at gndigar	10,000,000	5,377,125	376,399
6	PCC Road at sail kass	900,000	399,892	27,992
7	PCC Road at chandais	1,000,000	369,483	25,864
8	PCC Road at onaar ajmal khan	800,000	398,491	27,894
9	imp pcc of dodba road	1,000,000	355,372	24,876
10	pcc raod at hamza ali khan ranzra kair dara	500,000	297,195	20,804

11	Cosnt of links roads at vc qulandai	5,000,000	3,643,022	255,012
	Total	42,400,000	26,186,663	1,833,066

Non recovery/ adjustment occurred due to weak financial management which resulted in loss to Government.

When pointed out in November 2020, management did not respond the audit observation.

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

Audit recommends adjustment/ recovery of overpayment and action against the persons at fault under intimation to audit.

**AIR Para No.5 (2019-20)**

## ANNEXURES

### Annexure-01

#### Detail of MFDAC Paras

S. No.	Caption	(Rs in million)
1	Unauthorized collection of 25% doctor share in user charges by MO incharge – Rs 588,259 million	0.588
2	Less deposit of government receipts -Rs 660,628	0.66
3	Excess withdrawal of POL & repair in ambulances over and above the actual use and repair– Rs 121,662	0.121
4	Irregular placement of public funds in current bank accounts Rs 2.218 million	2.218
5	Overpayment of HPA & Conveyance allowances during the period of leave –Rs 647,214	0.647
6	Non recovery of 5% charges on account of Government accommodation Rs 262,270	0.262
7	Non-conducting of physical verification of Stock/stores	0
8	Overpayment on account of Honoraria – Rs 988,050	0.988
9	Non recovery of 5% charges on account of Government accommodation Rs 144,013	0.144
10	Excess expenditure on account of POL beyond permissible ceiling –Rs 295,404	0.295
11	Unauthentic expenditure on POL and repair of vehicle -Rs 1.070 million	1.07
12	Non deduction of Conveyance Allowance - Rs 60,000	0.06
13	Loss due to non deposit of Income tax deducted from salaries– Rs 113,103	0.113
14	Non recovery of principal amount of contracts - Rs 474,000	0.474
15	Non deposit of stamp duty and DPR- Rs 371,385	0.371
16	Non deposit of Stamp duty – Rs 206,650	0.206
17	Non deposit/deduction of stamp duty and DPR- Rs, 820,394	0.820
18	Non-Reconciliation of budget and expenditure –Rs. 41.019 million.	41.019
19	Non achievement of revenue targets– Rs 880,000	0.880

20	Irregular retention of fund Rs 6.033 million & Improper maintenance of cashbook	6.033
21	Non deduction of Professional tax – Rs 294,000	0.294
22	Irregular retention and non utilization of ADP fund amounting to Rs 10.00 million.	10
23	Recurring loss due to non-conducting the survey for receipts / tax and non-recovery of Annual Fee – Rs 28.000 million	28

