



**AUDIT REPORT**  
**ON THE ACCOUNTS OF**  
**DISTRICT COUNCIL AND MUNICIPAL**  
**COMMITTEES**  
**KARAK**

**AUDIT YEAR 2014-2015**

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**AUDITOR GENERAL OF PAKISTAN**

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## ABBREVIATIONS AND ACRONYMS

AA	Administrative Approval
AP	Advance Para
ADP	Annual Development Programme
CMO	Chief Municipal Officer
CMD	Chief Minister Directives
DAC	Departmental Accounts Committee
DAO	District Accounts Office
DDO	Drawing & Disbursing Officer
GFR	General Financial Rules
GST	General Sales Tax
GPS	Government Primary School
LCB	Local Council Board
LGA	Local Government Act
MFDAC	Memorandum for Departmental Accounts Committee
MRS	Market Rates System
MC	Municipal Committee
PAC	Public Accounts Committee
PAO	Principal Accounting Officer
PC-I	Planning Commission Proforma-I
PVC	Poly venial chloride
RDA	Regional Directorate of Audit
TKPK	Taameere Khyber Pakhtunkhwa
UC	Union council
ZAC	Zilla Accounts Committee

## PREFACE

Articles 169 and 170 of the Constitution of the Islamic Republic of Pakistan, 1973 read with Sections-8 and 12 of the Auditor-General (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 and Section 168 of Local Government Act 2012, require the Auditor-General of Pakistan to conduct audit of the receipts and expenditure of Local Fund of District Council and Municipal Committees.

The report is based on audit of the accounts of District Council and Municipal Committees, District Karak for the Financial Year 2013-14. The Directorate General of Audit, District Governments, Khyber Pakhtunkhwa, Peshawar conducted audit on test check basis during 2014-15 with a view to reporting significant findings to the relevant stakeholders. The main body of the Audit Report includes only the systemic issues and audit finding carrying value of Rs 1 million or more. Relatively less significant issues are listed in the Annexure-1 of the Audit Report. The Audit Observations listed in the Annexure-1 shall be pursued with the Principal Accounting Officer at the DAC level and in all cases where the PAO does not initiate appropriate action, the Audit observation will be brought to the notice of Public Accounts Committee through the next year's Audit Report.

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

The observations included in this Report have been finalized without written replies of the Departments. DAC meetings could not be convened despite repeated requests.

The Audit Report is submitted to the Governor of Khyber Pakhtunkhwa in pursuance of Article 171 of the Constitution of the Islamic Republic of Pakistan, 1973 read with Section 168 of Khyber Pakhtunkhwa Local Government Act 2012 to be laid before appropriate legislative forum.

Islamabad  
Dated:

**(Rana Assad Amin)**  
**Auditor General of Pakistan**

## EXECUTIVE SUMMARY

The Directorate General Audit, District Governments, Khyber Pakhtunkhwa, Peshawar, is responsible to conduct the audit of all District Councils, Municipal Committees (MCs) and Union Councils (UCs). Its Regional Directorate of Audit Kohat has audit jurisdiction of District Councils, Municipal Committees and UCs of three Districts i.e. Kohat, Karak and Hangu.

The Regional Directorate has a human resource of 07 officers and staff, constituting 1953 man days and a budget of Rs 7.764 million was allocated during Financial Year 2014-15. It has the mandate to conduct financial attest audit, audit of sanctions, audit of compliance with authority and audit of receipts as well as the performance audit of entities, projects and programs. Accordingly Regional Director Audit Kohat carried out audit of the accounts of District Council and Municipal Committees Karak for the Financial Year 2013-14 and the findings have been included in the Audit Report.

District Council and Municipal Committees District Karak perform their functions under Khyber Pakhtunkhwa Local Government Act 2012. Administrative Secretary i.e Secretary Local Government and Rural Development Department, Khyber Pakhtunkhwa is the Principal Accounting Officer for these local bodies. According to financial provisions of the Act, the Secretary Local Government and Rural Development Department, Khyber Pakhtunkhwa authorizes the Annual Budget for these local bodies in the form of budgetary grants.

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

Out of the total expenditure of the District Council and Municipal Committees, District Karak, for the Financial Year 2013-14, auditable expenditure under the jurisdiction of RDA was Rs 836.227 million. Out of this, RDA Kohat audited an expenditure of Rs 585.359 million which, in terms of percentage, was 70% of the auditable expenditure.

The receipts of the District Council & Municipal Committees, District Karak, for the Financial Year 2013-14, were Rs 63.314 million. Out of this, RDA Kohat audited receipts of Rs 63.314 million which, in terms of percentage, was 100% of the auditable receipts.

The total expenditure and receipts of District Council and Municipal Committees, District Karak, for the financial year 2013-14, were Rs 899.541 million. Out of this, RDA Kohat audited the expenditure and receipts of Rs 648.673 million.

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

Recovery of Rs 54.123 million was pointed out during the audit. However, no recovery was made till the finalization of this report. Out of the total recoveries, Rs 16.743 million were not in the notice of the executives before audit.

**c. Audit Methodology**

Audit was conducted after understanding the business processes of the District Council and Municipal Committees, District Karak, with respect to its functions, control structure, prioritization of risk areas by determining their significance and identification of key controls. This helped auditors in understanding the systems, procedures, environment, and the audited entity before starting field activity. Audit used desk audit techniques for analysis of compiled data and review of permanent files/record. Desk Audit greatly facilitated identification of high-risk areas for substantive testing in the field.

**d. Audit Impact**

Audit pointed out various irregularities of serious nature to the management. However, no impact was visible as the management failed to reply and the irregularities could not come to the light in the proper forum i.e DAC.



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

The purpose of internal control system is to ensure effective operation of an organization. It consists of measures employed by the management to achieve objectives, safeguard assets, ensure accuracy, timeliness and reliability of financial and accounting information for decision making.

One of the basic components of Internal Control System, as envisaged under Para 13 of GFR Volume-I, is Internal Audit which was not found prevalent in District Council & Municipal Committees, District Karak,. Neither rules for internal audit have been framed nor internal audit report as required was provided to audit.

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

- i. Non production of record of Rs 442.406 million were noted in four cases.<sup>1</sup>
- ii. Irregularity & non-compliance amounting to Rs 109.190 million were noted in twelve cases.<sup>2</sup>
- iii. Loss due to internal control weaknesses of Rs 12.466 million was noticed in two cases<sup>3</sup>.

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<sup>1</sup> Para: 1.2.1.1, 2.2.1.1, 3.2.1.1 & 4.2.1.1

<sup>2</sup> Para: 1.2.2.1, 1.2.2.2, 2.2.2.1, 2.2.2.2, 2.2.2.3, 3.2.2.1, 3.2.2.2, 3.2.2.3, 4.2.2.1 to 4.2.2.4

<sup>3</sup> Para: 1.2.3.1 & 1.2.3.2

**g. Recommendations**

- i. Disciplinary action needs to be taken for non production of record as well as violation of the rules and regulations in spending the public money.
- ii. Concerted efforts need to be made to recover long outstanding dues.
- iii. All sectors of MCs/District Council need to strengthen internal controls i.e. financial, managerial, operational, administrative and accounting controls etc to ensure that reported lapses are preempted and fair value for money is obtained from public spending.
- iv. Deduction of taxes on supplies and contracts needs to be ensured.
- v. Inquiries need to be held to fix responsibility for losses, irregular payments and wasteful expenditure.

