



**AUDIT REPORT
ON
THE ACCOUNTS OF
LOCAL GOVERNMENTS &
DEVELOPMENT AUTHORITY
DISTRICT KOHAT**

AUDIT YEAR 2019-20

AUDITOR GENERAL OF PAKISTAN

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ABBREVIATIONS AND ACRONYMS

AD	Assistant Director
ADP	Annual Development Programme
APPM	Accounting Practices and Procedures Manual
AIR	Audit and Inspection Report
AA	Administrative Approval
BHUs	Basic Health Units
CH	Civil Hospital
CPWDC	Central Public Works Department Code
CTR	Central Treasury Rules
DAC	District Accounts Committee
DC	Deputy Commissioner
DDO	Drawing and Disbursing Officer
DEO	District Education Officer
DHO	District Health Officer
DHQ	District Headquarter
DMO	District Monitoring Officer
DPR	Disable Persons Rehabilitation
E&SE	Elementary & Secondary Education
GHS	Government High School
GGPS	Government Girls Primary School
GGCMHS	Government Girls Comprehensive Model High School
GPS	Government Primary School
HPA	Health Professional Allowance
IHP	Integrated Health Project
KDA	Kohat Development Authority
KPPRA	Khyber Pakhtunkhwa Procurement Regularity Authority
LCB	Local Council Board
LGE&RDD	Local Government Election & Rural Development Department
LGO	Local Government Ordinance
MCC	Medicines Coordination Committee
MFDAC	Memorandum for Departmental Accounts Committee
MRC	Medical Reimbursements Claims
MOs	Medical Officers

NOC	No Objection Certificate
NCs	Neighborhood Councils
NSI	Non Schedule Item
OPD	Outdoor Patient Department
PAC	Public Accounts Committee
PAO	Principal Accounting Officer
PLA	Personal Ledger Account
PTC	Parent Teacher Council
PSDC	Petroleum Social Development Committee
PHC	Primary Health Care
RDA	Regional Directorate of Audit
RHC	Rural Health Centre
SIDB	Small Industries Development Board
TMA	Tehsil Municipal Administration
TMO	Tehsil Municipal Officer
TO(F)	Tehsil Officer (Finance)
TO(R)	Tehsil Officer Revenue
VCs	Village Councils

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 and Kohat Development Authority in district Kohat for the financial year 2018-19. The Director General of Audit, District Governments, Khyber Pakhtunkhwa conducted audit during 2019-20 on test check basis with a view to report significant findings to the relevant stakeholders. The main body of the audit report includes 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 level. 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 cases the departments did not submit written replies till the finalization of this report. DAC meetings were also not convened despite repeated requests.

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

Islamabad
Dated:

(Javaid Jehangir)
Auditor General of Pakistan

EXECUTIVE SUMMARY

The Directorate General Audit District Governments, Khyber Pakhtunkhwa carries out audit of Local Governments in 27 districts of Khyber Pakhtunkhwa. Regional Directorate of Audit (RDA) Kohat, on behalf of the DG Audit District Governments, Khyber Pakhtunkhwa carried out the audit of Local Government of three districts namely Kohat, Karak and Hangu.

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

Local Governments of District Kohat consist of three tiers which perform their operations under Khyber Pakhtunkhwa Local Government Act 2013. Financial provisions of the Act describes 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 10 various departments. The second tier of Town/Tehsil Municipal Administrations has one PAO i.e. Town/Tehsil Municipal Officer for each administration. There are three Tehsils administrations in district Kohat. The third tier of village and neighborhood Councils has one PAO i.e. Assistant Director LGE&RDD. There are 91 VC's/NC's in District Kohat.

In addition district Kohat has one development authority i.e. Kohat Development Authority to which the Secretary LGE&RDD is PAO.

a. Scope of audit

This office is mandated to conduct audit of 107 formations working under 6 PAOs. Total expenditure and receipts of these formations were Rs. 5,547.772 million and Rs. 399.178million respectively for the financial year 2018-19.

Audit coverage relating to 2018-19 comprises of 18 formations under 06 PAOs having a total expenditure of Rs. 4,868.643 million. In terms of percentage, the audit coverage for expenditure is 87.76%.

Audit coverage relating to 2018-19 comprises of 18 formations under 06 PAOs having a total receipts of Rs. 399.178 million. In terms of percentage, the audit coverage for receipts is 100%

b. Recoveries at the Instance of Audit

As a result of audit, a recovery of Rs. 625.293 million was pointed out in this report. Recovery effected from July to December 2019 was Rs. 0.487 million which was verified by audit.

c. Audit Methodology

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

d. Audit Impact

In result of Audit no substantial impact was noticed as the management did not convene the DAC meeting. However, recovery effected from July to December 2019 was only Rs. 0.487 million. The departments were failed to implement corrective measures in shape of financial management and to establish effective internal control system. Therefore irregularities noticed during the current audit were of identical nature as pointed out during the preceding years.

e. Comments on Internal Control and Internal Audit Department

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

- a. Assets are safeguarded against loss due to waste, abuse, mismanagement, errors and fraud and other irregularities,
- b. Laws regulations and management directives are complied with; and

- c. Reliable financial and management data is maintained and fairly disclosed and timely reported.

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

f. Key audit findings of the report;

- i. Non compilation/Consolidation of Accounts of Local Governments- Rs. 360.326 million¹
- ii. Misclassification of developmental expenditure of Rs. 326.459 million²
- iii. Irregularities were noticed in 26 cases amounting to Rs. 1483.072 million³.
- iv. Cases related to value for money were noticed in 8 cases amounting to Rs.498.765 million⁴
- v. Others, including cases of non-recovery of Government dues were noticed in 12 cases amounting to Rs.59.165 million⁵

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

¹ Para 1.2.1

² Para 1.2.2

³Para 2.5.1.1 to 2.5.1.15, 3.5.1.1 to 3.5.1.7, 4.5.1.1 to 4.5.1.2 and 5.5.1.1 to 5.5.1.2.

⁴ Para 2.5.2.1 to 2.5.2.2, 3.5.2.1 to 3.5.2.3, 4.5.2.1 and 5.5.2.1 to 5.5.2.2

⁵ Para 3.5.3.1 to 3.5.3.6, 4.5.3.1 to 4.5.3.2 and 5.5.3.1 to 5.5.3.4

g. Recommendations

- i. Disciplinary actions need to be taken to stop the practice of violation of the rules and regulations in spending the public money.
- ii. Strenuous efforts need to be made by the departments to recover long outstanding dues.
- iii. Deduction of taxes on supplies and contracts need to be ensured. .
- iv. Lapsed deposits need to be timely credited into treasury.
- v. 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 Election 2015 were held in 2015, which resulted in formation of three tiers of government in each district of Khyber Pakhtunkhwa, Consequent upon , District Government, Tehsil Municipal Administration and Village/Neighborhood Councils were established in District Kohat. In the light of LGA 2013, District Govt Kohat, is headed by a Deputy Commissioner who is the Principal Accounting Officer for the budget grant allocated to 10 offices devolved at district level. Similarly, Tehsil Municipal Administration is headed by Tehsil Municipal Officer, who is the Principal Accounting Officer for the Tehsil Municipal Administration whereas AD LGE & RDD is the Principal Accounting Officers for Village/Neighborhood Councils.

In District Kohat, funds amounting to Rs. 5879.933 million were allocated to 107 formations working under 06 PAOs. Out of which, expenditure of Rs. 5547.772 million was made resulted into saving of Rs. 332.16 million. Receipts of Rs. 399.178 million were collected through these formations during the financial year 2018-19. Audit coverage relating to expenditure for the current audit year comprises 18 formations of 06 PAOs having a total expenditure of Rs. 4868.463 million for the financial year 2018-19. In terms of percentage, the audit coverage for expenditure is 87.71% of auditable expenditure. Whereas, the audit coverage for receipts is 100%.

