



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

AUDIT YEAR 2020-21

AUDITOR GENERAL OF PAKISTAN

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ABBREVIATIONS AND ACRONYMS

AD	Assistant Director
ADP	Annual Development Programme
AGP	Auditor General of Pakistan
APPM	Accounting practices and procedures Manual
AIR	Audit and Inspection Report
AA	Administrative Approval
BHUs	Basic Health Units
CD	Civil Dispensaries
CTR	Central Treasury Rules
DAC	District Accounts Committee
DC	Deputy Commissioner
DDO	Drawing and Disbursing Officer
DEO	District Education Officer
DG	Director General
DHO	District Health Officer
DO	District Officer
DPR	Disabled Person Rehabilitation
HRMIS	Human Resource Management Information system
IHP	Integrated Health Project
INTOSAI	International Organization of Supreme Audit Institutions
LGA	Local Government Act
LGE&RDD	Local Government Election & Rural Development Department
KM	Kilo Meter
KPPRA	Khyber Pakhtunkhwa Procurement Regularity Authority
MDGs	Millennium Development Goals
M&E	Machinery & Equipment
MFDAC	Memorandum for Departmental Accounts Committee

NC	Neighborhood Council
NIT	Notice Inviting Tender
OPD	Outdoor Patient Department
PAC	Public Accounts Committee
PAO	Principal Accounting Officer
P&D	Planning & Development
PDMA	Provincial Disaster Management Authority
RDA	Regional Directorate of Audit
RHC	Rural Health Centre
SDEO	Sub Divisional Education Officer
SIDB	Small Industries Development Board
TAC	Tehsil Accounts Committee
THQ	Tehsil Head Quarter
TMA	Tehsil Municipal Administration
TO(R)	Tehsil Officer Revenue
VC	Village Council

Preface

Articles 169 and 170 of the Constitution of the Islamic Republic of Pakistan, 1973 read with Sections-8 and 12 of the Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 and Section-37 of Khyber Pakhtunkhwa Local Government Act 2013 require the Auditor General of Pakistan to conduct audit of the receipts and expenditure of Local Governments of each District of the Khyber Pakhtunkhwa.

The report is based on audit of the accounts of offices of the District Government, Tehsil Municipal Administrations, Assistant Director Local Government Elections and Rural Development Department, Village Councils and Neighborhood Councils in district Hangu 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 the Annex-1 of the Audit Report. The audit observations listed in Annex-1 shall be pursued with the Principal Accounting Officers at DAC. In all cases where the 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 the departments did not submit written replies till the finalization of this report. DAC meetings were also not convened despite repeated requests.

The Audit Report is submitted to the Governor, Khyber Pakhtunkhwa in pursuance of Article 171 of the Constitution of the Islamic Republic of Pakistan, 1973 read with Section 37 of Khyber Pakhtunkhwa Local Government Act, 2013, (amended in 2019) for laying before the appropriate legislative forum.

Islamabad
Dated:

(JavaidJehangir)
Auditor General of Pakistan

EXECUTIVE SUMMARY

The Directorate General Audit District Governments, Khyber Pakhtunkhwa carries out the audit of Local Governments in 35 districts of Khyber Pakhtunkhwa. Regional Directorate of Audit (RDA) Kohat on behalf of the DG Audit District Government, Khyber Pakhtunkhwa carried out the audit of audit of Local Government of five districts namely; Kohat, Karak, Hangu, Orakzai and Parachinar.

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

Local Governments of District Hangu 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 of the District Government comprises one Principal Accounting Officer (PAO) i.e. Deputy Commissioner for the District Government, who is officer in charge of (Administrator) 73 devolved departments including AD Local Government Election & Rural Development Department. The second Tier- of Town/Tehsil Municipal Administrations has one PAO i.e. Town/Tehsil Municipal Officer (Administrator) for each administration. There are two Tehsils administrations in district Hangu. The third tier of village and neighborhood Councils have AD LGE&RDD as Principal Accounting Officer (Administrator) for these accounts. There are 61 VC's /NC's in District.

a. Scope of Audit

This office is mandated to conduct audit of 73 formations working 04 PAOs. Total expenditure and receipts of these formations were Rs.2,345,747million and Rs.143.113million respectively for the financial year 2019-20.

Audit coverage relating to expenditure for the current audit year comprises 13 formations of 04 PAO having a total expenditure of Rs.

883.924million for the financial year 2019-20. In terms of percentage, the coverage for expenditure is 32.25% of auditable expenditure.

Audit coverage relating to receipt for the current audit year comprises 2 formations of 02 (TMAs) PAO having total receipts of Rs.143.113 million for the financial year 2019-20. In terms of percentage, the coverage for receipts is 100% of auditable receipt.

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 the audit, a recovery of Rs.22.928million was pointed out in this report. No recovery against these figures was reported.

c. Audit Methodology

Audit was conducted according to INTOSAI guidelines for compliance audit and Financial Audit Manual of Auditor General of Pakistan.

Audit procedure employed to obtain evidence were inspections, analytical procedures, observation and computation, comments on

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.

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

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

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

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

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

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

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

f. Key audit findings of the report;

- i. Non compilation/consolidation of accounts of local governments- Rs.270.776 million¹
- ii. Unauthorized payments to DDOs instead of crossed cheques to venders - Rs61.537 million.²
- iii. Unverified payments on account of arrears of pay and allowances- Rs59.377 million.³
- iv. Irregularities were noted in 14 cases amounting to Rs.241.755 million.⁴
- v. Value for money was noticed in 06 cases amounting to Rs.271.379 million⁵.
- vi. Others, including illegal payments and irregular expenditure were noticed in 9 cases amounting to Rs.403.907 million⁶.

¹ Para 1.2.1

² Para 1.2.2

³ Para 1.2.3

⁴ Para 2.5.1.1 to 2.5.1.11 , 3.5.1.1 & 4.5.1.1 to 4.5.1.2

⁵ Para 2.5.2.1 to 2.5.2.2 , 3.5.2.1 to 3.5.2.3 & 4.5.2.1

⁶ Para 3.5.3.1 to 3.5.3.6 & 4.5.3.1 to 4.5.3.3

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

g. Recommendations

- i. TMA accounts needs to be consolidated at DAO level.
- ii. All payments need to be made through crossed cheques to vendors.
- iii. Disciplinary actions need to be taken to stop the practice of violation of the rules and regulations in spending the public money.
- iv. Strenuous efforts need to be made by the departments to recover long outstanding dues.
- v. Deduction of taxes on supplies and contracts need to be ensured. .
- vi. Departments need to strengthen internal controls i.e. financial, managerial, operational, administrative and accounting controls etc. to ensure that lapses of the kind reported in this audit report are preempted and fair value for money is obtained from public spending.

CHAPTER-1

Public Financial Management

1.1 Sectoral Analysis

Introduction

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

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

In District Hangu, Funds amounting to Rs.2959.772 million were allocated to 74 formations working under 04 PAOs. Out of which expenditure of Rs.2345.747million was made resulting into saving of Rs. 614.032 million. Receipts of Rs.143.113 million were collected through these formations were for the financial year 2019-20.Audit coverage relating to the expenditure for the current audit year 2019-20 comprises 13 formations of 04 PAO having a total expenditure of Rs.883.934 million for the financial year 2019-20. In terms of percentage, the audit coverage for expenditure is 37.68%.Similarly audit coverage of receipts is 100%.

According to Section 36(3) of Local Government Act 2013, the District Accounts Officer was required to consolidate accounts of Local Governments on quarterly and annual basis. However, District Account Office Hangu did not reflect Rs. 260.868 million into the consolidated financial statement of Local Government, Hangu. Similarly the development expenditure of Rs. 69.813 million was presented under operating expenses, whereas, this should have been presented under the head “Physical Assets and Civil Works”.

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

The Local Governments provided services in the following sectors.

Education

The education sector is one of the major sectors devolved at district level. Statistics show that there are 374 primary, 40 middle, 36 secondary and 10 higher secondary schools in district Hangu. The estimated Teacher Student Ratio is 1:43 at primary, 1:20 at secondary level. District Hangu literacy rate is 44% the Gross Enrollment Rate (GER) is 48% and the Net Enrollment Rate (NER) is 34% at the primary level. On budgetary front, District Education office, Hangu succeeded in spending 20.32% of the District ADP and 90.23% non-salary budgets.

District Education Offices in Hangu enrolled boys schools while 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 81% & 83% respectively. Furthermore, 88% & 75% schools in district Hangu 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 44% & 38%.

Health

Health is another important sector of District Hangu with a total of 23 health facilities spread across the district among which 14 BHUs, 02 CDs, 01 RHC, 03 THQs/Category-D hospitals and 01 DHQ Hospital

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, 4318 babies were born in health centers/ lab investigations and diagnostic facilities were also fully utilized as 36,148 lab tests, 22,941 X-rays, 9637 ultrasounds and 548 ECGs were done in both primary and secondary health centers in district Hangu. Figures of immunization are also very impressive as 8603 pregnant women received TT-2 vaccines, 5278 kids under 12 months received full immunization. 1299 families were provided family planning services. Human resource data from facility records revealed that these health centers were amply provided with medical officers and 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 patients' 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 one (1) Dar-ul-Kafala for beggars in district Hang with the objective to rehabilitate them by imparting vocational training. In Hanguno baggers benefited from this facility. Rehabilitation center for drug addicts has 16 beds and it had treated 14 patients during the year. Furthermore various vocational and industrial trainings are provided by the Social Welfare Department.