## SUMMARY TABLES AND CHARTS

**Table 1: Audit Work Statistics**

(Rs in million)

S. No	Description	No.	Budget
1	Total Entities in (PAO) Audit Jurisdiction	01	899.541
2	Total formations in audit jurisdiction	04	899.541
3	Total Entities in (PAO) Audited	01	648.673
4	Total formations Audited	04	648.673
5	Audit & Inspection Reports	04	648.673
6	Special Audit Reports	-	-
7	Performance Audit Reports	-	-
8	Other Reports (Relating to MC)	-	-

**Table 2: Audit observations classified by categories**

(Rs in million)

S. No	Description	Amount under Audit Observation
1	Unsound asset management	--
2	Weak financial management	109.190
3	Weak Internal controls relating to financial management	12.466
4	Others	442.406
<b>Total</b>		<b>564.062</b>

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

<b>S. No</b>	<b>Description</b>	<b>Expenditure on Acquiring Physical Assets Procurement</b>	<b>Civil Works</b>	<b>Receipts</b>	<b>Others</b>	<b>Total for the Year 2013-14</b>	<b>Total for the year 2012-13</b>
1	Outlays Audited	--	532.369	63.314	52.990	648.673	195.964
2	Amount Placed under Audit Observation /Irregularities of Audit	--	478.956	57.622	27.484	564.062	195.960
3	Recoveries Pointed Out at the instance of Audit	--	8.554	45.569	--	54.123	17.466
4	Recoveries Accepted /Established at the instance of Audit	--	--	--	--	--	--
5	Recoveries Realized at the instance of Audit	--	--	--	--	--	--

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

<b>S. No</b>	<b>Description</b>	<b>Amount Placed under Audit Observation</b>
1	Violation of Rules and regulations, principle of propriety and probity in public operation	19.231
2	Reported cases of fraud, embezzlement, thefts and misuse of public resources.	--
3	Accounting Errors(accounting policy departure from NAM misclassification, over or understatement of account balances) that are significant but are not material enough to result in the qualification of audit opinions on the financial statements.	--
4	Quantification of weaknesses of internal control systems.	12.466
5	Recoveries and overpayment, representing cases of established overpayment or misappropriations of public monies.	--
6	Non production of record	442.406
7	Others, including cases of accidents, negligence etc.	89.959
<b>Total</b>		<b>564.062</b>

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

<b>S.No</b>	<b>Description</b>	<b>Amount</b>
1	Outlays Audited	648.673
2	Expenditure on Audit	0.423
3	Recoveries realized at the instance of Audit	-
4	Cost Benefit Ratio	1:0

## CHAPTER-1

### 1.1 District Council and Municipal Committees, Karak

#### 1.1.1 Introduction

District Karak has three tehsils i.e. Karak, Takht-e-Nasriti and BD Shah. There is a District Council and three Municipal Committees. District Council has a Chief Coordination Officer, District Officer (Finance), District Officer (Infrastructure) and District Officer (Regulation). Municipal Committees have Chief Municipal Officers, Municipal Officers (Finance), Municipal Officers (Infrastructure) and Municipal Officers (Regulation). District Council Karak has one Drawing and Disbursing Officer (DDO) i.e. Chief Coordination Officer and Chief Municipal Officers are the DDOs of Municipal Committees. According to 1998 population census, the population of District Karak is 723,450.

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

An amount of Rs 1088.664 million was allocated as grant in aid by the Provincial Government to District Council and Municipal Committees of District Karak. An amount of Rs 63.314 million was realized during the financial year 2013-14. Thus making a total of Rs 1151.978 million at the disposal of local councils, against which an expenditure of Rs 836.227 million was incurred by the District Council and Municipal Committees Karak with a saving of Rs 315.751 million during financial Year 2013-14. Detail is given below:

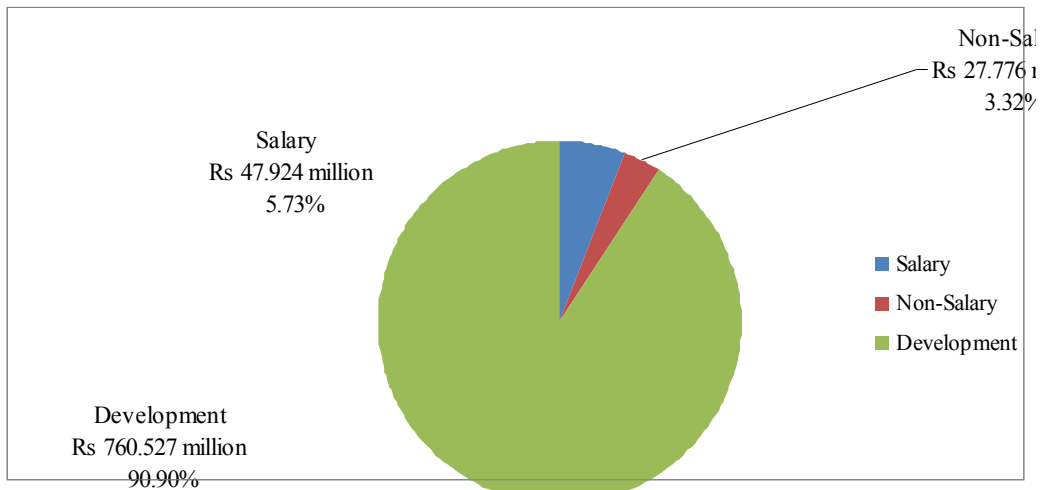
(Rs in million)

2013-14	Budget	Expenditure	Excess /(Saving)	%age
Salary	56.457	47.924	-8.533	15.114
Non-salary	26.325	27.776	1.451	5.512
Developmental	1069.196	760.527	-308.669	28.869
<b>Total</b>	<b>1151.978</b>	<b>836.227</b>	<b>-315.751</b>	<b>27.409</b>
<b>Receipts</b>	<b>77.632</b>	<b>63.314</b>	-	-
<b>Grand Total</b>	<b>1229.61</b>	<b>899.541</b>	-	-

The huge savings of Rs 315.751 in all heads of accounts indicate weakness in the capacity of these local institutions to utilize the amounts allocated.

### Expenditure 2013-14

(Rs in million)



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

The audit reports on the accounts of newly formed District Council and Municipal Committees Karak under the LGA 2012, have not yet been discussed in PAC.

## **MUNICIPAL COMMITTEE KARAK**



## **1.2 Audit Paras of Municipal Committee Karak**

### **1.2.1 Non Production of Record**

#### **1.2.1.1 Non Production of Record-Rs 17.400 million**

According to Section 14(1-b) & (3) of the Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 the Auditor General has the authority to require any accounts, books, papers and other documents which deal with, or form, the basis of or otherwise relevant to transactions to which his duties in respect of audit extent. Any person or authority hindering the auditorial functions of the Auditor General of Pakistan regarding inspection of accounts shall be subject to disciplinary action under relevant Efficiency and Discipline Rules.

Chief Municipal Officer, Municipal Committee Karak did not produce the record of the following developmental schemes for the financial year 2013-14 for audit verification.

- i. Pavement of street at village Latamber out of production bonus amounting to Rs 1.60 million;
- ii. PCC road at Algaddi Karak out of Gas Royalty amounting to Rs 10.00 million;
- iii. Reconstruction of GPS Dhand Edel Khel out of Gas Royalty amounting to Rs 2.80 million; and
- iv. Construction of Janazgah/Eidgah at Makh Kala out of Gas Royalty amounting to Rs 3.00 million.

The veracity of the expenditure could not be authenticated due to non production of record.

When reported in July 2014, the management replied that detailed reply will be submitted after scrutiny of our office record. However, no progress was intimated.

Request for the convening DAC meeting was made on 04.08.2014 but no response was received from the Principal Accounting Officer, as a result DAC meeting could not be convened till finalization of this Report in March, 2015.

Audit recommends production of record for audit scrutiny and action against the person(s) at fault.

**AP No. 06 (2013-14)**

## **1.2.2 Irregularity & Non Compliance**

### **1.2.2.1 Less realization of revenue-Rs 8.607 million**

According to Para (ii) of terms and condition of the contracts circulated vide Local Government Department, Government of Khyber Pakhtunkhwa letter No. AO-II/LCB/6-11/2013 dated 20.3.2013, the contract for the present year must have an increase over the bid of last year to the tune of 15%.

Chief Municipal Officer, Municipal Committee Karak awarded various contracts for the year 2013-14 without 15% increase over the last year approved bid and thus MC sustained a loss of Rs 8,606,765 as per detail given at Annexure-3.

Less realization of revenue occurred due to non-compliance of rules.

When reported in July 2014, management stated that reply would be furnished after consulting record. However, no progress was intimated.

Request for the convening DAC meeting was made on 04.08.2014 but no response was received from the Principal Accounting Officer, as a result DAC meeting could not be convened till finalization of this Report in March, 2015.

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

**AP No. 03 (2013-14)**

### **1.2.2.2 Non-recovery of withholding Tax on auction of receipts contracts-Rs 1.326 million**

Withholding tax collection under section 236A on sale of property was enhanced Through Finance Act' 2013, from 5% to 10% of the bid amount/sale price w.e.f 01.07.2013.

Chief Municipal Officer, Municipal Committee Karak did not recover outstanding dues amounting to Rs 869,335 from the contractors of different receipt auctions during 2013-14. Furthermore, income tax @10% amounting to

Rs 454,876 was also not recovered from the said contractors during the year 2013-14 as per detail given at Annexure-4.