According to Section 36(3) of Local Government Act 2013, the District Accounts Officer shall, quarterly and annually consolidate the accounts of Local Governments, which were Rs. 360.326 million not consolidated into Local Government Financial Statements. Similarly the development expenditure of

Rs326.459 million was presented under operating expenses, whereas, this should have been presented under the head “Physical Assets and Civil Works”.

District Government, Kohat 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, Kohat 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, Kohat with prescribed format and necessary trainings to compile the accounts of TMAs and Village/Neighborhood councils and then reflect the same in the consolidated financial statement of the district, which resulted in disclaimer of its accounts by the Auditor General of Pakistan. Moreover, Internal Audit function could not be established as provided in sub section 4 of section 37 of LGA 2013, as internal auditors were not posted in the District and Tehsil Councils. In addition, Asset management by District Government was yet another area it could not address as required under section 38 of the LGA 2013.

The Local Governments provided services in the following sectors.

Education

The education sector is one of the major sectors in District Kohat like other districts. Statistics show that there are 660 primary, 90 middle, 80 secondary and 26 higher secondary schools in District Kohat. The estimated Teacher Student Ratio is 1:41 at primary, 1:53 at middle, 1:39 at secondary and 1:23 at the level of higher secondary schools. District Kohat literacy rate is 44.1% the Gross Enrollment Rate (GER) is 89%, and the Net Enrollment Rate (NER) is

61% at the primary level. On budgetary front, District Education office, Kohat succeeded in spending 76.9% of the District ADP and 56% non-salary budgets.

District Education Offices in Kohat enrolled 112568 in boys schools while 98769 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 86% & 71% respectively. Furthermore, 88% schools in district Kohat 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 33% against the assigned target.

Health

Health is another important sector of District Kohat with a total of 41 health facilities spread across the district among which 20 BHUs, 09 CDs, 02 MCHs, 04 RHC and 05 THQs/Category-D hospitals.

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, 12,275 babies were born in health centers/ lab investigations and diagnostic facilities were also fully utilized as 150,601 lab tests, 52,207 X-rays, 25,456 ultrasounds and 24,934 ECGs were done in both primary and secondary health centers in district Kohat. Figures of immunization are also very impressive as 22,598, 18,408, 843, 335 pregnant women received TT-2 vaccines, 29,393 kids under 12 months received full immunization. 13278 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 centers were frequently visited by patients for medical 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 were three (2) Darul Kafalas for beggars with the objective to rehabilitate male and females beggars mostly orphan by provision of various services in order to control beggary and to impart vocational training in tailoring. In Kohat 1890 baggers were benefited from this facility. Rehabilitation center for drug addicts has 12 beds and it had treated 139 patients during the year. Furthermore various vocational and industrial trainings are provided by the Social Welfare Department. However, keeping in view the spread of drug use and incidence of poverty the efforts made by Social Welfare office are not likely to bring about any visible improvement in the short or long run unless more resources are diverted to this sector.

Municipal Services

Tehsil Councils District Kohat were found lagging behind in many areas envisioned as integral component of the 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, the Tehsil Account Officers were not appointed in TMAs and the accounts of receipts and expenditure were not maintained in such form and in accordance with such principles and methods as the Auditor General of Pakistan prescribed as 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, Kohat 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.

Water and Sanitation

Water and Sanitation Services Company Kohat was created as separate entity in January 2017 to take over water supply, sanitation and solid waste management services in 06 Neighborhood councils from respective Tehsil Municipal Administrations. Under the code of corporate governance, the company is being run by the Board of Directors. Water and Sanitation Services Company Kohat outsourced some of their services to contractors. So far, Water and Sanitation Services Company could recover only a marginal share of water and sanitation charges from the end users and heavily depend on Government grants for its functionality.

1.2 Audit Paras

1.2.1 Non Compilation/Consolidation of Accounts of Local Governments- Rs. 360.326 million

Criteria

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

Condition

During certification audit of the accounts of the DCA Kohat for the financial year 2018-19, audit observed incompleteness and incorrect presentation of the financial statements as the DCA failed to consolidate into the quarterly and annual accounts of the district, the government and local resources, as required under section-36(3) of the Local Government Act, 2013. Receipts and expenditure of Rs. 360.326 million and Rs. 356.864 million respectively, of the TMAs are not reflected in accounts.

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

Cause

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

Implication

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

DAC Decision

Para stands till correction of these omissions.

Recommendation

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

1.2.2 Misclassification of developmental expenditure of Rs. 326.459 million

Criteria

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

Condition

During certification audit of the accounts of the DCA Kohat for the financial year 2018-19, audit observed that the statement of cash receipts and payment did not show the correct position as the development expenditure of Rs69.813 was presented under operating expenses, whereas, this should have been presented under the head "Physical Assets and Civil Works".

Cause

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

Implication

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

DAC Decision

Para stands till correction of these omission.

Recommendation

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

CHAPTER- 2

District Government

2.1 Introduction

Under the Khyber Pakhtunkhwa Local Government Act 2013, activities of District Government are managed through offices of Deputy Commissioner and District Officers. Each department of the Districts is headed by a District Officer (DO). According to the Rules of Business of District Government 2015, work of the district departments is distributed among the officers, branches, and/or sections in the district departments. Deputy Commissioner is the Principal Accounting Officer for all the devolved departments of the district which includes District Officers Agriculture, Education, Health, Fisheries, Population Welfare, LGE & RDD, Sports, Animal Husbandry, Soil Conservation, Cooperative Society & 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 2018-19 (Rs. in million)	Revenue / Receipts audited FY 2018-19 (Rs. in million)
1	Formations	11	4	4,306.006	Nil

2.2 Comments on Budget and Accounts (Variance Analysis)

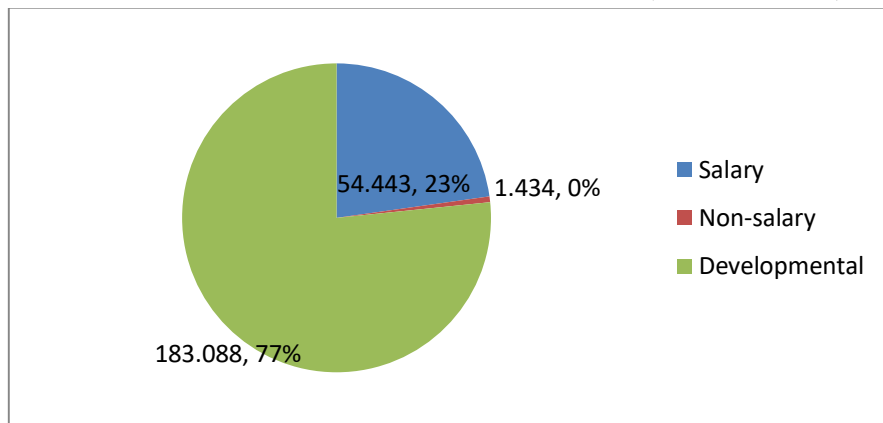
(Rs. in million)

2018-19	Budget	Actual Expenditure/ Receipts	(Saving)/Excess	%age
Salary	4,143.764	4,079.389	(64.38)	(1.55)
Non-salary	495.438	410.326	(85.11)	(17.18)
Developmental	467.863	330.641	(137.22)	(29.33)
Total	5,107.065	4,820.356	(286.71)	(5.61)
Receipts	Nil	Nil		

The savings of Rs286.71 million indicates inefficiency in the capacity of District Government Departments to utilize the amount allocated.