Municipal Services

Tehsil Municipal Administrations, District Hangu did not fulfill some primary requirements envisioned as integral component of Local Government in the Khyber Pakhtunkhwa Local Government Act, 2013. The Local Government could not establish & maintain Tehsil Public Fund Account as required under the section 30 of LGA. Similarly, Tehsil Account Officers were not appointed in TMAs. The accounts of receipt and expenditure were also not maintained in such form as prescribed by Auditor General of Pakistan and required under section 36 of LGA. Financial Statements, Finance Account and Appropriation Accounts of the TMAs were not prepared accordingly. Most importantly, Finance Department, Khyber Pakhtunkhwa could not provide District Account Office, Hangu with prescribed format and necessary trainings to compile the accounts of TMAs and then reflect the same in the consolidated financial statement of the district, which resulted in disclaimer of its accounts by the Auditor General of Pakistan. Moreover, Internal Audit function could not be established as provided in sub section 4 of section 37 of LGA 2013, as internal auditors were not posted in the TMAs to support the Council. In addition, Asset management by Tehsil councils was yet another area it could not address as required under section 38 of the LGA 2013.

1.2 AUDIT PARAS

1.2.1 Non compilation/Consolidation of Accounts of Local Governments- Rs. 270.776million

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

During certification audit of the accounts of the DAO Hangu for the financial year 2019-20, audit observed incompleteness and incorrect presentation of the financial statements as the DAO failed to consolidate into the quarterly and annual accounts of the district, the Government and local resources, as required under section-36(3) of the Local Government Act, 2013. Receipts and expenditure of Rs270.776 million and Rs234.234 million respectively, of the TMAs are not reflected in accounts.

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

Provisions of the Local Government Act 2013 by Local Governments in District Hangu were not complied.

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

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

1.2.3 Unauthorized payments to DDOs instead of crossed cheques to vendors – Rs 61.537million

According to 2.3.2.8 of APPM, the accounting system shall improve controls to minimize the risk of fraud and corruption. This objective shall be addressed by issue of payment through direct bank transfer and cheques (to employees/ vender concerned) instead of payment through DDOs.

According to Finance Department Letter No: BO (W&M) /6-5/2019-20 dated 19/02/2020 states that in order to streamline the management in public account and observe fiscal discipline, it has been decided to stop forthwith all payments through open cheques or cash payments.

District Accounts Officer Hangu, paid Rs 61.537 million to various DDOs instead of issuance crossed cheques to Vender/Payees Accounts.

Unauthorized issuance of cheques to DDOs occurred due to weak internal control which leads to disclaimer of audit opinion.

The matter should be investigated and regularized by ensuring payments to the supplier/vendor instead of DDOs as per APPM.

1.2.4 Unverified payments on account of arrears of pay and allowances-Rs59.377 million

According to Para 296 of CTR read with Para 75(2) of KP City & District Govt. Budget Rules 2016, the controlling officer shall be responsible for seeing that the expenditure included in the bills, are of obvious necessity and are at fair and reasonable rates. Sanction and the requisite vouchers are all received and in order. The calculation is correct and the grants have not been exceeded over allotment.

During certification Audit of Hangu for the year 2019-20 while analyzing HR data it was noticed that arrears of pay and allowances of Rs 59,377,612 was shown made which could not be verified.

Payments of arrears of pay and allowances without supporting documents led to unfair and un-true financial statements which lead to disclaimer of audit opinion.

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

CHAPTER-2

District Governments

2.1 Introduction

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

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

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

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

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

Detail of audit planned formations expenditure 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	10	03	597.272	Nil

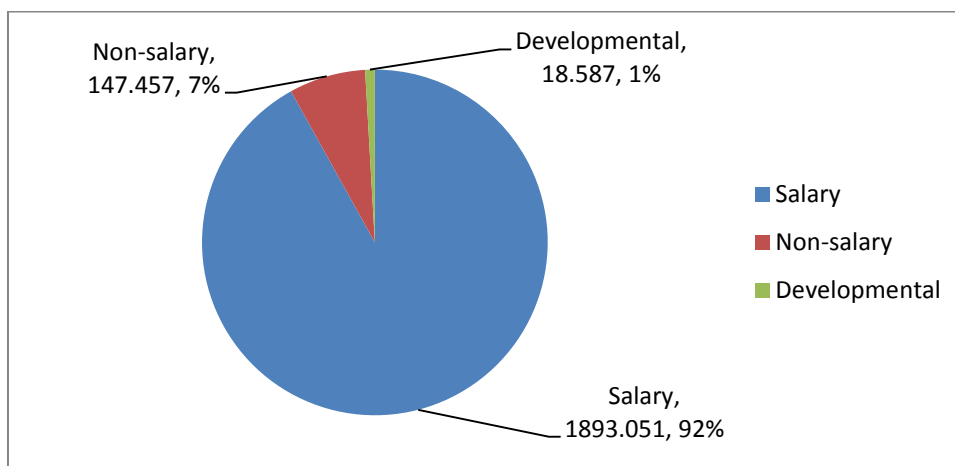
2.2 Comments on Budget and Accounts (Variance Analysis)

(Rs. in million)

2019-20	Budget	Actual Expenditure/ Receipts	(Saving)/Excess	%age
Salary	1916.696	1893.051	(23.645)	(1.23)
Non-salary	160.997	147.457	(13.54)	(13.54)
Developmental	544.278	18.587	(525.697)	(96.58)
Total	2621.971	2059.095	(562.872)	(21.46)

The savings of Rs.562.872 million indicates inefficiency 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.505.028million were raised in this audit report. This amount also includes recoverable of Rs.2.981million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rs. in million)		
S. No.	Description	Amount
1.	Irregularities	
A	HR/Employ related irregularities	2.981
B	Procurement related irregularities	109.254
C	Management of Accounts with Commercial Banks	91.31
2.	Value for money and services Delivery	301.483
	Total	505.028

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. Details of DAC meetings are given below:

S#	Audit Year	DAC meeting
1	2002-03	Not Convened
2	2003-04	Not Convened
3	2004-05	Not Convened
4	2005-06	Not Convened
5	2006-07	Not Convened
6	2007-08	Not Convened
7	2008-09	Not Convened
8	2009-10	Not Convened
9	2010-11	Not Convened
10	2011-12	Not Convened
11	2012-13	Not Convened
12	2013-14	Not Convened
13	2016-17	Not Convened
14	2017-18	Not Convened
15	2018-19	Not Convened
16	2019-20	Not Convened

2.5 AUDIT PARAS

2.5.1 Irregularities

HR/Employ related irregularities.

2.5.1.1 Loss to Government due to payment of HPA and CA during leave period- Rs 1.305 million

According Finance Department Notification No. FD(SOSR-II)8-18 /2016 dated 07-01-2016, para-iii, Health Professional Allowance will not be admissible during earned leave, study leave, extra ordinary leave, maternity leave except casual leave.

DHO, Hangu allowed/ paid an amount of Rs 1,305,000 to various Doctors on account of health professional allowance and conveyance allowance during leave period in the financial year 2019-20 contrary to the rules mentioned above. (Detail at Annexure-2)

When pointed out in August 2020, management stated that detail reply will be furnished after consulting record.

The irregularity occurred due to lack of internal and administrative control and the government treasury sustained loss.

When pointed out in August 2020, the management did not reply.

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

Audit suggests recovery under intimation to audit.

AIR Para No. 13 (2019-20)

2.5.1.2 Overpayment on account of Pay & Allowances-Rs1.676

According to Government of Khyber Pakhtunkhwa Finance Department Regulation Wing letter No.SO(FR)/FD/5-14/2014 dated: 16-12-2014, in case Government employees remain absent from duty without authorization or fails to perform their concerned duty, such government employee loses right to payment of pay and allowances for such period.

DEO Female Hangu overpaid a sum of Rs 862,632 to the teachers who were preceded on leave without pay during 2019-20 but were paid full pay during the said leave period causing overpayment of Rs 862,632. (Detail at Annexure-3(a))

Similarly, DEO Male Hangu overpaid a sum of Rs 813,797 to the teachers who were preceded on leave without pay during 2019-20 but were paid full pay during the said leave period causing overpayment of Rs 813,797 which needs to be recovered from them and be deposited into Government Treasury under intimation to Audit. Detail Annexure-3(b).

The irregularity occurred due to lack of internal control and the Government sustained a loss

Matter is reported for recovery and action against the person(s) at fault

Procurement related irregularities

2.5.1.3 Irregular utilization of medicines worth Rs 31.332 million and improper maintenance of Record

According to Clause 6 of Medicine Coordination Cell (MCC) KPK Peshawar letter No. 167-267/MCC, dated 7th March, 2014, health institutions have to submit quarterly reports regarding the clinical efficacy of the Govt. MCC NWFP approved brands used at their end. This report is mandatory and in case of failure, disciplinary action may be initiated against the head of the concerned institutions.