**Annexure-02**

**Detail of House Rent and Conveyance allowance**

S.NO	Name	Center	HRA	Cony	total	Months	Amount
1	Maryam bibi Dai	SHC S.Abad	1503	1932	3435	24	82,440
2	Abdul Malik Jan N/Q	RHC Bibyawar	1413	1785	3198	12	38,376
3	M.Ijaz MP	RHC Bibyawar	1961	2856	4817	24	115,608
4	Minhas Bibi LHV	RHC Tarpatar	1961	2856	4817	24	115,608
5	Azizudin Chowkidar	RHC Tarpatar	0	1785	1785	12	21,420
6	Inamullah WO	RHC Tarpatar	1458	1785	3243	24	77,832
7	Nazia BiBi LHV	RHC Tarpatar	1503		1503	24	36,072
8	Mouzudin MP	RHC Tarpatar	1961	2856	4817	24	115,608
9	Ijaz ulhaq D/Attendent	RHC Tarpatar	0	1932	1932	12	23,184
10	Dr Riaz Ullah MO	RHC Tarpatar	4433	5000	9433	18	169,794
11	Yar Muhammad	Cat-D wari	1544	1932	3476	24	83,424
12	Rominia LHV	BHU Jabar	1961	2856	4817	12	57,804
13	Samina Hamid LHV	BHU Jabar	1961	2856	4817	24	115,608
14	Samina Hamid LHV	BHU Jabar	1961	2856	4817	24	115,608
15	Jan Muhammad Chowkidar	BHU Jabar	1458	1785	3243	24	77,832
16	Sadam Hussain	Cat-D Barawal	1961	2856	4817	12	57,804
17	Muhammad Rashid	Cat-D Barawal	1961	2856	4817	12	57,804
18	Bashir Ahmed MO	Cat-D Barawal	4433	5000	9433	5	47,165
19	Khani Gul LHC	BHU Battal	1961	2856	4817	24	115,608
20	Sarhad Begum	BHU Battal	1961	2856	4817	24	115,608
21	wazir zada chowkidar	CD Shinkari	1458	1785	3243	24	77,832
22	sher wali khan EPI	BUH Akhagram	1961	2856	4817	24	115,608
23	Irshad Chowkidar	BUH Akhagram	1413	1785	3198	24	76,752
24	Shai farman	BHU Karodara	1503	1932	3435	36	123,660
25	Zakir Chowkidar	BHU Karodara	1413	1785	3198	24	76,752
26	Akbarzada MP	BHU Kakad	1961	2856	4817	12	57,804
27	Sardar Ali Chowkidar	BHU Kakad	1413	1785	3198	24	76,752
28	Siasat Bibi LHV	BHU Kakad	1961	2856	4817	24	115,608
29	Muhammad sher shad Hussain EPI tec	BHU Dislowar	1544	1932	3476	12	41,712
30	Shehzada Chowkidar	BHU Dislowar	1458	1785	3243	12	38,916



31	Bibi Salma LHV	BHU Dislowar	1961	2856	4817	12	57,804
32	Attaul Haq S.Tech	RHC Shingla	1961	2856	4817	12	57,804
33	Sajid EPI tech	RHC Shingla	1961	2856	4817	12	57,804
34	Attauddin sweeper	RHC Shingla	1458	1785	3243	12	38,916
35	Nureen EPI Tech	RHC Shingla	1961	2856	4817	12	57,804
36	Sardar Husain CT Pha	BHU Dogdara	1961	2856	4817	24	115,608
37	Attia Bibi LHV	BHU Dogdara	1961	2856	4817	24	115,608
38	Fiaz Muhammad WO	Cat-Patruk	1503	1932	3435	6	20,610
39	Hidayat	Cat-Patruk	1961	2856	4817	2	9,634
40	Pashmina LHV	Cat-Patruk		2856	2856	24	68,544
41	Ikram Zeb	Cat-Patruk	1961	2856	4817	16	77,072
42	Hina Ikram WMO	Cat-Patruk	4433	5000	9433	4	37,732
43	Mumtaz Khan MP	Cat-Patruk		2856	2856	24	68,544
44	Nusrat Diyar MP	Cat-Patruk		2856	2856	24	68,544
45	Jehan Bibi Dai	Cat-Patruk	1413	1785	3198	24	76,752
46	gul bahor	Cat-Patruk	1961	2856	4817	3	14,451
47	Fazal Mula Chowkidar	Cat-Patruk	1458	1785	3243	24	77,832
48	Zahid CT dental	Cat-Patruk	1961	2856	4817	24	115,608
49	Shakila LHV	BHU Kalkot	1961	2856	4817	24	115,608
50	Umar sadiq Chowkidar	BHU Kalkot	1458	1785	3243	24	77,832
51	Nasir ullah	BHU Hattandara	1413	1785	3198	12	38,376
52	Asia Bibi LHV	BHU Hattandara	1961	2856	4817	12	57,804
53	Shakirulla Chowkidar	BHU Hattandara	1413	1785	3198	12	38,376
54	Anwar Ali MP	CD Hayagai	1961	2856	4817	16	77,072
55	Rahmatullah Chokidar	CD Hayagai	1413	1785	3198	24	76,752
56	Dr Nasir	BHU Qulandai	4433	5000	9433	24	226,392
57	Dr Farman	BHU Qulandai	4433	5000	9433	3	28,299
58	Dr Rafiullah	BHU Qulandai	4433	5000	9433	1	9,433
<b>Total</b>							<b>4,324,218</b>