EXPENDITURE 2018-19

(Rs. in million)



2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs. 729.112 million were raised in this audit report. This amount also includes recoverable of Rs. 14.344 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

		Rs. in million
S. No.	Description	Amount (Rs.)
1.	Irregularities	
A	HR/Employees related irregularities	14.344
B	Procurement related irregularities	433.239
C	Management of Accounts with Commercial Banks	263.640
2.	Value for money and services delivery issues	17.889
	Total	729.112

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 District Accounts Committee meetings are given below:

S#	Audit Year	District Accounts Committee 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

2.5 AUDIT PARAS

2.5.1 Irregularities

HR/Employees related irregularities

2.5.1.1 Non deduction of allowances-Rs.9.553 million

Para 4 of the Supreme Court of Pakistan Islamabad orders issued in respect of Constitutional petition No. 128/2012 states that “the employees who are residing in the residential colonies situated within work premises are not entitled to the facility of conveyance allowance”.

According to para-iii of the Finance Department Notification No. FD(SOSR-II)8-18 /2016 dated 07-01-2016, Health Professional Allowance will not be admissible during earned leave, study leave, extra ordinary leave, maternity leave except casual leave. According to Government of Khyber Pakhtunkhwa, Finance department standing orders conveyance will not be admissible during earned leave, study leave, extra ordinary leave maternity leave except casual leave.

As per standing orders of the Government, Non-practicing allowance is allowed to Doctors who do not practice in private clinics on the presentation of an affidavit in this regard.

DHO, Kohat did not deduct the following different allowance paid to various employees during the Financial Year 2018-19 contrary to the above mentioned rules.

S#	Description of Allowances	Remarks	Amount (Rs.)	Detail at
1	House Rent and Conveyance Allowance	Not deducted from pay and allowances of the officers/officials having Government accommodations located in various health facilities	6,312,009	Annex-2
2	HPA & Conveyance Allowance	Paid to various Doctors and Paramedic staff during leave period	1,882,348	Annex-3
3	NPA	Over paid to various doctors without obtaining	1,359,000	Annex-4

		affidavits for non-practicing in private clinics.		
			Total	9,553,357

Non-deduction of allowances occurred due to weak internal control which resulted in loss to Government.

When pointed out in August 2019, the management stated that recovery of allowances pointed out will be scrutinized and will be made from the concerned staff. Necessary evidence will be provided to the audit. Request for DAC meeting was made during August 2019 but DAC meeting could not be convened.

Audit recommends recovery and stoppage of the allowances.

AIR Para No. 6,7&11(2018-19)

2.5.1.2 Overpayment of pay & allowances during EOL and Study leave -Rs. 1.007 million

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.

As per Leave rules 1981 “Study leave is allowed up-to a maximum of 2 years on half pay in the entire service to a civil servant having five years service to study scientific technical problems. Extraordinary leave can be combined but in that case the condition of 2 years will not apply.

DHO Kohat during 2018-19 paid a sum of Rs. 833,125 to the following Doctors during Extra Ordinary Leave period contrary to the above mentioned rules:

1. A sum of Rs. 447,322 was paid to Dr. Samina Zahir who was absent from duty without prior permission w.e.f 22.10.2018 to 30.11.2018 and was on EOL w.e.f 07.03.2019. She has been paid up to 30.04.2019;

2. A sum of Rs. 127,681 was paid to Dr. Muhammad Awais for the month of August, 2018, while he was on EOL w.e.f. 01.08.2018;
3. A sum of Rs. 127,681 was paid to Dr. Said Malook for the month of August, 2018, while he was on EOL w.e.f. 01.08.2018;
4. A sum of Rs. 130,441 was paid to Dr. Yawar Abbas for the month of January, 2019, while he was on EOL w.e.f. 15.01.2019;

Further the DHO, Kohat also overpaid an amount of Rs. 174,046 during 2018-19 to Muhammad Rab Nawaz, PHC Technician (BPS-12) posted in BHU Suleman Talab who proceeds on study leave for a period of 2 years w.e.f.15.10.2018. Full pay including conveyance allowance and Health Professional Allowance was paid to the official in contrary to the rules mentioned above. The detail is given below:

Period	Conveyance Allowance	HPA	Basic pay	Total monthly	Months paid	Over Payment (Rs.)
15.10.2018 to 6/2019	2,856	10,000	15,240/2=7,620	20,476	8.5	174,046

The overpayment was occurred due to weak internal control and Government was put into loss.

When pointed out in August 2019, the management replied that after perusal of the record recovery will be started from Dr. Samina Zahir Senior Dental Surgeon RHC Gumbat and detail report will be submitted to Audit Accordingly.

Request for DAC meeting was made during August 2019 but DAC meeting could not be convened.

The matter is reported for recovery and implementation of proper mechanism to avoid such unauthorized payment in future.

AIR Para No. 5&8 (2018-19)

2.5.1.3 Non deduction of conveyance allowance-Rs.2.604 million

According to Accountant General Khyber Pakhtunkhwa, Peshawar letter No. Computer/HR-Lab/CIC/203 dated 04.08.2011, conveyance allowance is not admissible to teachers of the schools/colleges/training institutes during the period of winter/summer vacations.

District Education Officer, Male and Female Kohat allowed conveyance allowance amounting to Rs. 1,307,904 and Rs. 1,295,742 respectively to the teachers during summer vacations.

Non-deduction of conveyance allowance occurred due to lack of internal and administrative control and Government sustained a loss of Rs. 2,603,646.

When pointed out in August, 2019, the management replied that Conveyance Allowance paid to the teachers during summer vacations have been recovered by the DAO Kohat from their pay in the month of 9/2019. Reply is not tenable as no documentary proof in support of their reply was furnished.

Request for DAC meeting was made during September 2019 but DAC meeting could not be convened.

Matter is reported for recovery of the above amount and depositing the same into government treasury under intimation to audit.

AIR Para No. 2&2 (2018-19)

2.5.1.4 Non deduction of house rent allowance-Rs. 1.180 million

According to Rule 45 (c) FR the Government servants, who have been provided with official designated accommodation, are not entitled for the drawl of House Rent Allowance (HRA).

Deputy Commissioner Kohat did not deduct house rent allowance amounting to Rs. 1,179,981 from various officials to whom Government accommodation were allotted. Detail at Annex-5.

Non deduction of house rent allowance occurred due to lack of Administrative and internal control which put the Government into loss of Rs. 1.180 million.

When pointed out in July 2019, the management did not furnish reply.

Request for DAC meeting was made during August 2019 but DAC meeting could not be convened.

Matter is reported for recovery and taking appropriate action accordingly.

AIR Para No. 09 (2018-19)

Procurement related irregularities

2.5.1.5 i. Irregular and un-authorized expenditure- Rs. 16.579 million ii. Loss to government- Rs. 0.967 million

Clause B of the MCC approved rates of Drugs/ Medicines vide No. 1805-1909/DD(Preq/Reg/Drugs), dated 11.09.2018, 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 Kohat during the year 2018-19 incurred expenditure of Rs. 16,578,832 under newly created DDO codes for different hospitals and RHCs. Following observations were noticed. Detail at Annex-6.

1. The supply orders were issued by the DHO instead of the concerned DDO.
2. Medicines and other store items were required to be supplied to these facilities directly which was not done but were issued on indent from main store of DHO and resultantly government was put to loss of Rs. 967,013 under head transportation for on ward distribution to these facilities

Non-utilization of DDO codes occurred due to weak financial control resulting in irregular expenditure.

When pointed out in August 2019, the management replied that in fact, the DDO powers were assigned to the officers.

1. Dr. Muhammad Tariq Aziz Dy DHO Kohat
2. Dr. S. Arif bokhari MS Type D Hospital Lachi Dy DHO Lachi
3. Dr. S. Naeem Shah MS Type D Hospital

In the meanwhile Dr Tariq Aziz Proceeded for Umra on leave and DDO power were delegated to DHO Kohat vide Government of Health Department letter No.SOB-II/HD/I 4/DDO power dated 30.5.2019.

Dr. Naeem Shah was transferred to DHQ Hospital KDA Kohat and his substitute did not arrive for duty. The DHO submitted name of Dr. Safder Muhammad PMO for DDO power but he was not given DDO power till date, therefore budget was likely to be lapsed in Jun 2019.