During scrutiny office record of DHO, Hangu it was observed that the hospital authority incurred expenditure on the purchase of drugs and Medicine for

various health institutions for Rs 31,332,446 during 2019-20. Clinical efficacy report regarding medicines was not prepared and sent to MCC. (Detail at Annexure-4).

Moreover, it was also observed that delivery challan were not found attached with invoices of medicines and stock registers were also not properly maintained as no date of receiving and batch No. was recorded in the stock register.

The irregularity occurred due to weak administrative and internal control and the clinical efficacy report was not prepared, sent to MCC and medicines were prescribed putting the life of patients in danger and non maintenance of proper record may leads to misappropriation of the available stock.

When pointed out in August 2020, the management did not reply.

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

Audit suggests inquiry be conducted and person(s) at fault be penalized.

AIR Para No. 2 (2019-20)

2.5.1.4 Wasteful expenditure on account of purchase of solar system- Rs 3.322 million

Para 23 of GFR Vol-I requires that every Government Officer should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government officer to the extent to which he contributed.

DHO Hangu during financial year 2018-19, paid a sum of Rs 3,322,260 on account of purchase of solar system for EPI cold room, Type-D hospital Doaba, Type -D hospital Thall, BHU M. Khawaja, BHU Kahi, BHU Manjikhel, EPI conference room, Emergency and GynaeThall etc. During Audit for the

financial year 2019-20, it was observed that the solar system was completely out of order. The DHO approached the concerned supplier firm during July 2019 and February 2020 for repair but the firm did not respond till the date of audit i.e August 2020.

The irregularity occurred due to weak administrative and internal control which resulted non-compliance of Government Rules.

When pointed out in August 2020, the management did not reply.

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

Audit suggests appropriate action and inquiry into the matter for fixing responsibility and making good the loss.

AIR Para No. 4 (2019-20)

2.5.1.5 Un-authorized blockage of stock of Medicines- Rs 31.332 million

Clause B of the MCC approved rates of Drugs/Medicines vide No. 1805-1909/DD(preg/Reg/Drugs) dated 11-9-2018, the purchasing entities shall place supply order of the needed items directly to the suppliers while keeping in view the basic principles and procedures for the procurement of various items e.g realistically calculated quantities as per needs availability of released budget, storage facilities and space etc.

DHO Hangu incurred expenditure of Rs 31,332,446 under newly created DDO codes for RHCs, BHUs and Type-D Hospitals during the year 2019-20. The following irregularities were noticed:(Detail at Annexure-5)

1. Centralized purchase of Drugs and Medicines were made by DHO Office under separate DDO codes without considering actual demand of the concerned facilities. Same items and same quantity of medicines were purchased for same category of health facilities without keeping in view the OPD and disease based needs of these facilities functioning in different locations.

2. The Drugs and Medicines purchased for all facilities were stored for the whole year in the main store of the DHO Office instead of supplying directly to concerned facilities.
3. The facilities were kept unaware of their budget, expenditure and stock of medicines.
4. The Drugs and Medicines were issued by following the old procedures i.e through quarterly demand of indent from the facilities. Only 30% to 40% medicines were issued to facilities and the remaining balance was lying undistributed in main store.
5. The DDOs Wise stock register for Drugs and Medicines were not maintained to ensure actual supply and the remaining balance of the concerned facilities, instead it was maintained in a combined register where the stock was recorded on item wise medicines basis. As a result, the remaining item wise combined balance was impossible to bifurcate facility wise.

Unauthorized blockage of stock occurred due to weak administrative and internal control and chances of misappropriation cannot be ruled out.

When pointed out in August 2020, the management did not reply.

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

Audit suggests declaration of separate DDO for each DDO code so that the Hospital authorities could able to plane their procurement according to their requirements.

AIR Para No. 5 (2019-20)

2.5.1.6 Irregular/unauthorized Expenditure on purchase of medical equipments– Rs 1.242 million

DG Health Services Khyber Pakhtunkhwa Peshawar issued list of approved rates for purchase of medicines, surgical disposables, medical devices and other non drug items along with name and addresses of the suppliers for placement of supply orders during the financial year 2019-20.

DHO Hangu spent an amount of Rs 1,242,500 under head “Cost of Medicines” on purchase of non-drug items from a local supplier (Obeid Medicos) which was not available on the MCC approved lists in violation of above Govt instruction. Detail is given below.

S.No.	Invoice # & date	Items Purchased	Amount
1.	150/Nil	Detol 2 liter	217,500
2.	149/Nil	Examination Gloves	250,000
3.	148/Nil	Examination Gloves	250,000
4.	163/Nil	Oxygen Mask	45,000
5.	-do-	Flow meter	160,000
6.	-do-	Oxygen Sylender	205,000
7.	-do-	Oxygen Sylender	115,000
Total			1,242,500

The irregularity occurred due to weak financial and internal control which resulted in violation of Government rules which may lead to misappropriation.

When pointed out in August 2020, the management did not reply.

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

Audit suggests inquiry into the matter and fixing of responsibility.

AIR Para No. 9 (2019-20)

2.5.1.7 Non utilization/dumping of expensive medical equipment and machinery- Rs 42.016 million

Para 1 of the DH Health Services letter No. 2110-60/Proc: Cell dated 21.07.2017 that before issuing of supply orders to the firms your offices shall ensure that:

- i. Available of Human Resources (HR)
- ii. Availability/completion of Infrastructure
- iii. Availability of Power (Electricity)
- iv. There is no dumping of the said equipment.

DHO Hangu during 2017-18 and 2018-19 purchased expensive Medical equipments/machinery worth Rs. 42,016,885 for installation and utilization in

newly constructed building of type-D Hospital Doaba without availability of human resources in the Hospital. On physical verification during August 2020, it was observed that all the machinery is still laying in store rooms in BHU Doaba. Audit also observed that DHO has not taken over the newly constructed building form the C&W Department because the OPD and Dental block of the hospital have been collapsed from one side.

The irregularity occurred due to lack of administrative and financial control which resulted government rules were violated, public money was unnecessary blocked which may put the government in loss due to deterioration of the machinery and the general public was deprived from the benefit of the utilization of these machinery.

When pointed out in August 2020, the management did not reply.

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

Audit suggests appropriate action besides inquiry into the matter.

AIR Para No. 10 (2019-20)

Management of Accounts with Commercial Banks

2.5.1.8 Non reconciliation of closing balances in designated bank accounts – Rs 71.126 million

According to Government of Khyber Pakhtunkhwa, Finance Department letter No 2/3/(F/L)/FD/2019-20/Vol-XIII dated 03.02.2020, Quarterly and annually reconciliation of the designated banks accounts shall be carried out with respective Budget/Development Section of Finance Department and next shall only be released once utilization statement of the previous quarterly released amount is found satisfactory.

Deputy Commissioner, Hangu failed to reconcile closing balances amounting to Rs 71.126 million as on 30th June, 2020 in all designated bank accounts of Deputy Commissioner/Assistant Commissioners/Tehsildars and other

subordinate offices in violation of above orders and instructions of Finance Department. Detail given below:

#	Title of Account	Closing Balance on 30/6/2020
1	Petroleum Social Dev: Program	15,634,556
2	DC Hangu relief fund	1,037,781
3	DC Public Compensation	24,497,153
4	Tehsildar Land Compensation	9,891,878
5	TehsildarHangu	3,091,082
6	District officer Revenue and State	10,998,978
7	PCA Social Welfare DC Hangu	5,974,953
Total		71,126,381

Non reconciliation of closing balances in designated bank accounts occurred due to weak financial controls which resulted in non reflecting the true picture of the financial information

When pointed out in July 2020, the management did not reply.

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

Audit suggests to reconcile closing balances as on 30th June 2020 in designated bank accounts besides action against the person (s) at fault under intimation to audit.

AIR Para No. 2 (2019-20)

2.5.1.9 Unauthorized retention of balance and suspected misappropriation-Rs. 9.196 million

Para 1 & 2 of the finance department letter No. 2/3(F/L)/FD/2018/Vol-XII dated 3.07.2019 provides that Since Current Financial Year 2019-20 stand closed on 30 June 2019, hence it is imperative to reconcile the closing balances in all designated bank accounts falling in the preview of the department concerned with respective budget/Development Section of Finance Department latest by 15th July 2019 alongwith duly verified bank statement for 2018-19. This reconciliation process per-se the rules & instructions already invoked shall be the prime responsibility of each PAO, Controlling Authority and DDO in respect of bank

accounts failing under their purview. Moreover, balance in the bank accounts if any, remaining on June 30th 2019 shall not be available for use without its prior revival by Finance Department during financial year i.e. 2019-2020. In case of no response by the target date, the funds available in their designated bank accounts shall stand frozen and no further transaction could be made out their designated bank account by the department concerned.

While para 3 of the aforesaid letter states that failure to comply with these instructions shall be taken seriously and stern disciplinary proceedings will be initiated against the concerned department/offices.

DHO Hangu had an opening bank balance of Rs. 9,196,153 in his designated bank account as on 01.07.2019, the amount was brought forward without any lawful authority and were unauthorizedly shown spent during 2019-2020 without fulfillment of the codel formalities as prescribed above. Further, necessary entries of the expenditure was also not recorded in cash book or in any other subsidiary book of account.