Non recovery of Government dues occurred due to non-compliance of rules.

When reported in July 2014, management stated that reply would be furnished after consulting record. However, no progress was intimated.

Request for the convening DAC meeting was made on 04.08.2014 but no response was received from the Principal Accounting Officer, as a result DAC meeting could not be convened till finalization of this Report in March, 2015.

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

**AP No. 01 & 02 (2013-14)**

### **1.2.3 Internal Control Weaknesses**

#### **1.2.3.1 Blockage of Government funds-Rs10.000 million**

According to Para 23 of General Financial Rules Vol-I, each Government officer will personally be responsible for any loss sustained by Government through negligence or fraud on his part or on the part of his subordinate staff.

Chief Municipal Officer, Municipal Committee Karak allocated a sum of Rs 10,000,000 for a work “Const: of library and auditorium at Karak” to M/S Nadir Khan & sons out of production bonus during 2013-14 but the progress report revealed that the work was not actually carried out due to dispute on site and the funds were drawn in anticipation of work done resulting into blockage of Government funds. This also deprived the general public from the benefit of the developmental scheme.

Blockage of Government funds occurred due to weak internal controls.

When reported in July 2014, management stated that reply would be furnished after consulting record. However, no progress was intimated.

Request for the convening DAC meeting was made on 04.08.2014 but no response was received from the Principal Accounting Officer, as a result DAC meeting could not be convened till finalization of this Report in March, 2015.

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

**AP No. 12 (2013-14)**

#### **1.2.3.2 Non-recovery of rent of shops-Rs 2.466 million**

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

A plaza comprising of 55 number shops was handed over to Chief Municipal Officer, Municipal Committee Karak since Sep, 2011 but besides advertising so many times, no rent was recovered till date of audit and thus Government was put into loss of Rs 2,466,000 as detailed below:

S. No	Number of Shops	Rent per Month as Proposed (Rs)	Total Outstanding Period (Months)	Total Recovery (Rs)
1	27 Nos Shops on Ground floor	1,500 per shop	36 Months	36 x 27 x 1,500= Rs1,458,000
2	28 Nos Shops on Upper floor	1,000 per shop	36 Months	36 x 28 x 1,000= Rs1,008,000
<b>Total</b>				<b>Rs2,466,000</b>

Non recovery of rent occurred due to weak internal controls.

When reported in July 2014, management stated that reply would be furnished after consulting record. However, no progress was intimated.

Request for the convening DAC meeting was made on 04.08.2014 but no response was received from the Principal Accounting Officer, as a result DAC meeting could not be convened till finalization of this Report in March, 2015.

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

**AP No. 11 (2013-14)**

**MUNICIPAL COMMITTEE TAKHT-E-NASRATI**

### **1.3 Audit Paras of Municipal Committee Thakht-e-Nasrati**

#### **1.3.1 Non Production of Record**

##### **1.3.1.1 Non Production of Record-Rs 130.356 million**

According to Section 14(1-b) & (3) of the Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 the Auditor General has the authority to require any accounts, books, papers and other documents which deal with, or form, the basis of or otherwise relevant to transactions to which his duties in respect of audit extent. Any person or authority hindering the auditorial functions of the Auditor General of Pakistan regarding inspection of accounts shall be subject to disciplinary action under relevant Efficiency and Discipline Rules.

Chief Municipal Officer, Municipal Committee Takht-e-Nasrati District Karak did not produce the following record for audit verification.

- i. Developmental expenditure to the tune of Rs 121.30 million. Detail at Annexure-5.
- ii. Receipt record to the tune of Rs 9.056 million pertaining to 2012-13.
- iii. Vouchers for April, May and June 2013 of Local Fund expenditure.
- iv. Record relating to Appointments made during 2012-13 & 2013-14.

The veracity of the expenditure could not be authenticated due to non production of record.

When reported in August 2014, management stated that reply would be furnished after consulting record. However, no progress was intimated.

Request for the convening DAC meeting was made on 18.08.2014 but no response was received from the Principal Accounting Officer, as a result DAC meeting could not be convened till finalization of this Report in March, 2015.

Audit recommends production of record for audit scrutiny and action against the person(s) at fault.

**AP No. 13 (2013-14)**



## **1.3.2 Irregularity & non compliance**

### **1.3.2.1 i. Irregular and unauthorized expenditure-Rs 45.000 million**

#### **ii. Non-deposit of income tax into Government treasury-Rs 2.700 million**

According to Section 3 of the Sales Tax Act 1990 and Section 50 (4) of the Income Tax Ordinance 2001, the deduction of sales tax and income tax respectively be made at the prescribed rates on supply of taxable goods.

Chief Municipal Officer, Municipal Committee Takht-e-Nasrati District Karak awarded contracts to the tune of Rs 4,500,000 to various contractors out of Gas Production Bonus during the year 2013-14 as per detail given at Annexure-6. The following irregularities were noticed:

- i. Income tax amounting to Rs 2,700,000 was deducted from contractors while the same was not deposited into government treasury. The same payment is not pre-audited by the DAO.
- ii. PC-I, Technical Sanctions, Measurement Books and contractor bills were not found on record of the local office. The payment/ expenditure was verified from note sheet side of the file.

The irregularity and non deposit of income tax occurred due to non compliance of rules.

When reported in August 2014, management stated that reply would be furnished after consulting record. However, no progress was intimated.

Request for the convening DAC meeting was made on 18.08.2014 but no response was received from the Principal Accounting Officer, as a result DAC meeting could not be convened till finalization of this Report in March, 2015.

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

**AP No. 21 (2013-14)**

### **1.3.2.2 Non-deduction of Sales tax-Rs 8.743 million**

According to Section 3 of Sales Tax Act 1990, read with the notifications issued by government from time to time states that 17% sales tax on supply of taxable goods is to be made for the year 2012-13.

Chief Municipal Officer, Municipal Committee Takht-e-Nasrati District Karak paid Rs 51,429,403 during 2013-14 to various contractors for the procurement of Pumping machinery, PVC blind pipe and PVC strainer under different programs like District ADP, CMD and TKPK, but neither sales tax was deducted from the contractor's bills nor any sales tax invoice duly verified from the sales tax department was obtained, and thus depriving Government from sales tax revenue amounting to Rs 8,742,999 as per detail given at Annexure-7 & 8.

Non deduction of sales tax occurred due to non-compliance of rules.

When reported in August 2014, management stated that reply would be furnished after consulting record. However, no progress was intimated.

Request for the convening DAC meeting was made on 18.08.2014 but no response was received from the Principal Accounting Officer, as a result DAC meeting could not be convened till finalization of this Report in March, 2015.

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

**AP No. 14 & 15 (2013-14)**

### **1.3.2.3 Overpayment by allowing cost factor on Market Rate System-Rs 1.864 million**

According to Para 10 (i) of General Financial Rules Vol-I, 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.

Chief Municipal Officer, Municipal Committee Takht-e-Nasrati overpaid an amount of Rs 1,864,318 during the financial year 2013-14 to various

contractors by allowing cost factor on MRS, which was not allowed to them as the same was not provided in MRS as per detail given at Annexure-9.

Overpayment occurred due to non-compliance of rules.

When reported in August 2014, management stated that reply would be furnished after consulting record. However, no progress was intimated.

Request for the convening DAC meeting was made on 18.08.2014 but no response was received from the Principal Accounting Officer, as a result DAC meeting could not be convened till finalization of this Report in March, 2015.

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

**AP No. 16 (2013-14)**

**MUNICIPAL COMMITTEE BANDA DAUD SHAH**

#### **1.4 Audit Paras of Municipal Committee Banda Daud Shah**

##### **1.4.1 Non Production of Record**

##### **1.4.1.1 Non Production of Record-Rs 264.250 million**

According to Section 14(1-b) & (3) of the Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 the Auditor General has the authority to require any accounts, books, papers and other documents which deal with, or form, the basis of or otherwise relevant to transactions to which his duties in respect of audit extent. Any person or authority hindering the auditorial functions of the Auditor General of Pakistan regarding inspection of accounts shall be subject to disciplinary action under relevant Efficiency and Discipline Rules.

Chief Municipal Officer, MC Banda Daud Shah did not produce developmental record amounting to Rs 264,250,000 pertaining to 2013-14 for audit verification as per detail given at Annexure-10.