## Annexure-3

## Detail of Accommodation occupied by illegal personal

S.No	Detail of Accommodation	Particulars of occupants	Period	Estimated Rent per month (Rs)	Total Rent (Rs)
1	Doctor Bunglow at Cat D Wari	Tehsildar	12	10,000	120,000
2	Doctor Bunglow at Cat D Wari	ADJ	12	10,000	120,000
3	Doctor Bunglow at Cat D Wari	Police	12	10,000	120,000
4	Doctor Bunglow at Cat D Wari	Police	12	10,000	120,000
5	Doctor Bunglow at Cat D Wari	Police	12	10,000	120,000
6	Doctor Banglow BHU Batal	Police	12	10,000	120,000
7	Doctor Bunglow at RHC Shringal	AC	12	10,000	120,000
8	Doctor Bunglow at RHC Shringal	AC	12	10,000	120,000
9	Doctor Bunglow at RHC Shringal	AC	12	10,000	120,000
10	Doctor Bunglow at RHC Shringal	AC	12	10,000	120,000
11	Quarter at RHC shringal	Riaz Tehsildar	12	5000	60,000
12	Quarter at RHC shringal	Levy Sobidar	12	5000	60,000
13	Quarter at RHC shringal	AC Chowkidar	12	5000	60,000
14	Doctor Bangla at BHU Kalkot	TMO	12	10,000	120,000
15	Quarter at BHU Kalkot	NADRA Office	12	10,000	120,000
16	BHU Thall	Police	12	10000	120,000
17	BHU Thall	Police	12	5000	60,000
18	BHU Thall	Police	12	5000	60,000
	<b>Total</b>				<b>1,860,000</b>

**Annexure-4****Detail of Bank account**

S.No.	Name of bank and branch	Account title	Bank account No.	Balance in the account as on 30.06.2020 (Rs)
1	BOK Dir	Deputy Commissioner	01782-00-5	41,323,483
2	BOK Dir	Deputy Commissioner	01783-00-4	0
3	BOK Dir	Deputy Commissioner	00228-00-3	55,312,643
4	NBP Dir	AC Wari	4101814982	125,569
5	BOK Dir	AC Wari	009808-00-7	0
6	BOK Dir	AAC Revenue	04180-00-0	3,889,688
7	BOK Dir	Tehsildar Dir	00247-00-8	3,696,798
8	BOP Dir	Tehsildar Dir	5.31012E+15	15,398,592
9	HBL Barawal	Tehsildar Barawal	71000057-03	887,329
<b>Total</b>				<b>120,634,102</b>

## Annexure-5

### Detail of Medicines

13.1.2020	Searle	Amlodipine	10,000	3.9	39,000	169	Non su	210	2,730
13.1.2020	Searle	Amlodipine	15,295	5.19	79,381	171	Non su	210	5,557
13.1.2020	Searle	Amlodipine	10,000	4.46	44,600	173	Non su	210	3,122
17.6.20	Rehman Rainbow	cotton	4,000	94.5	378,000	157	ns		26,460
17.6.2020	The Cotton	Sterilized	20,000	8.32	166,400	156	ns		11,648
17.6.2020	stanely	ibuprofen	3,120	38.9	121,368	12	ns		8,496
17.6.2020	stanely	Aluminium	3,120	35	109,200	15	ns		7,644
17.6.2020	Cotton craft	Sterilized	20,000	8.32	166,400	156	ns		11,648
22.4.2020	Amson	Snake venom	30	1290	38,700	116	ns		2,709
29.10.2019	MS Stanley	Acefylline	4,800	37	177,600		NS		12,432
17.6.2020	MS Stanley	Pyridoxine	60,000	1.5	90,000		NS		6,300
<b>Total</b>					<b>1,410,649</b>				<b>98,745</b>