The irregularity occurred due to weak financial and internal control and Government rules were not complied with and suspected of misappropriation cannot be ruled out.

When pointed out in August 2020, the management did not reply.

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

Audit suggests inquiry and taking appropriate action against the person (s) at fault.

AIR Para No. 6 (2019-20)

2.5.1.10 Non disbursement of public money –Rs 2.489 million

Para 12 of the General Financial Rules Volume I requires that a controlling officer must see not only that the total expenditure is kept within the limits of the authorized appropriation but also that the funds allotted to spending

units are expended in the public interest and upon objects for which the money was provided.

DC, Hangu retained amount of Rs 3,091,082 in designated bank account No. 2313006 of Tehsildar Hangu in the Bank of Khyber Hangu branch. The amount pertained to Mazri Tender and was lying undisbursed on 30-6-2020. Further, reconciliation of the account with the bank was also not made which shows a weak financial control.

Irregularity occurred due to lack of administrative and financial control and the Public was deprived from the benefit of the fund.

When pointed out in July 2020, the management did not reply.

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

Audit suggests disbursement of the amount and action against the person(s) at fault.

AIR Para No. 6 (2019-20)

2.5.1.11 i. Unjustified payments of Rs 5.112 million

ii. Irregular/ Doubtful cash withdrawal from designated bank account-Rs 3.387 million

Treasury Rule 290 provides that no money shall be drawn from the treasury unless it is required for immediate disbursement. It is not permissible to draw money from the treasury in anticipation of demands or to prevent the lapse of budget grants while TR 77 provides that all transaction of expenditure and receipt should be recorded in Cashbook and also prescribed specific format of cashbook.

According to 2.3.2.8 of the APPM, the accounting system shall include controls to minimize the risk of fraud and corruption. This objective shall be addressed by issue of payment through direct bank transfer and cheques (to employees/vendors concerned).

DC, Hangu drew an amount of Rs 5.112 million from government treasury during the year 2019-20 and deposited it in his designated bank account

as evident from the bank statement. Later on the entire amount was disbursed through cheques and cash withdrawals. Audit is of the view that payment was required to be made directly to the concerned vendors. (Detail at Annexure-6)

Moreover, the local office withdrew a sum of Rs 3.387 million from designated bank account in cash instead of payment through cross cheques in violation of Government rules. Proper entries such as head wise detail of transaction, particulars and voucher No. were not recorded in cash book. Therefore the Audit could not verify the payments and thus chances of misappropriation cannot be ruled out.

The irregularity occurred due to lack of administrative and financial control which may lead to misappropriation.

When pointed out in July 2020, the management did not reply.

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

Audit suggests inquiry and fixing responsibility on the person(s) at fault.

AIR Para No. 7 (2019-20)

2.5.2 Observations relating to value for money

2.5.2.1 Non reconciliation and non-submission of progress reports for SDGs allocation Rs. 295.508 million.

DC Hangu vide their letters No. 3478/ADC/F&P/SDGs-2019-20/DC(H), dated 28.10.2019, even No. 1029 dated 17.03.2020 and No. 2008 dated 22.06.2020 released SDGs funds to various department with conditions that reconciled expenditure statement shall be submitted to the this office on monthly basis and The utilization of released amount shall be ensured before 30th June, 2020.

According to Guidelines of the Federal Cabinet for Sustainable Development Goals Achievement Programme notified by Government of Pakistan Cabinet Division Development Wing vide No. F 1(1)2020-SO(DEV-II) Dated 09.03.2020 at S.No(ix) provides that the PAOs/Chairman(P&D Board/ACS (Dev) will obtain completion status of the schemes from the respective executing agencies/districts and furnish a certificate to Cabinet Division.

DC Hangu during financial 2019-20 released an amount of Rs. 295.508 million out of SDGs allocation to PHED Hangu, PESCO Constt: Peshawar, PESCO Operation Hangu TMAs Thall & Hangu. Audit observed that neither monthly reconciliation of the expenditure was submitted nor the utilization of the fund upto 30th June 2020 was ensured by the by the aforesaid execution agency. Further, completion status of the schemes from the respective executing agencies was also not obtained.

Irregularity occurred due to lack of administrative and financial control which resulted in non-compliance of Government rules and may lead to blockage of public money.

When pointed out in July 2020, the management did not reply.

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

Audit suggests recommends corrective measures and fixing the responsibility.

AIR Para No. 4 (2019-20)

2.5.2.2 Non-Utilization of Social Welfare Fund-Rs 5.975 million

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

DC, Hangu received an amount of Rs 5,974,953 through various cheques from OGDCL on account of social welfare fund since June, 2015 upto June, 2020. The amount was lying idle in the designated NBP bank account No. 4016349638. DC, Hangu did not plan any social welfare activity to utilize the fund in the best interest of public. As a result the public was deprived from the benefits of utilization of fund.

The irregularity occurred due to lack of Administrative and internal control and general public were deprived.

When pointed out in July 2020, the management did not reply.

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

Audit suggests utilization of the fund and action against the person(s) at fault.

AIR Para No. 8 (2019-20)

CHAPTER-3

Tehsil Municipal Administrations

3.1 Introduction

District Hangu has Two Tehsils i.e. Hangu, and Thall. The office of a Tehsil Municipal Administration is managed by the Tehsil Municipal Officer. He is assisted by a Tehsil Officer (Finance), a Tehsil Officer (Regulation) and a Tehsil Officer (Infrastructure).

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

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

Detail of audit planned formations expenditure and receipts

Sr No	Description	Total No	Audited	Expenditure audited FY 2018-19 (Rs. in million)	Revenue /Receipts audited FY 2018-19 (Rs. in million)
1	Formations	2	2	234.172	143.113

3.2 Comments on Budget and Accounts (Variance Analysis)

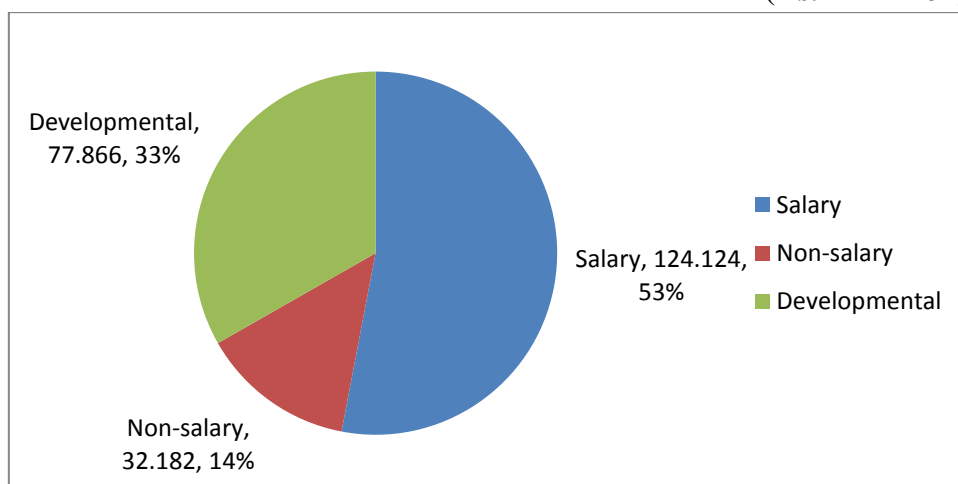
(Rs. in million)

2018-19	Budget	Actual Expenditure/ Receipts	Excess/(Saving)	%age
Salary	151.000	124.124	(26.876)	(18)
Non-salary	90.290	32.182	(58.108)	(64)
Developmental	325.359	77.866	(247.493)	(76)
Total	566.649	234.172	(332.477)	
Receipts	275.316	143.113	(132.203)	(48)

The savings of Rs.332.477 million indicates inefficiency of the Tehsil Municipal Administrations to utilize the amount allocated.

EXPENDITURE 2019-20

(Rs. in million)



3.3 Classified Summary of Audit Observations

Audit observations amounting to Rs.282.628million were raised in this audit report. This amount also includes recoverable of Rs.14.592 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rs. in million)

Sr. No.	Classification	Amount
1	Irregularities	
A	Procurement related irregularities	16.800
2	Value for money and service delivery issues	174.369
3	Others, including cases of accidents, negligence etc	91.459
Total		282.628

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

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

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

3.5 AUDIT PARAS

3.5.1 Irregularities

Procurement related

3.5.1.1 Non transparent award of works contract-Rs 16.810 million

According to rule 2 (B) (i) (d) of the Advertising Policy 2018, Government of Khyber Pakhtunkhwa issued vide letter No. SO(B&A)/INF/5-3/2016-17/Advt; dated 27.03.2018, “an advertisement having value above Rs 5 million will be considered as national advertisements and will be issued to 5 newspaper i.e. 2 national, 2 provincial and 1 regional newspaper keeping in view the requirement of the sponsoring department and targeted area”.

According to KPPRA rule 32 (1) & (2) also read with rule 46 (1) “each procuring entity shall constitute committees, in accordance with delegation of financial powers, separately for procurement of goods, works and services. The committees shall have a representative each from the accounts or finance or planning sections of the procuring entity apart from others” The procurement committee shall submit the bid evaluation report with its recommendations for award of contract, to the approving authority in accordance with the delegation of powers under the financial rules and the power of re-appropriation rules 2001.