The veracity of the expenditure could not be authenticated due to non production of record.

When reported in August 2014, management stated that reply would be furnished after consulting record. However, no progress was intimated.

Request for the convening DAC meeting was made on 28.08.2014 but no response was received from the Principal Accounting Officer, as a result DAC meeting could not be convened till finalization of this Report in March, 2015.

Audit recommends production of record for audit scrutiny and action against the person(s) at fault.

**AP No. 39 (2013-14)**

## **1.4.2 Irregularity & non compliance**

### **1.4.2.1 Loss to Municipal Committee due to ignoring 2<sup>nd</sup> highest bid-Rs 19.753 million**

According to Rule 29 (5) of Khyber Pakhtunkhwa Procurement of Goods, Works & Services Rules 2003, if the tenderer whose tender has been accepted fails to sign the contract or fails to provide any required security for the performance of contract the procuring entity shall order the forfeiture of earnest money and shall give order of acceptance to second lowest, or in case of second bidder to the third lowest bidder and so on, on the same term of forfeiture of earnest money.

Chief Municipal Officer, MC Banda Daud Shah awarded the following contracts of receipt and Government was put into loss of Rs 19.753 by ignoring 2<sup>nd</sup> highest bidder.

- i. Contract of Load Unload tax for the financial year 2011-12 was awarded to Mr. Asim Mehmood for Rs 2,300,000 on his direct request to Secretary LCB instead of awarding to second highest bidder Mr. Amir Tehseen for Rs 15,000,000 after refusal by the highest bidder. Furthermore, call deposit of Rs 100,000 of the highest bidder Mr. Asif-ur-Rehman was not forfeited. This resulted in loss to public exchequer amounting to Rs 12,800,000.
- ii. Contract of 2% Mutation fee for the financial year 2011-12 was awarded to Mr. Hassan Badshah for Rs 780,000 on his direct request to Secretary LCB instead of awarding to second highest bidder Mr. Lal Qadar for Rs 7,700,000 after refusal by the highest bidder. Furthermore, call deposit of Rs 33,000 of highest bidder Mr. Amir Tehseen was not forfeited. This resulted in loss to public exchequer amounting to Rs 6,953,000. Mr. Hassan Badshah also participated in the bidding process on 24-06-2011 and offered a bid of Rs 1,500,000.

Loss occurred due to non-compliance of rules.

When reported in August 2014, management stated that reply would be furnished after consulting record. However, no progress was intimated.

Request for the convening DAC meeting was made on 28.08.2014 but no response was received from the Principal Accounting Officer, as a result DAC meeting could not be convened till finalization of this Report in March, 2015.

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

**AP No. 33 & 34 (2013-14)**

#### **1.4.2.2 Less realization of revenue-Rs 6.230 million**

According to Para (ii) of terms and condition of the contracts circulated vide Local Government Department, Government of Khyber Pakhtunkhwa letter No. AO-II/LCB/6-11/2013 dated 20-3-2013, the contract for the present year must have an increase over the bid of last year to the tune of 15%.

Chief Municipal Officer, Banda Daud Shah awarded the following contracts for the financial year 2013-14 without calculating 15% increase over the last year approved bid and thus the MC funds sustained loss of Rs 6,230,375 as per detail given at Annexure-11.

The weakness in financial control can be judged from the fact that the CMO B.D. Shah sent the contract of 2% Property Tax with a highest bid of Rs 120,000 while the same was returned with an approval of Rs 240,000 as another contractor submitted an application to Secretary LCB for Rs 240,000.

Less realization of revenue occurred due to weak financial controls.

When reported in August 2014, management stated that reply would be furnished after consulting record. However, no progress was intimated.

Request for the convening DAC meeting was made on 28.08.2014 but no response was received from the Principal Accounting Officer, as a result DAC meeting could not be convened till finalization of this Report in March, 2015.

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

**1.4.2.3 Irregular award of receipt contract-Rs 1.900 million**

As per Model Terms and Conditions for contracts, “all the contracts for the year 2013-14 may be advertised by all local councils in their respective territorial jurisdiction for open and competitive auctions”.

Chief Municipal Officer, MC Banda Daud Shah, District Karak awarded a receipt contract of Cess fee for the year 2011-12 to a contractor Mr. Asim Mehmood for Rs 1,900,000 on his direct request to Secretary LCB without bidding process and thus the MC was deprived of the benefit of competitive auction. The local council failed to complete the bidding process in six occasions as the same was published two times in daily news papers and despite the fact that a considerable large number of contractors have submitted their call deposits each time.

Irregularity occurred due to non-compliance of rules.

When reported in August 2014, management stated that reply would be furnished after consulting record. However, no progress was intimated.

Request for the convening DAC meeting was made on 28.08.2014 but no response was received from the Principal Accounting Officer, as a result DAC meeting could not be convened till finalization of this Report in March, 2015.

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



**DISTRICT COUNCIL KARAK**

## **1.5 Audit Paras of District Council Karak**

### **1.5.1 Non Production of Record**

#### **1.5.1.1 Non Production of Record-Rs 30.400 million**

According to Section 14(1-b) & (3) of the Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 the Auditor General has the authority to require any accounts, books, papers and other documents which deal with, or form, the basis of or otherwise relevant to transactions to which his duties in respect of audit extent. Any person or authority hindering the auditorial functions of the Auditor General of Pakistan regarding inspection of accounts shall be subject to disciplinary action under relevant Efficiency and Discipline Rules.

Chief Coordination Officer, District Council Karak did not produce developmental record amounting to Rs 30,400,000 pertaining to 2013-14 for audit verification as per detail given at Annexure-12.

The veracity of the expenditure could not be authenticated due to non production of record.

When reported in August 2014, management stated that reply would be furnished after consulting record. However, no progress was intimated.

Request for the convening DAC meeting was made on 15.09.2014 but no response was received from the Principal Accounting Officer, as a result DAC meeting could not be convened till finalization of this Report in March, 2015.

Audit recommends production of record for audit scrutiny and action against the person(s) at fault.

**AP No. 54 (2013-14)**

## **1.5.2 Irregularity & Non Compliance**

### **1.5.2.1 Non-recovery of withholding Tax on auction of receipts contracts-Rs 5.154 million**

Withholding tax collection under section 236A on sale of property was enhanced Through Finance Act' 2013, from 5% to 10% of the bid amount/sale price w.e.f 01.07.2013.

Chief Coordination Officer, District Council Karak did not recover long outstanding dues amounting to Rs 3,793,500 from the contractors of different receipt auctions during 2013-14. Furthermore, income tax @10% amounting to Rs 1,360,500 was also not recovered from the said contractors during 2013-14, which also needs recovery under intimation to Audit as per detail given at Annexure-13.

Non recovery occurred due to non compliance of rules.

When reported in August 2014, management stated that reply would be furnished after consulting record. However, no progress was intimated.

Request for the convening DAC meeting was made on 15.09.2014 but no response was received from the Principal Accounting Officer, as a result DAC meeting could not be convened till finalization of this Report in March, 2015.

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

**AP No. 57 (2013-14)**

### **1.5.2.2 Overpayment by allowing cost factor on market rate system-Rs 4.875 million**

According to Para 10 (i) of General Financial Rules Vol-I, 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.

Chief Coordination Officer, District Council Karak overpaid an amount of Rs 4,875,370 during the year 2013-14 to various contractors by allowing cost factor on Market Rate System, which was not allowed as the same was not provided in MRS as per detail given at Annexure-14.

Overpayment occurred due to non-compliance of rules.

When reported in August 2014, management stated that reply would be furnished after consulting record. However, no progress was intimated.

Request for the convening DAC meeting was made on 15.09.2014 but no response was received from the Principal Accounting Officer, as a result DAC meeting could not be convened till finalization of this Report in March, 2015.

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

**AP No. 44 (2013-14)**

**1.5.2.3 Non-deposit of income tax into Government treasury-Rs 1.938 million**

Section 3 of the Sales Tax Act and Section 50 (4) of the Income Tax Ordinance requires the deduction of sales tax and income tax at the prescribed rates on supply of taxable goods.

Chief Coordination Officer, District Council Karak awarded contracts to the tune of Rs 4,500,000 to various contractors out of Gas Production Bonus during the financial year 2013-14. It was noticed that Income tax amounting to Rs 1,938,000 was deducted from contractors while the same was not deposited into Government treasury as per detail given at Annexure-15.