**Annexure-6****Detail of Ambulance receipts**

THQ wari	Ambulance Charges, AFR-18	71,000	306304	235,304
THQ wari	Ambu: A-1015	55,000	150456	95,456
THQ wari	Ambul: A1026	45,000	133776	88,776
THQ wari	Canteen	165,000	390000	225,000
RHC Bibyawar	amulance	99,904	0	99,904
RHC Tarpatar	amulance 1037	107,600	0	107,600
Cat D Barawal	Ambulance X68-5138	130,304	96,000	34,304
Cat D Barawal	Ambu: A-1014	97,512	60,000	37,512
Cat D Patrak	Ambu A1027	108,256	68500	39,756
Cat D Patrak	Ambu X-685136	79,008	53000	26,008
RHC Sharingal	Ambu A-1036	207,200	67000	140,200
		<b>1,165,784</b>	<b>1325036</b>	<b>1,129,820</b>

**Annexure-7****Detail of Lapse deposit**

Item No.	Name of Project.	Transaction Month	Amount (Rs)
1	Cristian Hospital Gandigar	5/6/2007	3,429,160
2	Chukyatan Barawal Road	3/4/2007	36,823,896
3	Chukiatan Sheringal Road	8/8/2008	330,300
4	Tehsil Headquarter Hospital Wari	8/8/2009	254,000
5	Barawal & Sheringal Hospital	25-08-2007	2,845,000
6	Food Grain Godown	1/6/2011	6,942,000
7	RHC Bibiour & Tarpatar	15-06-2011	3,512,000
8	GDC Tehsil Barawal	25-06-2012	4,051,868
9	Link Road Between N-45 & Sheringal	2/7/2014	3,350,465
10	Establishment of Play Ground wari	24.6.2014	3,793,772
11	District Jaai at gandigar		8,072,516
12	Dir Model School	2010	330,440
13	Const of Jan Batti Bridge		10,099,875
14	GGC Barawal		11,803,149
15	RCC Bridge		193,200
16	Barawal Play Groud		9,273,675
	Total		105,105,316

## Annexure-8

### Detail of State land

S #	Type of land & Location	Size	Name Lessee	Rate per year (Rs)	Current rate as per DC Office 10% increase per year(Rs)	Diff: (Rs)	Period (2003&2005 to 2020)	Loss (Rs)
1	Un-irrigated land at Shawo Tehsil Dir	12K-16M	Mr. Saeedur Rehman S/O Faizur Rehman	3,300	6,003	2,703	17 years	40,545
2	Un-irrigated land at Shawo Tehsil Dir	03 Kanal	Mr. Fazal Rabbi S/O Abdur Rauf	1,442	13,776	12,334	17 years	185,010
3	Irrigated land at Barawal Bandai Tehsil Barawal	31K-9M	Nawshad Khan	23,316	116,857	93,541	19 years	1,590,197
						<b>Total</b>		<b>1,815,752</b>

## Annexure-9

## Rent of shop

S.No	Name of Allottee	Current Rent (In Rupees)	02 Months Rents (In Rupees) (March & April 2020)	Months	Total Amount
1	Salah udin	5,270	10,540	42	141,340
2	Hazrat Hakim	7,400	14,800	42	260,800
3	Haji Muhammad Iqbal	7,800	15,600	42	277,600
4	Haji Muhambat Khan	4,260	8,520	42	128,920
5	Abdul Habib	4,500	9,000	42	159,000
6	Sher Muhammad	4,800	9,600	42	161,600
7	Haji FaizurRahma	11,720	23,440	42	432,240
8	Haji Mustafa	4,260	8,520	42	158,920
9	Gul Mulla	4,200	8,400	2	8,400
10	Muhib Ullah	4,320	8,640	42	151,440
11	Haji Muhabat	4,260	8,520	42	148,920
12	Rahman ullah S/O Said Azim	4,260	8,520	2	8,520
13	Rahman Said	6,480	12,690	5	32,400
14	Haji Mustafa / Rahman ullah	11,660	23,320	42	459,720
15	Aslam Khan	5,580	11,160	42	204,360
16	Anyat Ullah S/O Sabir	3,750	7,500	3	11,250
17	Rahmat Ali	3,200	6,400	9	28,800
18	Gul Zaman	2,500	5,000	3	7,500
19	Umar Baz Khan	2,000	4,000	2	4,000
20	Fazal Rabi	2,250	4,500	8	18,000
21	Rahman Ullah	1,800	3,600	2	3,600
22	Muhammad Zarin	3,500	7,000	2	7,000
23	Umar Baz Khan	800	1,600	2	1,600
24	Muhammad Nabi	1,500	3,000	3	4,500
25	Muhammad Nisar	2,400	4,800	2	4,800
26	Mushtaq Ali Shah	3,000	6,000	2	6,000
27	Nisarudin	2,000	4,000	10	20,000