TMO, Thall awarded a contract during 2019-20 for the work “Various Projects at VC Darsamand District Hangu under SDGs with estimated cost of Rs 16.81 million”. The following irregularities were noticed:

1. The scheme was advertised in a single Urdu newspaper in violation to above mentioned rules; and
2. Procurement committee was not constituted as per rules to evaluate the bid and report its recommendations for award of contract.

The irregularity was due to weak administrative and financial control which resulted government rules were violated.

When pointed out in October 2020, the management did not reply.

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

Audit suggests detailed inquiry to probe into the matter and fix responsibility on the person (s) at fault.

AIR Para No. 2 (2019-20)

3.5.2 Value for money and service delivery issues

3.5.2.1 Irregular retention and non-utilization of fund-Rs 43.298 million

Para 12 of the General Financial Rules Volume I requires that a controlling officer must-see not only that the total expenditure is kept within the limits of the authorized appropriation but also that the funds allotted to spending units are expended in the public interest and upon objects for which the money was provided.

TMO had Hangu retained an amount of Rs 43,298,106 in the PLA of TMA Hangu for the year 2019-20. The funds received were not utilized timely on the development schemes hence depriving the locals of the area from timely benefit of the development funds.

Further, the breakup and detail of the fund was not known. Audit holds that chances of its mis-utilization and misappropriation could not be ruled out.

The irregularity occurred due to weak internal and administrative control which resulted government rules were violated.

When pointed out in October 2020, the management did not reply.

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

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

AIR Para No. 1 (2019-20)

3.5.2.2 Irregular retention and non-utilization of fund-Rs 97.338 million

Para 12 of the General Financial Rules Volume I requires that a controlling officer must-see not only that the total expenditure is kept within the limits of the authorized appropriation but also that the funds allotted to spending units are expended in the public interest and upon objects for which the money was provided.

TMO Thall had retained huge balance amounting to Rs 97,338,549 the PLA of TMA Thall for the year 2019-20, The funds received were not utilized timely on the development schemes hence depriving the locals of the area from timely benefit of the development funds.

Further, the breakup and detail of the fund was not known. Audit holds that chances of its misappropriation could not be ruled out.

The irregularity occurred due to weak internal and administrative control which resulted government rules were violated.

When pointed out in October 2020, the management did not reply.

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

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

AIR Para No. 9 (2019-20)

3.5.2.3 Irregular expenditure on account of salaries/pension from developmental funds - Rs 33.733 million.

Para 2 of the Finance Department release order No. BO(PFC-III)/1-5/TMAs-ADP/2018-19 dated 26.09.2018 states that the grant for ADP to the Tehsil/Town Administrations shall be credited in their PLAs (non-lapsable) by the Accountant General/District Accounts Officers through internal Transfer entries. The amount shall be utilized only for the execution of Development schemes/activities in accordance with guide lines issued by planning & Development Department and observance of all codal formalities as required under Rules.

TMO Thall during financial year 2019-20 transferred an amount of Rs33,732,806 out of ADP for the year 2017-18 to the designated bank Local Fund Account of the Administration for the purpose of payment of Staff Salaries,

pension and other recurring expenditure contrary to the above instruction of Finance Department. (Detail attached)

When pointed out in October 2020, management stated that detail reply will be furnished after consulting record.

Irregularity occurred due to non-compliance of government instructions which resulted in violation of Government rules, unauthorized diversion of fund and deprived the general public from the benefit of developmental schemes.

Audit recommends corrective measures to prevent non-compliance of Government rules/instruction and action against the person(s) at fault.

3.5.3 Others, including cases of accidents, negligence etc

3.5.3.1 Non-recovery of outstanding Government dues on account of water rates- Rs 1.832 million

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

TMO Hangu failed to recover Rs 1,832,550 on account of water charges during the year 2019-20 from 1083 water user connections as detailed below. This indicates not only the failure of the department to recover previous outstanding dues but also shows the fruitless efforts to recover the current dues, which needs to be recovered and deposited into Government treasury under intimation to audit.

Total Connections	Annual water charges for 2019-20 @Rs 150	Recovery Made	Amount Outstanding for the year 2019-20
1083	1,949,400	116,850	1,832,550

The irregularity occurred due to lack of administrative and financial control which resulted government treasury sustained loss.

When pointed out in October 2020, the management did not reply.

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

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

AIR Para No. 2 (2019-20)

3.5.3.2 Unclassified expenditure out of PLA-Rs 72.060 million

According to 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.

According to Para 72 of CPWA Code provides that vouchers setting forth full and clear particulars of the claim and all information necessary for its proper classification and identification in the accounts must support every payment for whatever purpose.

TMO, Hangu incurred expenditure for Rs 72,059,829 out of PLA on account of Gas Royalty, Gas Production Bonus, 30% ADP, CMD, Octroi Share, Grants in aid etc during 2019-20. The following irregularities were noticed;

- i. Only cash book was maintained for PLA. No any other accounting procedure was adopted to classify the expenditure.
- ii. The TMO Hangu incurred expenditure without observing the budget to meet a particular purpose out of particular fund.
- iii. The expenditure was not properly reconciled with DAO Hangu as there was a difference of Rs 28,761,723 between reconciled figure and the expenditure extracted from SAP/R3. The reconciled expenditure was Rs 43,298,106 whereas, SAP/R3 extracted data of PLA Showed expenditure figure as Rs 72,059,829. Due to this difference, the closing balance of the PLA was unauthentic.

The irregularity occurred due to weak financial and internal control which resulted misappropriation cannot be ruled out.

When pointed out in October 2020, the management did not reply.

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

Audit suggests proper maintenance of accounting record accordingly.

AIR Para No. 9 (2019-20)

3.5.3.3 Non-recovery of Long outstanding Government dues on account of water charges-Rs 9.252 million

According to Rules 51(1) of the Revenue Receipts Management of the TMA Budget Rules 2016 the TO (R) shall ensure that all revenue dues is claimed, realized and credited immediately into Tehsil Fund under proper receipt head.

TMO Thall did not recover long outstanding water user charges to the tune of Rs 9,252,300 from water users connections accumulated during the year 2018-19 as per detail given below:

When pointed out in October 2020, the management did not reply.

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

Audit suggests record of water supply branch was also not produced to audit for verification.

Outstanding amount of 2018-19	5,031,900
Recoverable amount during 2019-20	4,411,240
Total recovery made during 2019-20	190,840
Total Accumulated Outstanding Amount Till Date	9,252,300

Non-recovery of water charges occurred due to weak internal control which resulted loss to the Authority.

When pointed out in October 2020, the management did not reply.

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

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

AIR Para No. 4 (2019-20)

3.5.3.4 Non-recovery of receipts –Rs 1.329 million

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

TMO, Thall did not recover an amount of Rs 1,329,480 from the contractors of the receipt contracts on account of contractual amount during 2019-20. The detail is as under:

S. No.	Name of Contract	Name of Contractor	Contractual Amount	Amount Recovered	Total
01	Weekly Cattle Fair Doaba	Naeem Khan S/o Zarref Khan	5,100,000	4,732,000	368,000
02	Municipal Services Doaba	-do-	2,500,000	2,091,100	408,900
03	Weekly Cattle Fair Thall	-do-	2,266,000	2,122,520	143,480
04	Municipal Services Thall	-do-	4,660,000	4,250,900	409,100
	Total				1,329,480

Less realization of receipts occurred due to weak financial control which resulted loss to the government.

When pointed out in October 2020, the management did not reply.

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

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

AIR Para No. 5 (2019-20)

3.5.3.5 Loss to government due to non recovery of income tax - Rs2.179 million

As per letter No. (Unit-49)/WHZ/2017-18/270, dated 12.07.2017, “the rate of collection of tax on auction u/s 236A is 15% for Non-filers”.

TMO, Thall failed to recover income tax amounting to Rs2,178,900 from the contractors of receipt contracts on revised rates from non-filer during the year 2019-20 thus government was put to loss detail is given below.

S#	Name of contract	Contractor name	Contract Amount	Income tax Due (@ 15%)	Income tax recovered	Loss
01	Weekly Cattle Fair Doaba	Naeem Khan S/o Zarref Khan	5,100,000	765,000	0	765,000
02	Municipal Services Doaba	-do-	2,500,000	375,000	0	375,000
03	Weekly Cattle Fair Thall	-do-	2,266,000	339,900	0	339,900
04	Municipal Services Thall	-do-	4,660,000	699,000	0	699,000
Total Non-recovery of Income Tax at revised Rates						2,178,900

The irregularity occurred due to lack of Financial and Administrative control and government sustained loss due to non-deduction of income tax.

When pointed out in October 2020, the management did not reply.

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

Audit suggests income tax to be recovered from the concerned contractor and be deposited into government account under intimation to audit.

AIR Para No. 6 (2019-20)

3.5.3.6 Loss to Government due to less realization of receipts -Rs. 4.807 million

Clause 2 of the model terms and conditions of contracts provide for a minimum 20% increase over the previous year bid.