Loss occurred due to weak financial controls.

When reported in August 2014, management stated that reply would be furnished after consulting record. However, no progress was intimated.

Request for the convening DAC meeting was made on 15.09.2014 but no response was received from the Principal Accounting Officer, as a result DAC meeting could not be convened till finalization of this Report in March, 2015.

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

**AP No. 55 (2013-14)**

**1.5.2.4 Overpayment due to non deduction of 11% voids-Rs 1.100 million**

According to Clause 20 (d) of contract agreement 11% deduction of voids is required to be made on random rubble stone masonry laid dry in retaining wall and stone filling.

Chief Coordination Officer, District Council Karak paid a sum of Rs 10,005,755 in items of work “Formation of embankment” “Random Rubble Stone Masonry” and “Formation of Shoulders using pit run gravel” in different schemes but 11% voids amounting to Rs 1,100,633 were not deducted from the contractor’s bills, which lead to undue favour to contractors as per detail given at Annexure-16.

Overpayment occurred due to non-compliance of rules.

When reported in August 2014, management stated that reply would be furnished after consulting record. However, no progress was intimated.

Request for the convening DAC meeting was made on 15.09.2014 but no response was received from the Principal Accounting Officer, as a result DAC meeting could not be convened till finalization of this Report in March, 2015.

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

**AP No. 45 (2013-14)**

## ANNEXURES

### Annexure-I

#### Detail of MFDAC

(Rs in million)

S. No	Department	AP No	Caption	Amount
1	MC Karak	08	Overpayment on account of MRS	2.839
2		09	Loss to Government under head professional tax etc	0.431
3	MC Takht-e-Nasrati	20	Irregular release of security before completion of work	3.336
4		23	Loss to government under head professional tax etc	1.560
5	MC BD Shah	35	Irregular execution of receipt contract	5.00
6		38	Non-utilization of developmental fund	269.26
7		40	Overpayment due to non deduction of 11% voids	0.814
8		43	Overpayment to contractors on account of factor cost	0.514
9	District Council Karak	46	Non deduction of Sales Tax	0.798
10		49	Non-imposition of penalty	3.50

**Audit Impact Summary**

S.No	Rules/System/Procedure	Audit Impact
1	The Auditor General has the authority to require any accounts, books, papers and other documents which deal with, or form, the basis of or otherwise relevant to transactions to which his duties in respect of audit extent.	DAC meetings could not be convened due to which audit impact is not visible.
2	According to GFR, all dues of the government should be correctly and promptly assessed, collected and paid into Government Treasury.	-do-
3	According to terms and conditions of contracts; the contract for the present year must have 15% increase over the bid of last year.	-do-
4	Withholding tax collection under section 236A on sale of property was required at enhanced rate of 10%.	-do-
5	The deduction of sales tax and income tax respectively be made at the prescribed rates According to Section 3 of the Sales Tax Act 1990 and Section 50 (4) of the Income Tax Ordinance 2001.	-do-

**Annexure-3 (1.2.2.1)****Detail of less realization of revenue**

<b>S. No</b>	<b>Name of Contract</b>	<b>Auction Value for 2011-12</b>	<b>Auction Value for 2012-13</b>	<b>Auction Value for 2013-14</b>	<b>Required (Rs)</b>	<b>Difference (Rs)</b>	<b>Total Difference (Rs)</b>	
1	Mutation Fee	3,000,000	3,600,000	2,020,000	4,140,000	4,140,000 2,020,000	-	2,120,000
2	Load Un load	2,370,000	5,000,000	100,000	5,750,000	5,750,000 100,000	-	5,650,000
3	Cess Fee	905,000	1,136,000	610,000	1,306,400	1,306,400 610,000	--	696,400
4	Water Rates	97,100	44,280	45,550	128,415	128,415 45,550	--	82,865
5	Sign Board	50,000	Nil	67,000	57,500	Nil recovery in 2012-13		57,500
<b>Grand Total</b>								<b>8,606,765</b>



**Annexure-4 (1.2.2.2)**

**Detail of non-recovery of with holding tax**

<b>S#</b>	<b>Name of contract</b>	<b>Name of contractor</b>	<b>Year</b>	<b>Out standing amount of contract (Rs)</b>	<b>Out standing amount of Income Tax (Rs)</b>
1	Mutation Fee	Rafiullah	2013-14	0	202,000
2	Cess Fee	---do---	---do---	449,000	61,000
3	Entry Fee	Hassan Badshah	---do---	0	52,500
4	General Bus Stand Karak	Noor Ahmed	---do---	260	101,376
5	Load Un Load	Hassan Badshah	---do---	1,000	10,100
6	Sign Boards	Muhammad Arshad	---do---	0	6,700
7	Weekly Cattle Fair Karak	Rasool Jan	---do---	70,955	16,700
8	Larry Adda Rehmat Abad	Mir Syed Khan	---do---	20,000	6,500
9	Water charges	Departmental	---do---	328,120	0
<b>Total</b>				<b>869,335</b>	<b>456,876</b>
<b>Grand Total</b>					<b>1,326,211</b>

**Annexure-5 (1.3.1.1)**

<b>Detail of Non-production of developmental record</b>				
<b>S#</b>	<b>Name of fund</b>	<b>Name of Scheme</b>	<b>Approved Cost (million)</b>	<b>Date of AA</b>
01	Gas Bonus 2013-14	Over Head Tank at Madrassa Islami, Ghudin Killa	0.70	29-07-2013
02	---do---	Rehab; of Kacha road to Kanda Raqiaz Koroona	0.20	29-07-2013
03	---do---	Inst; of p/p at U/C Ahmad Abad	0.55	29-07-2013
04	---do---	Const; of Black Top road from Latambar to Kamali B	8.70	29-07-2013
05	---do---	Inst; of p/p at U/C Latamber	20.00	29-07-2013
06	CMD 2013-14	Inst; of p/p and S/F of Pipe line identified by Dina Nz	10.00	7/1/2014
07	Gas Royalty 2013-14	Street pavement at Hassan Banda U/C Jahangiri	1.00	27-01-2014
08	---do---	Street Pavement for Masjid Fazal Haq T. Nasrati	0.10	27-01-2014
09	---do---	Inst; of p/p for Masjid Fazal Haq T. Nasrati	0.50	27-01-2014
10	---do---	S/F of Pumping Machinery to WSS S.No. 1-A	6.60	27-01-2014
11	---do---	S/F of Pumping Machinery to WSS S.No. 1-B	5.40	27-01-2014
12	---do---	S/F of Pumping Machinery to WSS S.No. 1-C	6.00	27-01-2014
13	---do---	S/F of Pumping Machinery to WSS S.No. 1-D	7.20	27-01-2014
14	---do---	3" dia pipe from various new T/well based on WSS	11.00	27-01-2014
15	CMD 2013-14	S/F of 3 & 4" dia pipe and Street pavement	4.15	27-01-2014
16	---do---	Provision of Transformer to Noor Sali Gul Koroona	0.50	27-01-2014
17	---do---	Rehab; of Kacha road to Kanda Raqiaz Koroona	0.20	27-01-2014
18	---do---	S/F 3" dia pipe at U/Cs Warana, Ahmad Abad and Jah	5.50	27-01-2014
19	Gas Bonus 2013-14	Const; of Eaid Gah at Mohabati Killa and Tattar Khel	2.00	18-02-2014
20	---do---	S/I of pipe line from Kamangar to Saikot and Surati kila	8.00	18-02-2014
21	---do---	S/F of various dia pipe line at PK-41 Karak	4.00	18-02-2014
22	---do---	Open Wells/ Water Tanks at PK-41 Karak	4.00	18-02-2014
23	---do---	WSS (Inst; of p/p at Tehsil T. Nasrati) in R/o Mst Naseem	5.00	3/6/2014
24	---do---	P-pumps and H-pumps in PK-41 in R/o Dina Naz	10.00	3/6/2014
<b>Grand total</b>			<b>121.30</b>	