28	Abdul Khaliq	2,500	5,000	10	25,000
29	Babo Jan	2,500	5,000	10	25,000
30	Majid Ali	2,500	5,000	10	25,000
31	Haji Abdul Latif	3,200	6,400	2	6,400
32	Haji Abdul Latif	1,000	2,000	2	2,000
33	Haji Anwar Ullah	1,000	2,000	7	7,000
34	Fazal Rahim	1,000	2,000	4	4,000
35	Liaqat Ali	1,000	2,000	2	2,000
36	Liaqat Ali	2,000	4,000	2	4,000
37	Mushtaq Ahmad	4,800	9,600	14	67,200
38	Saifur Rahman	1,750	3,500	7	12,250
39	Haji Mustafa	2,000	4,000	3	6,000
40	Izat Rahman	2,000	4,000	3	6,000
41	Rahmat Hussain	2,000	4,000	3	6,000
42	Imdadudin	2,000	4,000	2	4,000
43	Abdul Salam	2,000	4,000	2	4,000
44	Saifur Rahman	2,000	4,000	4	8,000
45	Barkat Jan	1,500	3,000	15	22,500
46	FazalSubhan	1,500	3,000	3	4,500
47	Rahman ullah	1,500	3,000	2	3,000
48	Muhammad Zarin	1,500	3,000	2	3,000
49	Sher Bahdar	1,500	3,000	1	1,500
50	Sher Bahdar	1,500	3,000	2	3,000
51	Haji Shams ur Rahman	2,000	4,000	2	4,000
52	HazratYounas S/O Muhammad Shoaib	1,000	2,000	2	2,000
53	Haji Hidayat Jan	1,000	2,000	8	8,000
54	Mirza Said ur Rahman	1,500	3,000	3	4,500
55	Haji Muhammad Amin	1,500	3,000	3	4,500
56	Qazi Fazal	1,500	3,000	6	9,000
57	Dilawar Khan	2,000	4,000	2	4,000
Total =		174,220.00	348,170.00		3,138,580

## Annexure-10

### Detail of non adjustment of Income tax

S.No	Name of Scheme	work done	I.Tax 7%
1	Cosnt/Pcc link road shamai uc sami	1,503,966	105,278
2	widdining of raod at Hattan salamkot	2,366,385	165,647
3	Const of PCC Road at Rokhan Bala mosque	6,705,825	469,408
4	Const of PCC Road Fazal Mula Abakanr	310,564	21,739
5	Const of PCC Road At Qula Ganori	764,471	53,513
6	Const of link road bibiyar	821,068	57,475
7	Pavt of street at jarjory c/o zubair	703,770	49,264
8	DWSS Serataiy	25,335,676	1,773,497
9	Const of Sokai bridge at Shangance Payeen	5,544,029	388082
10	Const/ Reh/PCC link Road at sadiq Banda	8,292,612	580482.84
11	Asphalt Road (KM#2) Arshad housain to Anwar Zeb house	10,907,370	763,516
12	Asphalt Road (KM#1) Parraw Bridge to Arshad house	7,079,278	495,549
13	Asphalt Road (KM#1) Parraw Bridge to Arshad house	10,818,021	757,261
14	Const of PCC Road at Chindakot uc barwal	8,971,460	628,002
15	Const of DTR Road at Dogai Khawegie	6,600,212	462,015
16	DWSS at Doando uc Qulandai	1,692,260	118,458
17	Const of PCC Road at Kass Dir Urban	4,411,864	308,830
18	Const of BTR Road at Dogani Khamargai to Kanal Baho	6,861,217	480,285
19	Const of Troad At Achar Bala	5,789,022	405,232
	<b>Total</b>	115,479,070	8,083,535