TMO Thall made less recovery of Rs 4,807, 346 on account of various receipt contracts during the year 2019-20. The local office failed to collect the receipts after adding 20% increase over the previous year's bids as per model terms and conditions resulting in loss to the Authority. Detail given below:

Description	Income for the year 2018-19 (Rs) Actual Realized	Target income For the year 2019-20 (Rs)	Amount realized during 2019-20	Less Realized (Rs)
Lorry Adda Entry Fee	10,022,030	12,026,436	7,563,650	4,462,786
Licence Fee Thall/Doaba	136,700	164,040	129,900	34,140
The Bazari Fee Doaba	487,200	584,640	319,000	265,640
Group Latrine Thall	78,300	93,960	49,180	44,780
Total	10,724,230	12,869,076	8,061,730	4,807,346

Loss to Government occurred due to less realization of the receipts as compared to last year during 2018-19 which were collected departmentally. Neither any action against the concerned staff was taken by the department for less realization nor set the base amount for awarding contract in the FY 2019-20. Instead, the less realized amount was set as the base amount which resulted in Loss.

When pointed out in October 2020, the management did not reply.

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

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

AIR Para No. 7 (2019-20)

CHAPTER-4

AD LGE&RDD

4.1 Introduction

Assistant Director Local Government, Election and Rural Development Department in District Hangu has 62 VCs/NCs. Each VC/NC has a Secretary. Assistant Director Local Government Election & Rural Development Department is Drawing and Disbursing Officer (DDO) for his office and PAO for VCs/NCs of the District Hangu.

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 Village Council or Neighborhood Council includes;

- i. Monitor and supervise 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. Provide effective forum for out of court amicable settlement of disputes and, for this purpose, constitute panels of members as conciliators;
- iii. Register births, deaths and marriages;
- iv. Implement and monitor village level development works;
- v. Improve water supply sources, maintain water supply distribution system and take measures to prevent contamination of water;
- vi. Maintain village level infrastructure, footpaths, tracks, streets, prevent and abate nuisances and encroachments in public ways, public streets and public places.
- vii. Maintain and improve collective property including playgrounds, graveyards, funeral places, Eid-Gah, parks, public open spaces and community centers;
- viii. Identify development needs of the area for use by municipal administration and district government in prioritizing development plans;
- ix. Make arrangements for sanitation, cleanliness, disposal of garbage and carcasses, drainage and sewerage system;
- x. Display land transactions in the area for public information;
- xi. Mobilize community for maintaining public ways, public streets, culverts, bridges and public buildings, de-silting of canals and other development activities;
- xii. Develop sites for drinking and bathing of cattle;
- xiii. Organize cattle fairs and agriculture produce markets;
- xiv. Organize sports teams, cultural and recreational activities;
- xv. Organize watch and ward in the area;

- xvi. Promote plantation of trees, landscaping and beautification of public places;
- xvii. Regulate grazing areas, establish cattle ponds and provide protection against stray animals and animal trespass;
- xviii. Consider and approve annual budget presented by the respective Nazim, village council or neighborhood council;
- xix. Facilitate formation of voluntary organizations for assistance in functions assigned to it;
- xx. Facilitate the formation of co-operatives for improving economic returns and reduction of poverty;
- xxi. Elect an Accounts Committee and review its recommendations on the annual statement of accounts and audit reports; and

Report cases of handicapped, destitute and of extreme poverty to district government.

Detail of audit planned formations expenditure and receipts

Sr. No	Description	TotalNos	Audited	Expenditure audited FY 2018-19 (Rs. in million)	Revenue /Receipts auditedFY 2018-19 (Rs. in million)
1	Formations	61	7	52.48	N/A

4.2 Comments on Budget and Accounts (Variance Analysis)

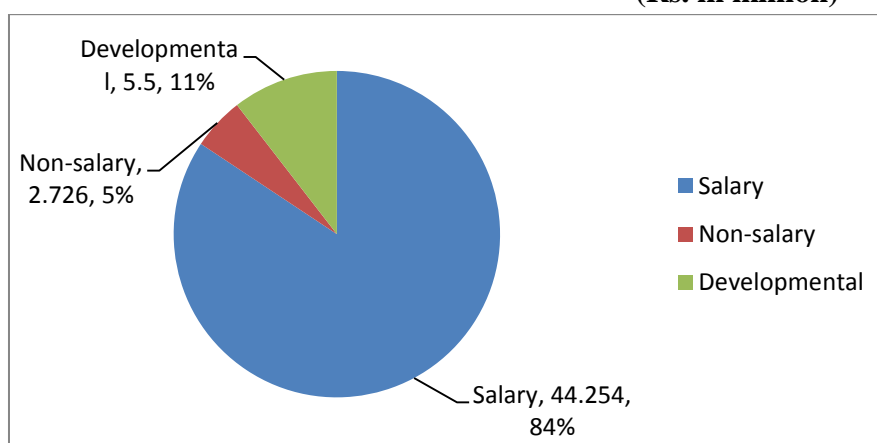
(Rs. in million)

2018-19	Budget	Actual Expenditure/ Receipts	Excess/(Saving)	%age
Salary	44.030	44.254	(0.24)	
Non-salary	2.755	2.726	0.02	
Developmental	15.700	5.500	(10.20)	
Total	62.485	52.48	(10.42)	
Receipts			0	

The savings of Rs.10.42 million indicates inefficiency in the capacity of the AD LGE&RDD to utilize the amount allocated.

EXPENDITURE 2019-20

(Rs. in million)



4.3 Classified Summary of Audit Observations

Audit observations amounting to Rs.38.075 million were raised in this audit report. This amount also includes recoverable of Rs.5.355 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rs. in million)

Sr. No.	Classification	Amount
1	Irregularities	
A	Management of Accounts with Commercial Banks	21.41
2	Value for money and service delivery issues	5.700
3	Others, including cases of accidents, negligence etc	10.965
Total		38.075

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	2016-17	Not Convened
2	2017-18	Not Convened
3	2018-19	Not Convened
4	2019-20	Not Convened

4.5 AUDIT PARAS

4.5.1 Irregularities

Management of Accounts with Commercial Banks

4.5.1.1 i. Unjustified payments of Rs 1.723 million

ii. Irregular/ Doubtful cash withdrawal from designated bank account-Rs 1.009 million

Treasury Rule 290 provides that no money shall be drawn from the treasury unless it is required for immediate disbursement. It is not permissible to draw money from the treasury in anticipation of demands or to prevent the lapse of budget grants while TR 77 provides that all transaction of expenditure and receipt should be recorded in Cashbook and also prescribed specific format of cashbook.

According to 2.3.2.8 of the APPM, the accounting system shall include controls to minimize the risk of fraud and corruption. This objective shall be addressed by issue of payment through direct bank transfer and cheques (to employees/vendors concerned).

AD LGE&RDD, Hangu drew an amount of Rs 1.723 million from government treasury during the year 2019-20 and deposited it in his designated bank account as evident from the bank statement. Later on the entire amount was disbursed through cheques and cash withdrawals. Audit is of the view that payment was required to be made directly to the concerned vendors.

Moreover, the local office withdrew a sum of Rs1.009 million from designated bank account in cash instead of payment through cross cheques in violation of Government rules. Proper entries such as head wise detail of transaction, particulars and voucher No. were not recorded in cash book. Therefore the Audit could not verify the payments and thus chances of misappropriation cannot be ruled out.

S. No.	Cheque No.	Date	Amount
1	38306810	26.9.2019	178,000
2	38306811	8.10.2019	85,000
3	38306812	7.11.2019	16,924
4	38306813	14.11.2019	153,000

5	38306814	5.12.2019	18,000
6	38306823	8.4.2020	148,700
7	38306825	19.6.2020	409,500
Total			1,009,124

The irregularity occurred due to lack of administrative and financial control which may lead to misappropriation.

The irregularity was pointed out to the management during November 2019 but the management did not reply.

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

The matter is reported for inquiry and fixing responsibility on the person(s) at fault.

AIR Para No. 1 (2019-20)

4.5.1.2 Unauthorized retention of balance in designated bank accounts Rs. 18.678 million

Para 1 & 2 of the finance department letter No. 2/3(F/L)/FD/2018/Vol-XII dated 3.07.2019 provides that Since Current Financial Year 2018-19 stand closed on 30 June 2019, hence it is imperative to reconcile the closing balances in all designated bank accounts falling in the purview of the department concerned with respective budget/Development Section of Finance Department latest by 15th July 2019 alongwith duly verified bank statement for 2018-19. This reconciliation process per-se the rules & instructions already invoked shall be the prime responsibility of each PAO, Controlling Authority and DDO in respect of bank accounts falling under their purview. Moreover, balance in the bank accounts if any, remaining on June 30th 2019 shall not be available for use without its prior revial by Finance Department during financial year i.e. 2019-2020. In case of no response by the target date, the funds available in their designated bank accounts shall stand frozen and no further transaction could be made out their designated bank account by the department concerned.

While para 3 of the aforesaid letter states that failure to comply with these instructions shall be taken seriously and stern disciplinary proceedings will be initiated against the concerned department/offices.