**Annexure-6 (1.3.2.1)****Detail of irregular expenditure and non-deposit of income tax**

<b>S#</b>	<b>S. No. of Scheme as per AA</b>	<b>Contractor/ Project Leader</b>	<b>Sanction amount</b>	<b>Income Tax @ 6% (Rs)</b>
1	1	Latif Ullah	2.00	120,000
2	3	Latif Ullah	0.50	30,000
3	4	Latif Ullah	0.80	48,000
4	5	Latif Ullah	0.30	18,000
5	6	Latif Ullah	0.10	6,000
6	7	Latif Ullah	0.20	12,000
7	9	Latif Ullah	2.00	120,000
8	12	Latif Ullah	0.20	12,000
9	15	Nadir Khan	2.00	120,000
10	16	Nadir Khan	0.20	12,000
11	17	Nadir Khan	1.30	78,000
12	18	Mana Construction	1.70	102,000
13	19	Mana Construction	2.00	120,000
14	20	Mana Construction	2.70	162,000
15	21	Mana Construction	2.20	132,000
16	22	Latif Ullah	0.30	18,000
17	23	Latif Ullah	0.40	24,000
18	24	Latif Ullah	0.25	15,000
19	25	Latif Ullah	1.10	66,000
20	26	Latif Ullah	0.55	33,000
21	27	Latif Ullah	0.40	24,000
22	28	Sajid Maroof	0.70	42,000
23	29	Sajid Maroof	0.80	48,000
24	30	Sajid Maroof	0.40	24,000
25	31	Sajid Maroof	0.30	18,000
26	32	Sajid Maroof	0.70	42,000

27	34	Sajid Maroof	1.30	78,000
28	35	Latif Ullah	0.30	18,000
29	37	Mana Construction	3.50	210,000
30	39	Mana Construction	1.50	90,000
31	40	Mana Construction	2.10	126,000
32	41	Mana Construction	1.50	90,000
33	42	Nadir Khan	2.00	120,000
34	43	Mana Construction	1.00	60,000
35	44	Nadir Khan	5.00	300,000
36	45	Nadir Khan	1.50	90,000
37	46	Nadir Khan	1.00	60,000
38	47	Nadir Khan	0.50	30,000
<b>Total</b>			<b>45.00</b>	<b>2,718,000</b>

**Annexure-7 (1.3.2.2)**

<b>Detail of non deduction of Sales tax on Pumping Machinery</b>						
<b>S. No.</b>	<b>Name of Fund</b>	<b>Name of Scheme</b>	<b>Contractor/ Project Leader</b>	<b>Sanction amount</b>	<b>Taxable amount</b>	<b>Sales Tax</b>
1	TKPK 2012-13	Inst; of p/p at Nasir Mehmood and Shadi Muhammad Koroona	Ghani Usman	1.00	120,000	20,400
2	TKPK 2012-13	Inst; of p/p at Zahoor and Muhabati Koroona	Ghani Usman	0.50	80,000	13,600
3	TKPK 2012-13	Inst; of p/p at Qismat Khan and Malik Khan Koroona	Liaq Nawaz	1.00	120,000	20,400
4	TKPK 2012-13	Inst; of p/p at Ghalib Sardar Shobali Banda	Saeed Iqbal	1.00	40,000	6,800
5	TKPK 2012-13	Inst; of p/p at Iftekhar and Meboob Koroona	Ashraf Khan	1.00	120,000	20,400
6	TKPK 2012-13	Inst; of p/p at Saif-ul-Haq and Khalil Koroona	Nasim Gul	1.00	120,000	20,400
7	TKPK 2012-13	Inst; of p/p at Raof Khan and Azam Khan Zargar Koroona	Abdul Basir	1.00	120,000	20,400
8	TKPK 2012-13	Inst;of p/p at Hafiz Ullah and Raof Khan Koroona	Monawar Kh	1.00	120,000	20,400
9	TKPK 2012-13	Inst; of p/p at Ghulam Rashid and Lais Khan Koroona	Azam Khan	1.00	120,000	20,400
10	TKPK 2012-13	Inst; of p/p at Shaukat Khan and M. Amin Koroona	Habib Ullah	1.00	120,000	20,400
11	TKPK 2012-13	Inst; of p/p at Shah Rehman and Azam Khan Koroona	M. Farooq	1.00	120,000	20,400
12	TKPK 2012-13	Inst; of p/p at Eid Rehman and Khan Masoom Koroona	Zubair Khan	1.00	120,000	20,400
13	TKPK 2012-13	Inst; or p/p at Qari Shams and Shah Hussain Koroona	Momin Khan	1.00	120,000	20,400
14	TKPK 2012-13	Inst; of p/p at Gul Karim and Rayat Khan Koroona	Lais Khan	1.00	120,000	20,400
15	TKPK 2012-13	Inst; of p/p at Dairy Khan and Akbar Khan Koroona	Israr-ul-Haq	1.00	120,000	20,400
16	TKPK 2012-13	Inst; of p/p at Falak Naz Shobali Banda	Ijaz Ahmed	1.00	40,000	6,800
17	TKPK 2012-13	Inst; of p/p at Rashid Hussain and Shafiq Koroona	Gul Nawab	1.00	120,000	20,400
18	TKPK 2012-13	Inst; of p/p at PK-41	Faiz-e-Azam	2.00	400,000	68,000

19	TKPK 2012-13	Inst; of p/p at Abdul Karim and Haji Nasir Koroona	Kh: Badshah	0.50	120,000	20,400
20	Gas Bonas 2013-14	Inst; of p/p at Mianki, T. Nasrati and Siraj Khel	M. Shahzad	6.00	350,000	59,500
21	---do---	Inst; of p/p at U/Cs Warana and Chowkara	Gohar Niaz	9.40	750,000	127,500
22	---do---	Inst; of p/p at U/Cs Jahangiri and Gudi Khel	Karak Const. Co	9.50	600,000	102,000
23	Gas Royalty 2013-14	Inst; of Mini Tube well at U/C Latambar	Al-Muzamail	8.00	1,200,000	204,000
24	---do---	Inst; of Mini Tube well at U/Cs Warana and Ahmed Abad	Gohar Niaz	6.00	900,000	153,000
25	---do---	Inst; of Mini Tube well at U/C Mitha Khel	M/S Zulkaif	8.00	950,000	161,500
26	---do---	Inst; of Solar System for P/Ps at Tahir and Israr Abad	Haji M. Akbar	1.50	1,159,099	197,047
27	---do---	Rep; S/F of Solar Battries for WSS Lal Sahib Koroona	Rehman & Bros	1.00	462,500	78,625
28	---do---	Inst; of p/p at U/Cs Chowkara, Warana and Siraj Khel	Shahid & Co.	20.00	2,640,000	448,800
29	---do---	Inst; of p/p at U/Cs Shanawa, Gudi Khel and Jahangiri	Tariq Farooq	15.65	2,120,000	360,400
30	---do---	Inst; of p/p at U/Cs Mianki and T. Nasrati	Tariq Farooq	18.50	2,200,000	374,000
31	CMD 2013-14	Inst; of p/p at Warana and Ahmad Abad	Al-Muzamail	4.50	650,000	110,500
32	CMD 2013-14	Inst; of p/p at U/Cs Jahangiri and T. Nasrati	Haji M. Akbar	5.00	550,000	93,500
33	CMD 2013-14	Inst; of p/p at U/Cs Jahangiri and Mitha Khel	Haleem Ullah	4.80	550,000	93,500
34	CMD 2013-14	Inst; of p/p at U/Cs Warana, Ahmad Abad and Latambar	Haji M. Akbar	5.00	750,000	127,500
35	CMD 2013-14	Inst; of p/p at U/Cs Siraj Khel, Mianki and Gudi Khel	Al-Muzamail	5.00	600,000	102,000
36	CMD 2013-14	Inst; of p/p at U/Cs Warana, Jahangiri and Latambar	Gohar Niaz	5.35	750,000	127,500
<b>Total</b>				<b>152</b>	<b>19,541,599</b>	<b>3,322,072</b>