**Annexure-11**

**Detail of non imposition of penalty**

S.N	Name of Scheme	Approved Cost	Work Order Date	Due for Completion date	Completed on	Penalty @10%
Package#1 B-1	Shingal Road at kumrat.....ETC	2,140,000	31.5.2018	31.11.2018	In progress	214,000
Pakage 10	Street Work					
Package#6 A-6	Masjid amearlamotai , barikot, kalkot.....ETC	2,000,000	31.5.2018	31.11.2018	In progress	200,000
Package#8 A-7	Fire station at TMA kalkot.....ETC	1,830,000	31.5.2018	31.11.2018	In progress	183,000
Package#1 4 b-	Water channel at kalanbala.....ETC	506,000	31.5.2018	31.11.2018	In progress	50,600
Package#1 A-1	PCC Road luntiar.....ETC	4,400,000	31.5.2018	31.11.2018	25.6.2019	440,000
Package #4	Tehsil Naib Nazim Kalkot Bahadar khan	3,400,000	31.5.2018	31.11.2018	3.9.2019	340,000
M/S Gul zamin	Const / Widening and PCC of Road Jumkai	20,000,000	15.01.2018	15.07.2018	In Progress	2,000,000
M/S Bacha Ali	Cost/ Rehabilitation of Kumrat Road	100,000,000	19.02.2018	19.08.2019	In Progress	10,000,000
M/S Shaheen const. Co	Pakage 7 Women Member Tehsil Council Kalkot	1,828,945	31.05.2018	31.01.2019	In Progress	182,894

M/S Malik Bakht sher Const. Co	Const. of PCC Road at Gawoon Gwadli	8,000,000			In Progress	800,000
Anwar Ali Co	Cost. Of Bridge Batal Kaka Mohalah sheurmin	11,500,000	15.01.2018	15.07.2018	In Progress	1,115,000
M/S Badshah Amin	Const. of Hill Park at Kumrat	10,000,000	15.01.2018	15.07.2018	In progres	1,000,000
M/S Anwar ZAda	Pkage 5 Member Tehsil Council Kalkot Gul Ibrahim	840,000	15.01.2018	15.07.2018	In Progress	84000
		<b>163,464,945</b>				<b>16,311,494</b>

## Annexure-12

**Detail of expenditure without Technical Sanction**

<b>S.No</b>	<b>Name of scheme</b>	<b>E/Cost</b>	<b>Expdr.</b>
1	Const / Rehabilitation of link roads at Bin Bala Bin Dara	10,000,000	3,893,070
2	Const / Rehabilitation of link roads Bin khwarr Jan Bhatai	6,000,000	4,992,000
3	Const of link road at shahikot Nakami Batoor and dogal	7,000,000	4,353,603
4	Const of roads at shaltalo marwaro ELO kas	5,000,000	3,795,677
5	Const of link raod at sonai, khara sabar ad mqeem	5,000,000	4,270,079
6	const of link road tango koto and shataiz	7,000,000	6,450,000
7	const of link roads at tikar kot sobat khwarr and shakat khwarr	5,000,000	4,070,000
8	cosnt link roads at liband chptrarra and tanga	6,000,000	3,534,000
9	const of link roads at hido Bandagai Darrikand and Gharijo	5,000,000	4,432,000
10	Const of PCC Road at Kass Dir Urban	4,500,000	4,411,864
11	Const of Road At Achar Bala	10,000,000	3942324
12	Construction of Road at Srafo Thany	5,000,000	2118024
13	Construction of Jarjorray Valley Road U/C Qulandai	5,000,000	1376645
14	Water Supply Scheme at Pitaw Banda U/C Sawnai	5,000,000	1,902,200
15	DWSS Seatay	50,000,000	25,335,676
16	Construction of Road at Srafo Thany	5,000,000	2118024
	<b>Total</b>	<b>140,500,000</b>	<b>80,995,186</b>