There was no option except to sign the bills of type D Hospital Shakardara in the best interest of public. In case the DHO Kohat did not sign the bills. The budget will have lapsed and the poor community under this hospital would have been deprived from the basic right. All medicines and other store have been utilized for benefit of the humanity.

No loss has been given to the Government. The minor irregularity has done just to save budget from lapse on humanitarian ground. All the expenditure of Type D Hospital Lachi is done by concerned DDO Dr Arif Bokhari Principal Dental Surgeon.

Request for DAC meeting was made during August 2019 but DAC meeting could not be convened till finalization of the report.

The matter is reported for activation/utilization of DDO codes besides action against the person(s) at fault.

AIR Para No. 01 (2018-19)

2.5.1.6 Unjustified payments of Rs. 71.388 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.

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 vendors).

DHO, Kohat drew an amount of Rs. 71.388 million from government treasury during the year 2018-19 and deposited it in his designated bank account. The amount was disbursed in cash instead of transfer to vendors.

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

When pointed out in August 2019, the management stated that detail reply will be furnished after consulting of relevant record.

Request for DAC meeting was made during August 2019 but DAC meeting could not be convened till finalization of the report.

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

AIR Para No. 03 (2018-19)

2.5.1.7 Irregular retention of Rs. 2.455 million.

Government of KP, Finance Department vide notification No. 2/3(F/L)/FD/2106/Vol-X dated Peshawar the 14th July 2017 provides that it has come to notice of the Government of KP most of DDOs of departments/offices/bodies/organization in KP have kept substantial amount of Government

money in various banks which is violation of Para 66, 95, 96 of GFR Vol. I and Rule 290 of FTR.

DHO Kohat withdrew a sum of Rs. 2,454,994 from Government treasury under head A03927 “purchase of drugs and medicines” during 2018-19. The amount was retained in shape of bank drafts instead of payments through crossed cheques to suppliers just to avoid lapse of budget under the head.

S. No.	Name of Firm	DDO	Amount (Rs.)
1	M/S Getz Pharma Karachi	Type-D Lachi	555,466
2	M/S Brooks Pharma Karachi	CH Shakardara	735,734
3	M/S Global Pharma Islamabad	Type-D Lachi	85,898
4	M/S Glaxo Smith (GSK) Karachi	DHO Office	1,077,896
Total			2,454,994

Illegal retention of money occurred due to weak administrative and financial control and resulted in blockage and unnecessary withdrawal of public money.

When pointed out in August 2019, the management replied that penalty will be imposed according to the time frame and rules as pointed out by the audit and such irregularity will not be occurred in future. The point is also noted for future.

Request for DAC meeting was made during August 2019 but DAC meeting could not be convened till finalization of the report.

Audit suggests that the supply of items be ensured besides recovery of penalty.

AIR Para No. 10 (2018-19)

2.5.1.8 Irregular expenditure on purchase of medicine-Rs. 27.126 million

According to Directorate General Health Services, Government of Khyber Pakhtunkhwa letter no. 191-200/MCC dated 17.02.2016, Clause 06 of Medicine Coordination Committee (MCC), the procuring entity shall arrange to obtain

samples from each batch of the supplied drugs/medicine through notified Drug Inspectors concerned and send to the concerned Drug Testing Laboratory (DTL) for test/Analysis. As per Clause G, Payment shall not be released to the firms without the submission of Contract Execution Certificate duly authenticated/signed by the MCC.

DHO Kohat incurred an expenditure of Rs. 27,126,285 on account of purchase of medicines and drugs during the Financial Year 2018-19. Detail is given at Annex-7. The following irregularities were noticed:

1. Payment was made without clearance of samples of medicines from Government Drug Testing Laboratory (DTL)
2. Payment was made to the firms without the submission of Contract Execution Certificate duly authenticated /signed by the MCC.

Irregular procurement occurred due weak internal control which resulted in violation of Government rules.

When pointed out in August 2019, the management replied that all the coddle formalities have been fulfilled. Proof will provided soon. Reply is not tenable as documentary proof not produced.

Request for DAC meeting was made during August 2019 but DAC meeting could not be convened till finalization of the report.

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

AIR Para No. 12 (2018-19)

2.5.1.9 Irregular expenditure without technical assistance of consultancy firm- Rs.9.469 million

As per notification of Elementary & Secondary Education Department issued vide No. MO-I/ESRU/E&SED/Monitoring/CG/2017-18, dated 17.11.2017 “the work on provision of missing facilities would not start for the FY 2017-18 unless 3rd party consultancy firm to be hired does not start its work”.

District Education Officer Male & Female Kohat spent an amount of Rs. 4,129,000 and Rs. 5,340,000 respectively during 2017-18 and 2018-19 under conditional grant without technical assistance of consultancy firm i.e. Social Engineering Consultants. Following is the detail:

S. No.	EMIS Code	Name of School	Add. Class Rooms	Group latrines	Boundary Wall	Total Amount (Rs.)
01	16579	GPS Kero sam	1,600,000	160,000	0	1,760,000
02	33616	GHS Bazid Khel	800,000	160,000	0	960,000
03	36951	GHS Chesham Mitha Khan	800,000	0	0	800,000
04	16587	GPS Lukhari	0	0	609,000	609,000
05	16753	GGPS Bazid Khel	800,000	160,000	0	860,000
06	16870	GGCMS Banda Parachgaan	800,000	0	0	960,000
07	36375	GGHS Kot	1,600,000	160,000	0	1,760,000
08	39518	GGHS College Town	1,600,000	160,000	0	1,760,000
		Total	8,000,000	800,000	609,000	9,469,000

The irregularity happened due to non-compliance of rules which may lead to poor quality of work.

When pointed out in August 2019. The DEO Male stated that on receipt of amount on account of conditional grant for missing facilities i.e additional class room, group latrines. The Head Master / Head Teachers of the schools given below have started the work prior to consultancy of Social Engineering thus they have been strictly warned not to repeat such like violation of rules. However the Social Engineering Consultants have been asked to visit/check the work and report. While DEO Female replied that the works of GGPS Bazid Khel and GGCMHS Banda Parachgan Kohat has been carried out through social engineering consultancy and prior to facilitation of social engineering consultancy, the works of GGHS Kot Kohat of GGHS College Town Kohat was carried out on the briefing of MNE Technical wing of E&SE Department. The para may be verified in DAC meeting

Request for DAC meeting was made during September 2019 but DAC meeting could not be convened till finalization of the report.

Matter is reported for corrective action i.e. the consultant may visit and check the quality and specification of the works carried out and report deficiencies for action against person(s) at fault.

AIR Para No. 1& 1(2018-19)

2.5.1.10 Irregular transfer of conditional grant fund from one school to another without the approval of committee- Rs.8.00 million

District Validation/ Re-adjustment Committee for conditional grant program was constituted vide Elementary & Secondary Education Department Notification No. MO-I/ESRU/E&SED/Monitoring/CG/2017-18, dated 17.11.2017. TOR No. (b) of the above Notification states that “Committee is the sole approving authority of inter-School transfer of conditional grants funds in the District Education offices”.

District Education Officer Female & Male Kohat during 2018-19 transferred, an amount of Rs. 3,360,000 and Rs. 4,640,000 respectively, of conditional grant fund from one school to another without the approval of District Validation/Re-adjustment committee. Detail given below.