Secretaries VCs and NCs in district Hangu had opening bank balances worth Rs. 18,678,547 in their designated bank account as on 01.07.2019, the amount was brought forward without any lawful authority and were unauthorizedly shown spent during 2019-2020 without fulfillment of the codal formalities as prescribed above. Detail given below.

S.No.	Name of VC/NC	Closing Balance on 30 June 2019
1.	BarkalaKarbogha	3,694,996
2.	N.C Doaba 2	3,412,003
3.	N.C Doaba 1	2,412,195
4.	VC Lucky Banda	2,208,305
5.	VC Sarozai	4,275,414
6.	VC LodhiKhel	2,675,636
	Total	18,678,549

Audit observed that the irregularity occurred due to weak administrative and internal control. Government rules were not complied with and suspected of misappropriation cannot be ruled out.

The irregularity was pointed out to the management during November 2019 but the management did not reply.

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

Matter is for corrective measures, detail inquiry and taking appropriate action against the person (s) at fault.

AIR Para No. 6 (2019-20)

4.5.2 Value for money and service delivery issues

4.5.2.1 Non Execution of Developmental Scheme worth –Rs5.700 million.

According to Para 12 of GFR Vol.-1, a controlling officer must see not only that the total expenditure is kept within the limits of the authorized appropriation but also that the funds allotted to spending units are expended in the public interest and upon objects for which the money was provided.

AD, LGE&RDD Hangu did not executed development schemes worth Rs. 5,700 million during 2019-20. Development scheme were administratively approved and accordingly funds were allocated for the purpose but the local office failed to execute the schemes during the financial year 2019-20. Resultantly, deprived the general public at large from the timely benefit of the ADP fund. Detail given below.

S.No.	Name of Scheme	Estimated Cost (Rs in million)
1.	Pavement of Streets etc at Darsamand (#31, Malang Abad Walid Khan Azeemabad, etc)	1.400
2.	Pavement of Streets etc at UC Darsamand (#32, ZerAKhawriAJamiabanoria, Darsamand)	1.400
3.	Repair/Pavement of Streets etc at UC Darsamand (#33, JawarGhundiJanazgah Street, meras Khan sarokhel etc.	1.400
4.	Protection Wall, Culvert, Repair of drain & pavement of streets etc at UC Darsamand (#35, Iqbal, Jenal&Nawab)	1.500
		5.700

Irregularity occurred due to lack of internal control and Government money was unnecessarily blocked.

The irregularity was pointed out to the management during November 2019 but the management did not reply.

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

Matter is reported for inquiry and action against the person (s) at fault.

AIR Para No. 3 (2019-20)

4.5.3 Others, including cases of accidents, negligence etc

4.5.3.1 i. Non-utilization of developmental fund Rs. 4.442 million

ii. Non imposition of penalty due to non completion of developmental scheme Rs. 1.000 million

iii. Non recovery of government taxes 36,000.

According to Para 12 of GFR Vol-I, a controlling officer must see that funds allotted to spending units are expended in the public interest and upon objects for which the money was provided.

According to S.No. 13 of appendix-II of Khyber Pakhtunkhwa Finance act 2019, provincial tax @ of Rs. 30,000 shall be deducted from contractor, who during preceding financial year supplied to the Federal or any Provincial Government or any local authority I the District Goods commodities, or rendered services of the value exceeding Rs. 2.5 million but not exceeding Rs. 10 million

As per clause 2 of the contract agreement, the contractor shall pay compensation amount equal to 1% of the estimates cost for every day that work remains incomplete and the entire amount of compensation shall not exceed 10% of the estimated cost

According to Directorate of Social Welfare Special Education and Women Empowerment Department, KPK, Peshawar letter No. DPR/Pub/PCRD/15374-403 dated 23.01.2012, DPR fund @ Rs 2000 each per million will be deducted from the contractors/firms on execution of works and the amount will be deposited in Account No. 2626-5 National Bank of Pakistan, University Town, Peshawar.

AD LG&RDD issued a work order for Developmental work in PK-42 under 10% Oil Gas Royalty funds during 2014-15 under sub head “ Sanitation Scheme At Mishto Banda Gagato” with compilation period of 12 months at a cost of Rs. 10.000 million. The scheme was not completed till 2018-19 due to court case. Approval for revival of the fund was accorded by District Administration during November 2019 with the direction for completion of the scheme and utilization of the fund upto 30th June, 2020.

Against the total release, only an amount of Rs. 5,557,294 were utilized and thus fund for Rs 4.442 million .(Rs. 10,000,000-5,557,294=4,442706) remained unspent and work was also not completed. Neither extension for the completion of work was granted nor penalty @ 10% on contractual amount for Rs. 1,000,000 was imposed on the contractor for non completion of work.

Further Stamp duty of Rs. 30,000 and DPR worth Rs 6,000 was also not deducted from the contractor.

Irregularity occurred due to lack of Financial and internal control. Government money was unnecessarily blocked and general public were deprived from the benefit of the scheme. Undue favor was extended to contractor and the government sustained a loss

The irregularity was pointed out to the management during November, 2019 but the management did not reply.

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

Matter is reported for inquiry and action against the person (s) at fault besides recovery of the government dues.

- 4.5.3.2**
- i. Non-utilization of Social Welfare obligation fund Rs. 1.168 million.**
 - ii. Non imposition of penalty due to non completion of developmental scheme Rs. 0.2 million.**

According to Para 12 of GFR Vol-I, a controlling officer must see that funds allotted to spending units are expended in the public interest and upon objects for which the money was provided.

As per clause 2 of the contract agreement, the contractor shall pay compensation amount equal to 1% of the estimates cost for every day that work remains incomplete and the entire amount of compensation shall not exceed 10% of the estimated cost

According to Directorate of Social Welfare Special Education and Women Empowerment Department, KPK, Peshawar letter No. DPR/Pub/PCRD/15374-403 dated 23.01.2012, DPR fund @ Rs 2000 each per million will be deducted from the contractors/firms on execution of works and the amount will be deposited in Account No. 2626-5 National Bank of Pakistan, University Town, Peshawar.

AD LG&RDD issued a work order for Developmental work for construction of drain with street at Anar Chena UC ToghSarai out of Social Welfare Scheme Fund during December 2019 at a cost of Rs 2.000 million with completion period of 3 months. The work was not completed during the financial year 2019-20 and amount of Rs. 1,168,219 was not utilized. Neither extension was granted to the contractor nor penalty worth Rs. 200,000 imposed on contractor for non completion of work.

Irregularity occurred due to lack of Financial and internal control and Government money was unnecessarily blocked and general public were deprived from the benefit of the scheme. Undue favor was extended to contractor and the government sustained a loss

The irregularity was pointed out to the management during November 2019 but the management did not reply.

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

Matter is reported for inquiry and action against the person (s) at fault besides recovery of the government dues.

AIR Para No. 5 (2019-20)

4.5.3.3 Non-deposit of income tax into Government treasury–Rs 4.119 million

Under Section 153 (1) (c) of the income Tax ordinance, income tax @ 7.5 % shall be deducted from the contractor's bill and deposited into Government treasury.

Secretaries of the Village/Neighborhood Councils have retained huge amount of income tax worth Rs4,119,310 (detail attached) deducted during previous financial years from development schemes and did not deposit the same into Government treasury. Resultantly government was deprived of revenue. (Detail at Annexure-9)

Non-depositing of income tax into Government treasury occurred due to negligence and weak financial control and Government sustained a Loss.

The irregularity was pointed out to the management during November 2019 but the management did not reply.

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

Audit suggests inquiry and depositing the amount into Government treasury.

AIR Para No. 7 (2019-20)

ANNEXURES

Annexure-I

MFDAC

S. No	AIR No.	Department	Caption	Amount
1	1	DC	Loss to government	1.595
2	3	-do-	Non conversion of current bank accounts into PLS and loss to exchequer	--
3	5	-do-	Blockage of Government fund	24.497
4	9	-do-	Unauthentic expenditure on account of POL	3.500
5	10	-do-	Unauthentic expenditure on account of repair of transport	1.200
6	1	DHO	Excess drawl of Health Professional Allowance-	1.360
7	3	-do-	Excess expenditure over allotment Rs. million	8.067
8	7	-do-	Loss to Government due to non-recovery of house rent and conveyance allowance- Rs million	0.537
9	8	-do-	Non reconciliation of closing balances in designated bank accounts and Blockage of public fund – Rs million	6.623
10	11	-do-	Doubtful reconciliation of health receipts of District Government-Rs million	3.947
11	12	-do-	Non conversion of current bank accounts into PLS and loss to exchequer	--
12	3	TMA Hangu	Non-completion of developmental scheme worth within the stipulated period and no imposition of penalty	16.414
13	4	-do-	Irregular and doubtful release out of PLA fund-Rs 1.00 million	1.651
14	5	-do-	Overpayment to contractor on account of Adjustments & non deduction of voids	0.961
15	6	-do-	Unauthorized advance payment to TMA Officials	1.663
16	7	-do-	Loss to government due to less collection of receipts contracts	0.308
17	8	-do-	Irregular expenditure without open tender system	1.234
18	1	TMO Thall	Irregular delay in completion of	16.81

			development scheme within stipulated time period and non imposition of penalty	1.680
19		-do-	Non completion of development scheme within stipulated time period and non imposition of penalty and irregular premature release of 8% additional call deposit	10.000
20	10	-do-	Irregular expenditure on engagement of daily wages personals	2.077
21	2	AD LGE&RDD	Non conversion of current bank accounts into PLS and loss to exchequer	--
22	2	DEO (Male) Hangu	Overpayment on account of Conveyance Allowance during leave-Rs	0.097
23	3	-do-	Unauthorized/Unverified expenditure	4.241
24	4	-do-	Non-utilization of Developmental fund	1.60
25	5	-do-	i. Unjustified payments ii. Irregular/ Doubtful cash withdrawal from designated bank account	2.236
26	6	-do-	Unauthorized retention of balance in designated bank accounts	1.645
27	2	DEO (Female) Hangu	Overpayment on account of Conveyance Allowance during leave	0.259
28	3	-do-	Unauthorized payments salaries through DDOs	78.817
29	4	-do-	Non-utilization of Developmental fund	16.958
30	5	-do-	i. Unjustified payments of Rs million ii. Irregular/ Doubtful cash withdrawal from designated bank account	10.843
31	6	-do-	Unauthorized retention of balance in designated bank accounts	3.376