**Annexure-8 (1.3.2.2)**

<b>Detail of non deduction of Sales tax on PVC Pipes</b>						
<b>S #</b>	<b>Name of Fund</b>	<b>Name of Scheme</b>	<b>Contractor</b>	<b>Sanction amount</b>	<b>Taxable amount</b>	<b>Sales Tax</b>
1	Gas Royalty 2012-13	Inst; of p/p at U/Cs Chowkara, Warana and Siraj Khel	Shahid & Co.	20.00	6,813,520	1,158,298
2	---do---	Inst; of p/p at U/Cs Shanawa, Gudi Khel and Jahangiri	Tariq Farooq	15.65	9,250,336	1,572,557
3	---do---	Inst; of p/p at U/Cs Mianki and T. Nasrati	Tariq Farooq	18.50	6,719,408	1,142,299
4	CMD 2013-14	Inst; of p/p at Warana and Ahmad Abad	Al-Muzamail	4.50	1,389,820	236,269
5	CMD 2013-14	Inst; of p/p at U/Cs Jahangiri and T. Nasrati	Haji M. Akbar	5.00	1,601,950	272,332
6	CMD 2013-14	Inst; of p/p at U/Cs Jahangiri and Mitha Khel	Haleem Ullah	4.80	1,443,462	245,389
7	CMD 2013-14	Inst; of p/p at U/Cs Warana, Ahmad Abad and Latambar	Haji M. Akbar	5.00	1,431,271	243,316
8	CMD 2013-14	Inst; of p/p at U/Cs Siraj Khel, Mianki and Gudi Khel	Al-Muzamail	5.00	1,614,142	274,404
9	CMD 2013-14	Inst; of p/p at U/Cs Warana, Jahangiri and Latambar	Gohar Niaz	5.35	1,623,895	276,062
<b>Total</b>				<b>84</b>	<b>31,887,804</b>	<b>5,420,927</b>

**Annexure-9 (1.3.2.3)**

<b>Detail of overpayment by allowing Cost Factor on MRS 2013</b>					
<b>S. No</b>	<b>Name of Fund</b>	<b>Name of Scheme</b>	<b>Contractor</b>	<b>Sanction amount</b>	<b>Cost Factor</b>
1	G. Bonas 2013-14	Inst; of p/p at Mianki, T. Nasrati and Siraj Khel	M. Shahzad	6.00	71,152
2	G. Bonas 2013-14	Inst; of p/p at U/Cs Warana and Chowkara	Gohar Niaz	9.40	145,094
3	G. Bonas 2013-14	Inst; of p/p at U/Cs Jahangiri and Gudi Khel	Karak Const. co	9.50	155,363
4	G. Bonas 2013-14	Inst; of Mini Tube well at U/C Latambar	Al-Muzamail	8.00	170,844
5	G. Bonas 2013-14	Inst; of Mini Tube well at U/Cs Warana and Ahmed Abad	Gohar Niaz	6.00	142,206
6	G. Bonas 2013-14	Inst; of Mini Tube well at U/C Mitha Khel	M/S Zulkaif	8.00	194,305
7	G. Bonas 2013-14	Const; of Boundry Walls 5 No. Schools	Rehman Ullah	2.50	114,768
8	G. Bonas 2013-14	Const; of Open Well at Kanda Karak Anwar Gul Koroona	Tariq Farooq	1.00	32,499
9	G. Bonas 2013-14	Const; of 2 No. community centers for Zardar Koroona	M. Arif & Bros	5.00	87,129
10	G. Bonas 2013-14	Pavement of Street at Hassan Banda	Haji Gul Naeem	1.00	45,248
11	CMD 2013-14	Inst; of p/p at Warana and Ahmad Abad	Al-Muzamail	4.50	105,555
12	CMD 2013-14	Inst; of p/p at U/Cs Jahangiri and T. Nasrati	Haji M. Akbar	5.00	128,111
13	CMD 2013-14	Inst; of p/p at U/Cs Jahangiri and Mitha Khel	Haleem Ullah	4.80	113,619
14	CMD 2013-14	Inst; of p/p at U/Cs Warana, Ahmad Abad and Latambar	Haji M. Akbar	5.00	106,836
15	CMD 2013-14	Inst; of p/p at U/Cs Siraj Khel, Mianki and Gudi Khel	Al-Muzamail	5.00	127,863
16	CMD 2013-14	Inst; of p/p at U/Cs Warana, Jahangiri and Latambar	Gohar Niaz	5.35	123,726
<b>Total</b>				<b>86.05</b>	<b>1,864,318</b>



## Annexure-10 (1.4.1.1)

### Non production of Developmental fund record

S#	Name of Scheme	Name of Fund	Estimated Cost (million)
1	Installation of pressure pumps at Distt: Karak and supply of PVC pipeline	CMD	10.00
2	Construction of BTR Pir Mela Wardak road PK-40	CMD	20.00
3	Const: of road/ mprove/reh: widening causeway and retaining wall etc:	Production Bonus	80.00
4	Installation of Presurre pump, hand pump water supply line, replacement of new pipes at PK-40	---do---	10.00
5	Const: of BTR road at Wargha banda UC Nari Panos	---do---	10.00
6	Const: of Janazgah/Eid gah at Ahmadi Banda BD Shah	---do---	1.00
7	Pavt: of PCC at Ahmadi Banda UC Terri	---do---	2.5
8	Const: of causeway at Bozha UC Jatta Ismail Khel	---do---	1.5
9	Const: of GPS Pir Mela, Wardak UC Jandri	---do---	4.20
10	Const: of GPS at Gurguri	Gas Royalty	4.20
11	Const: of GPS at Alwarh Banda UC Gurguri	---do---	4.20
12	Const: of 1 KM BTR at Kundi UC Gurguri	---do---	4.50
13	Const: of 1 KM BTR at Gurguri	---do---	9.00
14	Const: of 1 KM BTR at Aman Kot UC Gurguri	---do---	4.50
15	Const: of 1 KM BTR at Mardan Khel UC Gurguri	---do---	4.50
16	Pav; of street/PCC, retaining wall, protect; wall at UC Teri	---do---	2.00
17	WSS, open well, water channel etc at Hayat Abad UC Teri	---do---	3.00
18	M&R of Esak Khumari road UC teri	---do---	5.00
19	Const: of GPS at village Chaal UC Teri	---do---	4.20
20	Const: of additional 1 No room at GPS Ormarh UC Teri	---do---	1.20
21	Const: of 1.5 KM BTR from BD shah road to Chota Barbara road UC Teri	---do---	6.75
22	Const: of GGPS at Shahida Banda UC teri	---do---	4.20
23	Pavt: of streets/PCC, R.wall, at UC Nari Panoos	---do---	5.00
24	Ins: of Hand Pumps, Pressure pumps at UC nari Panoos	---do---	5.00
25	Const: of Barani Talab at Khurram, ponds at UC N.Panoos	---do---	2.00
26	Repair of 1 KM BTR from main Nari Panoos to Totaki	---do---	1.50
27	Const: of GPS at Qooli Khall village Khurram Nari Panoos	---do---	4.20
28	WSS from Chishma akor Khal to J.I. Khel	---do---	8.00
29	Const: of BTR at sadiq abad UC Teri	---do---	4.50
30	Const: of BTR at Mangar Khel UC NP	---do---	4.50
31	Const: of open well at PK-40	---do---	2.50
32	WSS Makori	---do---	20.00
33	Const: of additional in various mudrassa PK-40	---do---	5.00
34	Ins: of Parda/boundry wall of schools at PK-40	---do---	5.60
<b>Total</b>			<b>264.250</b>

**Annexure-11 (1.4.2.2)****Detail of less realization of revenue**

<b>S. No</b>	<b>Name of Contract</b>	<b>Auction Value for 2011-12</b>	<b>Auction Value for 2012-13</b>	<b>Auction Value for 2013-14</b>	<b>Required for 2013-14 (Rs)</b>	<b>Difference (Rs)</b>	<b>Total Difference (Rs)</b>
1	2% Property Tax	780,000	936,000	240,000	1,076,400	1,076,400 - 240,000	836,400
2	Load Unload	2,300,000	2,750,000	250,000	3,162,500	3,162,500 - 250,000	2,912,500
3	Cess Fee	1,900,000	2,250,000	125,000	2,587,500	2,587,500 - 125,000	2,462,500
4	WCF Nari Panoos	35,700	16,500 (Deptt; collection)	0	18,975	18,975 - 0	18,975
<b>Grand Total</b>							<b>6,230,375</b>

**Annexure-12 (1.5.1.1)****Detail of non-production of auditable record**

<b>S. No.</b>	<b>Name of fund</b>	<b>Name of Scheme</b>	<b>Approved Cost (Rs in million)</b>
1	Gas Royalty 2012-13	Const; of concrete road Anwar Koroona Sikandar Khel	4.00
2	Gas Royalty 2012-13	Improvement and Reh; of BTR from Kabir Killa to Deli Mela	10.00
3	Gas Royalty 2013-14	Pavement of street at U/C Sabir Abad	5.00
4	CMD 2013-14	Protection Band and retaining wall at Tehsil Karak	1.00
5	Gas Royalty 2013-14	Repair of BTR, Culverts and Cause way at Sabir Abad	5.00
6	CMD 2013-14	Improvement of Shingle road at PK-40	0.40
7	Gas Royalty 2012-13	Const; of T/well at Rustom Khan Koroona Palosa Sar	3.00
8	CMD 2013-14	Street payment at Gandhi Mir Khan Khel	1.00
9	CMD 2013-14	Replacement and maintenance of Transformer	1.00
<b>Grand total</b>			<b>30.400</b>