S. No.	Name of Schools (Female)		Name of Facility	Amount (Rs.)
	Transfer from	Transfer to		
1	GGPS Kamar Mela	GGPS Muhammad Zai	Addl. Class Room	800,000
2	GGPS Feteah Khan Khel	GGPS Muhammad Zai	Addl. Class Room	800,000
3	GGPS KDA Kohat	GGPS Akbar Abad	Group latrine	160,000
4	GGPSTangi Banda Jarma	GGPS Dawood Abad Jerma	Addl. Class Room	1,600,000
Total				3,360,000
S. No.	Name of Schools (Male)		Name of Facility	Amount (Rs.)
1	GPS No. 1 Muslim Abad		Addl. Class Room	800,000
2	GPS No. 1 Muslim Abad		Group latrine	160,000
3	GPS Spinki Kalla		Addl. Class Room	800,000
4	GHS Tappi		Group latrine	160,000

5	GPS Suleman Talab	Group latrine	160,000
6	GMS Kamal Khel	Group latrine	160,000
7	GPS Paracha Town	Group latrine	320,000
8	GPS M. C. Area No.1 Kohat	Group latrine	320,000
9	GPS Chorlaki No. 1	Addl. Class Room	800,000
10	GHS Jabbar	Addl. Class Room	800,000
11	GPS City Centre	Group latrine	160,000
Total			4,640,000

The irregularity was occurred due to weak internal control which resulted into violation of Government rules.

When pointed out in August 2019, the DEO Female stated that according to policy and procedures for revision of Demand list and Inter schools transfer of conditional grant funds composition and terms of reference of conditional grant fund re adjustment committee is comprised of a) DEO Chairman, b) Dy: DEO, C) SDEO, d) ADO P&D, e) B&AO (Secretary). The funds of conditional grants have been transferred to the needy schools on the suggestion of the composition committee of DEO (F) Kohat, However an inquiry is being conducted against the person at fault. Reply was not tenable as outcome of the inquiry was not shared with Audit.

While the management of DEO Male stated that as per original list (regarding CG 2017-18) of schools where funds were released in c/w missing facilities. But it is pertinent to mention here that the releases of CG funds 2017-18 for various schools in district Kohat were purely allocated by IMU monitors/reporters (not under the command of the undersigned) at their own level and not with the consultation of the quarter concerned.

Hence, as per the directions of the management of Education Department, the aforesaid funds were straight away transferred to the schools mentioned in the original list through proper channel.

But later on Head teachers of some schools pointed out that the funds released to their schools were not needed for the allocated facility and therefore be shifted to other needy school.

Keeping in view the misuse of the said funds, cheques were collected and are now in the custody of the undersigned. These cheques will be distributed to the needy schools as per guidelines of District re-adjustment committee detailed in the Notification issued by E&SED/Monitoring/CG/2017-18 Dated 17/11/2017. Reply was not tenable.

Request for of DAC meeting was made during September 2019 but DAC meeting could not be convened.

Matter is reported for initiating facts finding inquiry and action against person(s) at fault.

AIR Para No.06 (2018-19)

2.5.1.11 Unauthorized release to Commandant HQ, 09 Division Cantt: Kohat-Rs. 10.267 million

Section 33(1) and (2) of Local Government Act 2013 provides that the money credited to the Fund of a local government shall be expended in accordance with annual budget approved by the respective local council and no local government shall transfer monies to a higher level of government except by way of repayment of debts or for carrying out deposit works.

Deputy Commissioner Kohat released a sum of Rs. 10,267,200 to the Commandant HQ, 09 Division Cantt: Kohat out of fund “Uplift & Beautification of Divisional Headquarter in KP” for repair & maintenance of Kohat cantt: roads under the control of Cantonment Board, which doesn’t come under the jurisdiction of DC.

Unauthorized release occurred due to weak internal control which resulted in non-compliance of rules.

When pointed out in July 2019, the management did not furnish reply.

Request for DAC meeting was made during August 2019 but DAC meeting could not be convened.

Audit suggests inquiry into the matter.

AIR Para No.06 (2018-19)

2.5.1.12 Unverified payment to Chairman BISE Kohat-Rs. 24.720 million

According to CTR 296, controlling officer shall be responsible for seeing that the expenditure included in the bill are of obvious necessity and are at fair and reasonable rates. Sanction and the requisite vouchers are all received and in order. Further, according to SOPs of the Government of Khyber Pakhtunkhwa E&SE Department for “Stoori Da Pakhtunkhwa” scholarship program, monthly scholarship/stipend must be paid in lump sum @ Rs. 10,000 and Rs. 15,000 for SSC and HSSC position holders respectively for a period of two years.

Deputy Commissioner Kohat paid a sum of Rs. 24,720,000 under head “Cash Awards” to the Chairman BISE (Board of Intermediate & Secondary Education) Kohat on simple receipt for scholarships under “Stori da Pakhtunkhwa” for further disbursement to the deserving students. However, Actual Payee Receipt and detail of beneficiaries were not found on record.

Irregular payment occurred due to lack of administrative and internal control resulted in violation of Government rules.

When pointed out in July 2019, the management did not furnish reply.

Request for DAC meeting was made during August 2019 but DAC meeting could not be convened.

Audit suggests inquiry into the matter.

AIR Para No.07 (2018-19)

2.5.1.13 Unauthorized payment of development fund-Rs. 245.53 million

Treasury Rule 130 states that money may not be withdrawn from the public exchequer without presentation of bills.

Deputy Commissioner Kohat paid Rs. 245.530 million from Oil & Gas Royalty, Production Bonus, ADP and Beautification funds to the executing agencies in advance through simple receipts during 2018-19. Audit observed that

amount should have been paid on the presentation of vouchers/bills for actual work done.

Unauthorized payment occurred due to due to non-compliance with rules which may result into misappropriation and unauthentic expenditure.

When pointed out in July 2019, the management did not furnish reply.

Request for DAC meeting was made during August 2019 but DAC meeting could not be convened.

Audit suggests regularization of funds.

AIR Para No.10 (2018-19)

2.5.1.14 **i. Unauthorized purchase of vehicles-Rs. 12.876 million**
ii. Loss to Government-Rs. 3.739 million

According to Government of Khyber Pakhtunkhwa Administration department (Transport Section) minutes of the transport committee meeting circulated vide No. SOT(AD)/TCR/2015/KC dated 20-10-2017, the provincial Government has imposed complete ban on purchase of vehicle, which can be relaxed by the Chief Minister on case to case basis. However, the case of purchase of vehicle may be moved after obtaining non-availability certificate from Administration Department. Further, the case for purchase of vehicle should be moved only after obtaining condemnation certificate as per procedure laid down in S. No 9 of delegation of powers Rules-2001.

According to Staff Car Rules 1997, (i)1300CC vehicle is allowed to grade 19&20 (ii) 1000CC vehicle is allowed to grade 18 (iii) 800CC vehicle is allowed to grade 17.

According to FBR O.M No. 4/2-STB/2007 (Pt) dated 3.08.2007, 20% (1/5th) of the Sales Tax amount shall be withheld at source from the register firms and be deposited in the Sales Tax head of account.

According to transport committee meeting held on 07.10.2015, officers in BPS-17, 18 and 19 are entitled to use vehicles having engine capacity of 800 CC, 1000 CC and 1300 CC respectively.

DC Kohat purchased 4 vehicles for Rs. 12,876,000 during the year 2018-19. The following irregularities were noticed:

- i. Relaxation on ban of vehicles was not obtained from Chief Minister as per above criteria.
- ii. Non-availability of vehicles certificate was also not obtained from administration department.
- iii. Condemnation of vehicle certificate as per procedure laid down in S.No. 9 of delegation of powers Rules-2001 was also not obtained.
- iv. Staff Car Rules were violated as high CC vehicle than authorized have purchased. The DC Kohat was entitled for 1300cc vehicle whereas, DC Kohat purchased vehicle of 2800cc for Rs. 4,752,752 and vehicle of 1800CC for Rs. 3,216,725. Thus Government was put into loss of Rs. 2,418,752 (Rs. 4,752,752 –Rs. 2,334,000) and Rs. 882,725 (Rs.3,216,725-Rs. 2,334,000) respectively.
- v. The local office failed to deduct 1/5th of the sales tax amounting to Rs.437,784.

The irregularity occurred due to non-compliance of rules which resulted in authorized purchase.

The irregularity was pointed out to the management during July 2019. Management replied that;

- i. No vehicle is purchased beyond authorization mentioned in LGE & RDD Peshawar letter No. SO (Dir)LG/Purchase of vehicles/Kohat/2019 dated 11.03.2019.