Annexure-2**Detail of Overpayment on account of HPA & CA During leave**

Name	Desig	leave w.e.f	Days	Months	HPA	CA	Total
Dr. AmalBibi	WMO	25.09.2019	30	1	82,000	5000	87,000
	WMO	30.05.2019	45	1.5	82,000	5000	130,500
	WMO	10.06.2020	50	2	82,000	5000	174,000
Dr. NosibaKhathun	WMO	10.05.2020	15	0.5	82,000	5000	43,500
	WMO	06.04.2020	30	1	82,000	5000	87,000
Dr. Nida Babar	WMO	09.12.2019	21	1	82,000	5000	87,000
	WMO	01.02.2019	60	2	82,000	5000	174,000
Dr. Nazish	WMO	08.06.2019	30	1	82,000	5000	87,000
Dr. Sahim Nara	WMO	21.03.2019	90	3	82,000	5000	261,000
Dr. Aqsa Mehmood	WMO	28.07.2019	40	1.5	82,000	5000	130,500
	WMO	12.10.2019	10	0.5	82,000	5000	43,500
Total							1,305,000

Annexure-3

a. Detail of overpayment during E.O.L to Teachers _ DEO (Female) Hangu

S#	Name/Design:/School	BPS	Period of E.O.L	Days	G.Pay	Total Recovery
1	Nazneen Begum PST GGPS Thall No1.	12	15/02/2020 to 31/03/2020	46	46871	71,869
2	Sidra Gul C.T GGMS ShanawariHangu.	15	21-11-2019 to 30-11-2019	10	32179	10,726
3	SaqibaManan CT GGMS DarsamandHangu	15	06/02/2020 To 20/02 2020	15	29724	14,862
4	Tabinda Ali SAT GGHS No2 Hangu.	16	01/02/2020 To 31/01/2021	150	55802	279,010
5	AneelaKousar SST GGHS ToghSaraiHnagu.	16	20/01/2020 To 28/01/2020	9	37924	11,377
6	SajidaAsad SST GGCMS M.KhowajaHangu	16	15/10/2019 To 29/10/2019	15	35948	17,974
7	Mst Fatima Ilyas TT GGMS DarbandHangu.	15	03/10/2019 To 17/10/2019	15	29812	14,906
8	Miss Gul-e- Laila PST GGPS Shahu Road Hangu.	12	18/02/2020 To 03/03/2020	15	25547	12,774
9	RifatNaz SCT GGHS ToghSarai	16	4/10/2019 to 15/12/2019 & 4/9/2019 to 3/10/2019	105	57325	200,638
10	Zainab Aziz DM GGMS KurmiwaloKilli	15	14/1/2020 to 26/2/2020	43	41302	59,200
11	MarukhFahim CT GGMS M.Khawaja	15	2/9/2019 15/9/2019 & 11/10/2019 to 25/10/2019	29	29910	28,913
12	Sidra Gul CT GGHS Thall.	15	08/02/2020 To31/05/2020	113	37270	140,384
			Total	Days		862,632

b. Detail of overpayment during E.O.L to Teachers DEO (Male) Hangu

S.No	Name & Designation	BPS	Perid of EOL	Days	G.Pay	Total Recovery
1	Mr. Rabnawaz PST No. 1 Qadri Banda	12	01-01-2020 to 30-03-2020	90	30420	91,260
2	Mr. Muhammad Qasim PST GPS GhariHangu	12	01-08-2019 to 31-07-2020	365	30420	370,110
3	Mr. Walayat Khan PSHT GPS No.2 Saraozai	15	02-09-2019 to 25-12-2019	110	55731	204,347
4	Mr. Wali Man Shah SPST Waziran	12	31-12-2019 to 31-03-2019	90	49360	148,080
			Total			813,797

Annexure-4**Irregular utilization of Medicines**

S.No	DDO	description	Head	Releases
1	GH6173	KhowajaKhil	Cost of Drugs	297,468
2	HG 6172	Malira	Cost of Drugs	250,000
3	GH-6170	BHUs	Cost of Drugs	21,384,000
4	GH-6169	RHC	Cost of Drugs	1,826,923
5	GH-6166	RHC	Cost of Drugs	1,635,062
6	GH-6052	H.F. SANIT	Cost of Drugs	199,600
7	GH-6051	MCH	Cost of Drugs	188,285
8	HG-6035	Other Hospital	Cost of Drugs	2,631,455
9	HG6175	Type D Hospital	Cost of Drugs	2,919,653
Total				31,332,446

Annexure-5**DDO wise detail of Medicines stocked by DHO office**

S.No	DDO	description	Head	Releases
1	GH6173	KhowajaKhil	Cost of Drugs	297,468
2	HG 6172	Malira	Cost of Drugs	250,000
3	GH-6170	BHUs	Cost of Drugs	21,384,000
4	GH-6169	RHC	Cost of Drugs	1,826,923
5	GH-6166	RHC	Cost of Drugs	1,635,062
6	GH-6052	H.F. SANIT	Cost of Drugs	199,600
7	GH-6051	MCH	Cost of Drugs	188,285
8	HG-6035	Other Hospital	Cost of Drugs	2,631,455
9	HG6175	Type D Hospital	Cost of Drugs	2,919,653
Total				31,332,446

Annexure-6**Detail of Cash withdrawal by DC office**

S.No	Date	Cheque No	Amount (Rs)
1	28.08.2019	83338748	593,448
2	29.08.2019	83338749	57,172
3	24.09.2019	83338751	20,496
4	30.09.2019	83338753	112,494
5	09.10.2019	83338756	118,050
6	26.11.2019	83338761	181,080
7	20.12.2019	83338765	105,215
8	14.01.2020	83338769	145,029
9	31.01.2019	83338772	104,840
10	20.02.2020	83338774	172,549
11	20.03.2020	83338778	96,693
12	27.03.2020	83338779	195,711
13	21.05.2020	83338785	280,108
14	11.06.2020	83338786	127,382
15	24.06.2020	83338789	226,038
16	24.06.2020	83338791	250,977
17	24.06.2020	83338790	244,726
18	24.06.2020	83338792	205,663
19	24.06.2020	83338788	150,066
Total			3,387,737

Annexure-7**Detail of irregular expenditure on account of salaries/pension TMA Thall**

S#	Date	PLA Cheque No.	Amount
1.	07-08-2019	A493147	2,000,000
2.	19-08-2019	A493150	70,000
3.	21-08-2019	A493261	240,000
4.	22-08-2019	A493162	149,500
5.	02.092019	A493168	2,500,000
6.	16-09-2019	A493178	1,071,008
7.	26-09-2019	A493198	2,000,000
8.	31-10-2019	A493325	1,000,000
9.	17-12-2019	A493379	1,000,000
8.	30-12-2019	A493602	500,000
9.	30-12-2019	A493606	500,000
10.	31-03-2020	A493642	10,000,000
11.	31-03-2020	A493642	5,000,000
13.	13-05-2020	A483648	4,500,000
14.	22-06-2020	A493364	202,298
15.	22-06-2020	A493670	3,000,000
Total			33,732,806

Annexure-09**Detail of Non-deposit of income tax by VCs/NCs Hangu**

S. No	Name of NC/VC	Income tax still pending
1	VC Raisan	186,677
2	VC LodhiKhel	130,994
3	VC Baber Mela	149,813
4	NC GanjanuKaley	170,403
5	NC Khan Bari	177,259
6	NC GulBagh	93,214
7	NC Muslim Abbad	79,629
8	NC Sangirh	173,312
9	VC Spin Khawari	65,500
10	VC Ibrahim Zai	174,281
11	Sara Ghundi	472,191
12	ZandarKhel	416,891
13	YoursafKhel	570,059
14	ChapriWaziran	250,125
15	Muhammad Zai	304,828
16	ShirkiKorboga	24,500
17	MazareenKaley	77,000
18	BaarKeley	28,000
19	DarshiMatuKhel	175,000
20	Sarozai	125,113
21	Daoba II	110,160
22	Doaba I	71,286
23	Samana	93,075
Total		4,119,310