**Annexure-13 (1.5.2.1)**

**Detail of non recovery of with holding tax**

<b>S#</b>	<b>Name of contract</b>	<b>Name of contractor</b>	<b>Year</b>	<b>Outstanding amount of contract (Rs)</b>	<b>Outstanding amount of Income Tax (Rs)</b>
1	Cess fee Karak	Niamatullah	2013-14	164,100	210,000
2	Cess Fee Banda Daud Shah	Niamatullah	---do---	500,000	200,000
3	Load Un Load Banda Daud Shah	Shireen Khan	---do---	3,129,400	950,500
		<b>Total</b>		<b>3,793,500</b>	<b>1,360,500</b>
		<b>Grand Total</b>			<b>5,154,000</b>

**Annexure-14 (1.5.2.2)**

<b>Detail of overpayment by allowing Cost Factor on MRS 2013</b>					
<b>S. No</b>	<b>Name of Fund</b>	<b>Name of Scheme</b>	<b>Contractor</b>	<b>Sanction amount</b>	<b>Cost Factor</b>
1	CMD 2013-14	Street Pavement at Naseer Koroona Drab Kalla	Rashid Iqbal	0.80	36,328
2	---do---	WSS at Matina Aya Khel	Din Muhammad	1.00	45,276
3	---do---	Pavement of Steet at Sabir Abad	New Malik Buil	1.00	47,854
4	---do---	Pavement of Steets, Drains and P/Pumps in Tehsil Karak	Haleem Ullah	1.00	23,468
5	---do---	Const; of Parda Wall/ Renovation of GPS Saifali Banda	Kashif Shaiman	1.00	45,335
6	---do---	Open well/ WS line along with Tank at Tehsil BD Shah	Star Services	1.00	45,680
7	---do---	Const; of Eid Gah at Dabb U/C Sabir Abad	Niaz War Jan	0.50	22,698
8	---do---	Cause Way U/C Esak Chontra	Ali Bad Shah	1.00	45,240
9	---do---	Street Pavement at Rehmat Abad	Mamoor & Sons	0.60	27,470
10	---do---	Inst;/ Purchase of WS Pipe in PK-40	Dilawar Khan	1.00	42,968
11	Prod; Bonus 2013-14	Cause Way at Algada Ghol Banda U/C Bahadur Khel	Haji Gul Nawaz	1.80	82,895
12	---do---	Inst; of T/well at New Kotay Kalla Khoze	Gandapur const;	3.00	124,346
13	---do---	BTR from KDA to Luki Ghundaki Karak	Khalid Anwar	5.00	144,454
14	---do---	Const; of Eid Gah at Jandri and P/wall at various places	AM & Co.	4.00	165,837
15	---do---	Inst; of T/well at Luki Ghundaki	Lutafur Rehman	5.00	87,658
16	---do---	WSS at BD Shah	Rafi Ullah	3.50	158,333
17	---do---	WSS Tarkh Koi and Sra Khwa	Quality Builders	10.00	278,745
18	Gas Royalty 2013-14	Const; of road with C/ Way at Mir Kalam U/c Jatta Ism	Gulistan Khan	4.50	76,584
19	---do---	Const; of T/ Well at Teka Khan Koroona Mangar Khel	Habib-ur-Reh	2.50	110,963

20	---do---	Inst;/ Replacement of old pipes and water channel at Sabir Abad	Dilawar Khan	5.00	111,813
21	---do---	Const; of BTR at Kurd Sharif U/C Palosa Sar	Nadir Khan	10.00	437,563
22	---do---	Repair/ Improvement of Aya Khel road	Forman	3.00	135,702
23	---do---	Widning/ Reh; of Link road to Bahadur Khel Road	Lawaghar const;	15.00	655,258
24	---do---	Const; of GGPS Khurd Sharif U/C Palosa Sar	Amjad Alam	4.20	54,430
25	---do---	Inst; of H/P and P/P in U/C Bahadur Khel	M/S Sajid Maroof	5.00	161,659
26	---do---	PCC/ BTR in U/C Jandari	Mana construction	8.00	362,340
27	---do---	PCC/ Retaining Wall and shingle road at U/C Bahadur Khel	Al-Fatha Const;	5.00	75,876
28	---do---	Inst; of WSS pipe in U/C Bahadur Khel	Umer Sadiq	3.00	135,714
29	---do---	BTR Sarat Khel U/C Jandari	M. Saeed	4.00	186,005
30	---do---	Const; of BTR from Shahidan High School	M/S Naseem Khan	3.00	137,422
31	---do---	Pavement of Street in U/C Jatta Ismail Khel	Yaqoob Khan	6.00	159,250
32	---do---	Reh; of main Gudi Khel Road	M/S Irfan Gul	5.00	43,322
33	---do---	Concrete payment Drains and Severage in Sabir Abad	Nadir Khan	10.00	315,514
34	---do---	Two No. Class rooms in U/C Jandri	Chontra Const. co	2.70	27,324
35	---do---	Concrete payment Drains and Severage in Sabir Abad	Sajid Maroof	10.00	138,785
36	---do---	BTR Remaining portion from Highway to Murad Koroona	M. Saeed Jan	4.50	125,261
<b>Total</b>					<b>4,875,370</b>

**Annexure-15 (1.5.2.3)**

<b>Detail of non-deduction of income Tax</b>					
<b>S. No.</b>	<b>Name of Fund</b>	<b>Name of Scheme</b>	<b>Contractor/ P/L</b>	<b>Sanction amount</b>	<b>Income Tax @ 6%</b>
1	Prod; Bonus 2013-14	Cause Way at Algada Ghol Banda U/C Bahadur Khel	Haji Gul Nawaz	1.80	108,000
2	Prod; Bonus 2013-14	Inst; of T/well at New Kotay Kalla Khoze	Gandapur const;	3.00	180,000
3	Prod; Bonus 2013-14	BTR from KDA to Luki Ghundaki Karak	Khalid Anwar	5.00	300,000
4	Prod; Bonus 2013-14	Const; of Eid Gah at Jandri and P/wall at various places	AM & Co.	4.00	240,000
5	Prod; Bonus 2013-14	Inst; of T/well at Luki Ghundaki	Lutafur Rehman	5.00	300,000
6	Prod; Bonus 2013-14	WSS at BD Shah	Rafi Ullah	3.50	210,000
7	Prod; Bonus 2013-14	WSS Tarkh Koi and Sra Khwa	Quality Builders	10.00	600,000
<b>Total</b>					<b>1,938,000</b>

**Annexure-16 (1.5.2.4)**

<b>Detail of non deduction of 11% Voids</b>					
<b>S. No</b>	<b>Name of Scheme</b>	<b>Name of Contractor</b>	<b>Item Name</b>	<b>Total Amount</b>	<b>11% Voids (Rs)</b>
1	Improvement/ Reh; of Sabir Abad to Ali Khel Road	Mansoor Const; Co.	Formation of Embankment	226,113	24,872
			Formation of Shoulders	180,977	19,907
			Granular Sub Base	781,853	86,004
2	Construction of BTR from Makh Banda to Matina Banda	M/S Gulistan	Formation of Embankment	737,979	81,178
			Granular Sub Base	327,953	36,075
3	Construction of BTR at Kurd Sharif U/C Palosa Sar	Nadir Khan & Sons	Formation of Embankment	110,843	12,193
			Random Stone Masonry	1,394,868	153,435
			Granular Sub Base	568,752	62,563
4	Reh;/ Const; of Remaining portion of road from village Bahadur Khel to Anar Banda		Formation of Embankment	1,855,200	204,072
			Formation of Shoulders	240,213	26,423
			Granular Sub Base	834,510	91,796
5	Widening & Reh; of Link road to Bahadur Khel Road	Lawaghar Cons; Co.	Formation of Embankment	396,208	43,583
			Formation of Shoulders	1,747,178	192,190
			Granular Sub Base	603,108	66,342
<b>Total</b>				<b>10,005,755</b>	<b>1,100,633</b>