- ii. NOC for purchase of vehicle was provided by LGE&RDD Peshawar vide his letter No. SO(Dir)LG/Purchase of Vehicles/Kohat/2019 dated 11.03.2019.
- iii. ADC & AC Kohat was not using the official vehicles. New vehicle for 1st time was purchased. Therefore, no condemnation certificate was acquired.
- iv. According to Government of Khyber Pakhtunkhwa Administration Department Letter No. SOT(AD)3-20/2013 dated 7th October 2015 para (h) says that officers entrusted with maintenance of Law & order like Deputy Commissioners, Assistant Commissioners, Additional Assistant Commissioner and Police may use vehicle of Higher Engine Capacity as per their protocol and terrain requirements.
- v. The Kohat district is a sensitive area, therefore, keeping in view the Law & Order situation the vehicles of Higher Engine Capacity were purchased in the best public interest. Sales Tax deducted at source.

The reply was not tenable as approval from competent forum (S&GAD) was not obtained.

Request for DAC meeting was made during August 2019 but DAC meeting could not be convened.

Audit recommends regularization of expenditure.

AIR Para No.12 (2018-19)

Management of Accounts with Commercial Banks

- 2.5.1.15 i. Non-deposit of bank profit into Government treasury-Rs. 3.374 million**
- ii. Retention in bank accounts-Rs. 260.266 million**

According to Government of Khyber Pakhtunkhwa Finance Department letter No. 2/3-(F/L)/FD/2007-08/Vol-X dated 10.02.2014 and subsequent reminder 16.03.2018 that profit earned on Government fund shall be deposited into government treasury under the relevant head of account immediately.

Government of KP, Finance Department notification No. 2/3(F/L)/FD/2106/Vol-X dated Peshawar the 14th July 2017 provides that balance of designated bank accounts, if any, remaining on June 30th will not be available without its revival in next financial year by the finance department.

Deputy Commissioner Kohat realized Rs. 3,373,888 as profit on bank accounts during Financial Year 2018-19 and did not deposit into government treasury. Detail at Annex-8.

Furthermore, the local office retained huge amount of Rs. 260,266,048 in the designated bank accounts without revival. Detail at Annex-8.

The irregularity occurred due to weak internal control which resulted in loss to Government.

When pointed out in July 2019, the management did not furnish reply.

Request for DAC meeting was made during August 2019 but DAC meeting could not be convened.

The amount may be deposited into Government treasury besides fact finding inquiry into the matter.

AIR Para No. 04 (2018-19)

2.5.2 Value for money and services delivery issues

2.5.2.1 Non-utilization of fund- Rs. 7.160 million

Rule 75(4) of Khyber Pakhtunkhwa District Government Budget rules provides that it shall be ensured that the funds allotted to spending units are expended in the public interest and upon objects for which the money was provided.

District Education Officer (M) Kohat drew an amount of Rs. 2,700,000 under head cash award for best performance to teachers and head masters of High Schools during 2018-19 and retained in designated bank account without distribution among the deserving head masters and teachers.

Further, District Education Officer, Male and Female Kohat received an amount of Rs. 2,717,450 and Rs. 1,742,550 respectively under head Medical and Laboratory Equipment during 2018-19 which was not utilized

Similarly, District Education Officer Male & Female Kohat transferred fund of Rs.9,600,000 (4,800,000+480000) to various schools under head conditional grant during 2017-18 which was not utilized and was laying in bank accounts of the these schools till date of Audit

Unauthorized retention of fund occurred due non-compliance with rules.

When pointed out in August 2019, the management stated that the fund was released and kept in DDO code of DEO (M) Kohat, the time was short and it was not possible to transfer the fund to the concerned schools. Fund was drawn to avoid lapse and was deposited in designated account with-out profit for onward disbursement among the teachers. The cause of delay was that the schools were closed for summer vacations the Teacher's station was situated in far flung Area. Thus the point noted for future

While in the second case, the management stated that the fund was tendered in daily newspaper thus on date of receipt of tenders the DPC Kohat checked and opened the tender which were not found up to the requirements and

the time was very short and it was unable to utilize before the closing of financial year. However the fund was proposed for revival for next financial year ie 2019-20 and included in budget. Reply was not tenable. Replies were not tenable.

In case of conditional grant, the management of DEO Male stated the amount was drawn from Govt. Treasury and transferred to various schools for utilization well in time but due to summer vacations and due to negligence on the part of Head Master/Head Teachers the fund could not utilize. However an inquiry Committee has been constituted to probe into the matter and action will be taken against the person at fault. Reply was not tenable as no progress reported to Audit. While, management of DEO Female replied that amount was drawn from Govt: Treasury and transferred to the mentioned schools for the purpose of Additional class rooms and according to the notification No. MO-I/ESRU/E&SED/Monitoring/ CG/2017-18 dated 17-11-2017. No work can be started. Hence the social engineering consultancy has been asked to visit the schools for start the works under his consultation. The progress may be verified in DAC meeting

Request for of DAC meeting was made during September 2019 but DAC meeting could not be convened.

Audit suggests payment of the amount to the officers/ officials concerned under intimation to audit.

AIR Para No. AIR Para No. 4, 5, 4, 6 & 5 (2018-19)

2.5.2.2 Non-deposit of health receipts into Government treasury -Rs. 1.129 million

According to Khyber Pakhtunkhwa Local Government Budget Rules 69(1), the primary obligation of the Collecting Officers shall be to ensure that all revenue due is claimed, realized and credited immediately into the District Fund under the proper receipt head.

DHO, Kohat during 2018-19 failed to deposit receipts of various RHCs into Government treasury which deprived the Government of revenue amounting to Rs. 1,129,142 as detailed below.

S#	Name of Facility	OPD	Laboratory	X-Rays	U/ Sound	Total (Rs.)
01	RHC- Gumbat	395,590	83,820	3,749	72,089	555,248
02	RHC- Chorlaki	94,890	24,697	0	38,713	158,300
03	RHC- Usterzai	218,980	96,710	12,102	87,802	415,594
	Total	709,460	205,227	15,851	198,604	1,129,142

Audit observed that non-deposit of Government money occurred due to weak internal control which resulted in loss to Government.

When pointed out to in August 2019, the management stated that the health facilities deposited health receipt in wrong account number. Necessary rectification will be made through transfer entry

Request for DAC meeting was made during August 2019 but DAC meeting could not be convened.

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

AIR Para No. 4 (2018-19)

CHAPTER-3

Tehsil Municipal Administration

3.1 Introduction

District Kohat has three Tehsils i.e. Kohat, Lachi and Gumbat. The office of a Tehsil Municipal Administration is managed by the Tehsil Municipal Officer. He is assisted by a Tehsil Officer (Finance), a Tehsil Officer (Regulation) and a Tehsil Officer (Infrastructure).

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

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

- (h) Regulate markets and services, issue licenses, permits, grant permissions and impose penalties for violation thereof;

Detail of audit planned formations 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)
2	Authorities/Autonomous Bodies etc under the PAO	3	3	356.864	313.104

2.2 Comments on Budget and Accounts (Variance Analysis)

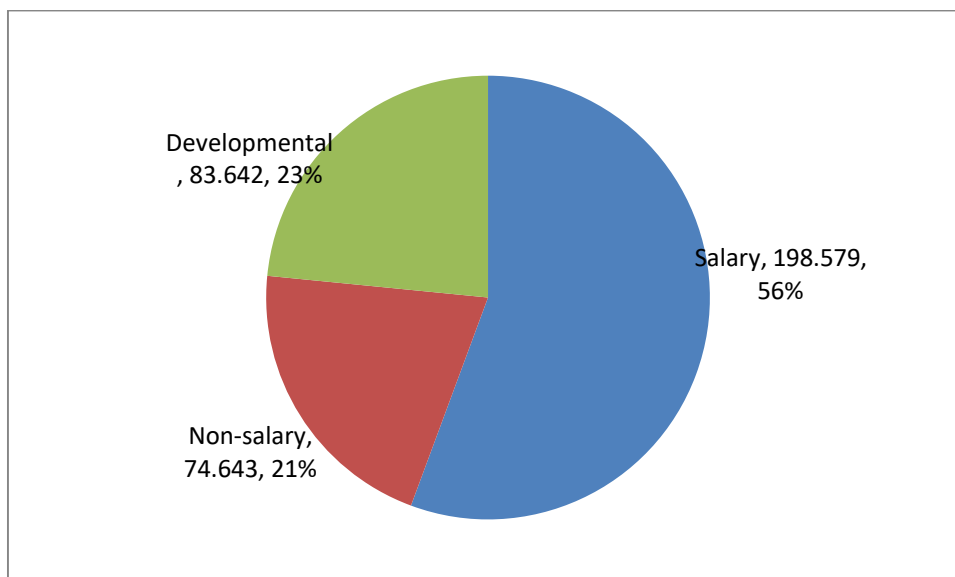
Rs. in million

TMAs				
2018-19	Budget	Actual Expenditure/Receipts	Excess/(Saving)	%age
Salary	215.099	198.579	(16.52)	7.68
Non salary	82.389	74.643	(7.75)	9.40
Development	103.293	83.642	(19.65)	19.02
Total	400.781	356.864	(43.92)	
Receipts	310.576	313.104	2.53	0.81

The savings of Rs. 2.53 million indicates inefficiency in the capacity of the Tehsil Municipal Administrations to utilize the amount allocated.

EXPENDITURE 2018-19

(Rs. in million)



3.3 Classified Summary of Audit Observations

Audit observations amounting to Rs. 997.101 million were raised in this audit report. This amount also includes recoverable of Rs. 568.369 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

S No.	Classification	Amount (Rs. in million)
1	Irregularities	
A	Procurement related irregularities	679.21
B	Management of Accounts with Commercial Banks	5.023
2	Value for money and service delivery issues	243.708
3	Others, including cases of accidents, negligence etc.	69.16
Total		997.101

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

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

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

3.5 AUDIT PARAS

3.5.1 Irregularities

Procurement related irregularities

- 3.5.1.1**
- i. Non-transparent award of contract-Rs. 101.088 million**
 - ii. Overpayment of Rs. 15.361 million**
 - iii. Non-deduction of taxes-Rs. 7.582 million**
 - iv. Non-imposition of penalty-Rs. 10.109 million**
 - v. Less deposit of additional call deposit-Rs. 1.617 million**

Accordance to miscellaneous provisions in KPPRA Rules 2014, each procuring entity shall plan its procurements with due consideration to transparency, economy, efficiency, and timeliness, and shall ensure equal opportunities to all prospective bidders.

TMO Kohat awarded a scheme “Solar lights for roads double arm 200 No and single-arm 202 No at Kohat” with an estimated cost of Rs. 101,088,000 to a contractor M/S: Ali Haider & Brothers Engineering during 2018-19. Audit observed the following:

- i. Signature of tender opening committee was not found on envelopes, call deposits and tender forms, etc.
- ii. Electrical Engineer was not deputed by LCB as requested by TMO in letter No. 2291/TMA/Kt dated: 10.4.2017.
- iii. Most of the items were NSI but the market analysis was neither made nor approved.
- iv. The warranty was not attached.
- v. The attendance sheet of contractors was not available in the record.
- vi. Professional Tax Rs. 100,000, stamp duty Rs. 18,000 and DPR fund amounting to Rs. 202,000 was not deducted from payment.
- vii. TS was awarded for Rs. 82,865,000 million but payment of Rs.98,225,928 was made thus overpayment of Rs. 15,360,928 was made to the contractor.

- viii. Income tax @7.5% amounting to Rs. 7,581,600 was not deducted from payment.
- ix. The concerned contractor submitted 8% additional security amounting to Rs. 6,470,000 instead of Rs. 8,087,040, which was required to be rejected but considered and undue favor was extended to the contractor.
- x. The work order was issued on 17.04.2017 and timely completion of work was 16.4.2019 (two years) but the work was not completed till the date of Audit i.e. 10/2019. Penalty @10% amounting to Rs. 10,108,800 was not imposed.

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

When pointed out in October 2019, the management did not reply.

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

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

AIR Para No. 16 (2018-19)

- 3.5.1.2 i. Unauthorized and doubtful award of contract-Rs. 26.294 million**
- ii. Non-recovery of Rs. 456,481 and non-imposition of penalty-Rs. 2.629 million**

Accordance to miscellaneous provisions in KPPRA Rules 2014, each procuring entity shall plan its procurements with due consideration to transparency, economy, efficiency, and timeliness, and shall ensure equal opportunities to all prospective bidders.

TMO Kohat awarded a scheme “Const: of 3 number gates at Hangu Phattak etc” with an estimated cost of Rs. 26,294,000 to a contractor M/S: Mohammad Aslam Bhattani during 2018-19. Audit observed the following:

- i. The work order was issued on 27.10.2015 and timely completion of work was 26.10.2016 but it was not completed till the date of audit i.e. 10/2019. Penalty @10% amounting to Rs. 2,629,400 was also not imposed.
- ii. According to TMO letter No. 4483/TMA/Kt dated: 07.04.2016 (3rd Reminder) requested Deputy Director (South) PHA for issuance of NOC but no NOC was issued and the construction was made in the area come under PHA, which was not authorized by PHA.
- iii. Signature of tender opening committee was not found on envelopes and tender forms etc.
- iv. Overpayment was made in the shape of the transportation of earth.
- v. A sum of Rs. 100,000, Rs. 18,000 and Rs. 52,000 on account of professional tax, stamp duty, and DPR respectively was not deducted from the payments.

Irregularity occurred due to weak internal controls, which resulted in violation of rules.

When pointed out in October 2019, the management did not reply.

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

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

AIR Para No. 15 (2018-19)

3.5.1.3 Unauthorized expenditure due to the non-carrying of asphalt wearing course-Rs. 16.780 million

According to Chief Minister Directives vide No. SO-VI/CMS/KPK/1-13/2016, dated 28.06.2016, "asphalt wearing course may be carried out instead of Triple Surface Treatment.

TMO, Lachi carried out construction of following different roads. Audit observed that Triple Surface Treatment was un-authorizedly executed for Rs. 16,779,571 instead of asphalt wearing course detail is given below:

S. No.	Name of Work	Amount of TST (Rs.)
01	Const; of BTR Premix from Main Karapa Shakardara to Kero sum	5,687,625
02	Const; of BTR Premix from Main Karapa Shakardara to Shewaki	2,467,412
03	Const; of BTR Premix from Main Karapa Shakardara to Chanda Reh	5,157,992
04	Const; of BTR Premix from Main Karapa Shakardara to Mandoori M	3,466,542
	Total	16,779,571

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

When pointed out in October 2019, the management did not reply.

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

Audit recommends recovery of advances besides inquiry and action against the person(s) at fault.

AIR Para No. 6 (2018-19)

3.5.1.4 Non-imposition of penalty Rs.3.00 million and non-completion of developmental scheme worth Rs. 30.00 million within stipulated.

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

Accordance to miscellaneous provisions in KPPRA Rules 2014, in case of procurement of works, solicitation documents shall contain technical specifications, drawing and design, bill of quantity and estimated cost whatever applicable, evaluation criteria, expected commencement of contract and period

for completion, bid validity, security demanded, payment schedule, general and special conditions of contract, in case of procurement of works”.

Serial No. 07 of the rules/ guidelines/ instructions of Administrative Approval states that “the works must be completed within the stipulated period”.

TMO, Lachi awarded a contract with estimated/ tender cost of Rs. 30.00 million to the contractor M/S Rafi Ullah & Brothers for work “Rehabilitation of premix Karapa to Shakardara road District Kohat (out of Gas Royalty Fund 2013-14)”. Work order was issued well in time without mentioning the completion period and the work was started on 10.11.2014. As per original PC-I, completion period was 04 months, while as per revised PC-I, the completion period was 06 months but the scheme was completed on 10-11-2018 after laps of 04 years instead of 06 months. Due to delay in completion of work, penalty @ of 10% was required to be recovered from the contractor which was not done. Thus the government was deprived of revenue amounting to Rs. 3.00 million.

The irregularity occurred due to weak administrative and internal controls which resulted in non-completion of work and loss to Government.

Public at large was deprived of the benefit of a developmental scheme besides government was put into loss.

When pointed out in October 2019, the management did not reply.

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

Audit recommends justification besides recovery of outstanding dues from the contractors concerned.

AIR Para No. 10 (2018-19)

3.5.1.5 Loss to government-Rs. 5.00 million

According to serial No. 06 of the rules/ guidelines/ instructions of Administrative Approval “the works should be executed according to approved specifications, proper designs and actual surveying”.

TMO Lachi incurred an expenditure amounting to Rs. 5,000,000 on the execution of developmental scheme "Rehabilitation of Karapa Shakar Dara road" during the year 2015-16 and 2017-18. Audit observed that the scheme was initially approved at a cost of Rs. 30.00 million and later on PC-I was revised on the direction of Law Minister, KPK and only Rs. 5.00 million was allocated for the said scheme, while the remaining Rs. 25.00 million was allocated of four branch roads. The original scheme was completed up to Water Bound Macadam level, while TST/ Premix was not executed till the last date of audit.

Irregular occurred due to weak internal control and ill planning which resulted in loss to Government.

When pointed out in October 2019, the management did not reply.

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

Audit recommends that loss in the shape of wasteful expenditure needs to be enquired for fixing the responsibility on the person(s) at fault.

AIR Para No. 8 (2018-19)

3.5.1.6 Non-deduction of income tax -Rs. 1.226 million

As per Income Tax department 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 Kohat failed to recover income tax amounting to Rs. 1,226,475 from the below-mentioned contractors of revenue receipt contracts on revised

rates from non-filer during the year 2018-19 and thus Government was put to loss.

S#	Name of contract	Name of Contractor	Contract Amount	Income Tax Due (Rs.)
01	Tool Tax	Nasir Khan	543,000	81,450
02	Group Latrine	---do---	1,628,000	244,200
03	Dangerous trade	Ali Haider	195,000	29,250
04	Food & Drinks	---do---	191,000	28,650
05	Sign Board	Naveed Ahmed	4,260,000	639,000
06	Slaughter House	Nasir Khan	480,500	72,075
07	Kotal Parking	---do---	554,000	83,100
08	New Taxes	Ali Haider	325,000	48,750
Total				1,226,475

Income tax was not recovered due to weak internal control, which resulted in loss to Government.

When pointed in October 2019, the management did not reply.

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

Audit recommends recovery from the contractors.

AIR Para No. 8 (2018-19)

Management of Accounts with Commercial Banks

3.5.1.7 Unauthorized cash withdrawals from designated bank account-Rs. 4.965 million and non-credit of profit-Rs. 57,967

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 the issue of payment through direct bank transfer and cheques.

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.

TMO Gumbat withdrew a sum of Rs. 4,965,846 as cash withdrawals from designated bank account No 000250875924 during 2018-19 instead of cross cheques as evident from the bank statement. Thus chances of misappropriation could not be ruled out.

Moreover, profit amounting to Rs. 57,967 earned on bank account was not credited into government treasury.

Irregularity occurred due to weak internal controls, which resulted in violation of rules.

When pointed in October 2019, the management did not reply.

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

Audit recommends inquiry, fixing responsibility on person(s) at fault.

AIR Para No. 2 (2018-19)

3.5.2 Value for money and service delivery issues

3.5.2.1 Non-utilization of fund-Rs. 197.379 million

According to Rule 8 (1) (b) TMA Budget Rules, Tehsil or Town Municipal Officer is responsible to ensure that the human and material resources placed at his disposal are optimally utilized to improve governance.

TMO Lachi during the year 2018-19, failed to utilize a huge balance amounting to Rs. 197,378,939 received on account of 30% ADP and Zilla Tax Share lying in the PLA of TMA Lachi. 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.

The irregularity was occurred due to weak financial and administrative control which resulted in non-utilization of the fund and public was deprived from the benefit.

When pointed out in October 2019, the management did not reply.

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

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

AIR Para No. 1 (2018-19)

3.5.2.2 Unverified expenditure out of PLA-Rs. 44.429 million

According to APPM 2.3.2.2 the information in the accounts and the supporting subsidiary record shall be maintained, representing the actual substance of past events without undue error or omission. This shall include correct and consistent classification of transactions and the recognition of the revenues and expenditure in the correct time period. This objective shall be addressed by regular, complete and up to date bank reconciliation.

TMO, Gumbat incurred an expenditure of Rs. 44,429,000 out of PLA on account of 30% ADP, Octroi Share, Grants in Aid etc during 2018-19. The following irregularities were noticed;

- i. Only the cash book was maintained for PLA. No, any other accounting procedure was adopted to classify the expenditure.
- ii. The opening balance as on 1-7-2018 and closing balance as on 30-6-2019 was shown in the cash book. The sources of the balances were not known to audit to verify the available budget in a particular head of account.
- iii. The TMO Gumbat incurred expenditure without observing the budget to meet a particular purpose out of a particular fund.
- iv. The expenditures were not reconciled with NBP as well as with DCA Kohat as both had not maintained any record in support of payments.

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

When pointed out in October 2019, the management did not reply.

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

Audit recommends proper maintenance of accounting record and to take action against the person(s) at fault accordingly.

AIR Para No. 3 (2018-19)

3.5.2.3 Irregular payment out of PLA fund-Rs. 1.900 million

According to CTR 296, controlling officer shall be responsible for seeing that the expenditure included in the bill are of obvious necessity and are at fair and reasonable rates. Sanction and the requisite vouchers are all received and in order.

TMO Gumbat released a sum of Rs. 1,900,000 to District Sports Officer out of 30% ADP for the year 2018-19 for the work "Sports Activities". The following irregularities were noticed:

- i. The local office paid the amount out of 30% ADP without sanction of the Competent Authority.
- ii. Payment was made on production of simple letter from DO Sports.
- iii. No detail record/vouchers were available in the local office.

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

When pointed in October 2019, the management did not reply.

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

Audit recommends that facts finding inquiry may be initiated and fix responsibility against the person(s) at fault.

AIR Para No. 12 (2018-19)

3.5.3 Others, including cases of accidents, negligence etc.

3.5.3.1 Non-recovery on account of Rent of Municipal Property- Rs. 22.567 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 are claimed, realized and credited immediately into Tehsil Fund under proper receipt head.

TMO Kohat, failed to recover outstanding amount of Rs. 22,566,856 on account of rent of Municipal Property. This indicates not only the failure of the department to recover previous outstanding dues but also shows the fruitless efforts to recover current charges. Detail at Annex-9.

Non-recovery occurred due to weak internal and financial control, which resulted in loss to Government.

When pointed out in October 2019, the management did not reply.

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

Audit recommends recovery from the contractors.

AIR Para No. 1 (2018-19)

3.5.3.2 Non-recovery of water rates-Rs. 14.258 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 Lachi failed to recover Rs. 14,257,660 on account of water charges during the year 2018-19 from 2366 water user connections as detailed below which needs to be recovered and be deposited into Government treasury under intimation to audit.

Total Connections	Annual Outstanding Arrears	Recovery Made	Amount Outstanding for the year 2018-19	Outstanding arrears as on 30.06.2018	Total Outstanding amount (Rs.)
2446	2,459,160	807,100	1,652,060	12,605,600	14,257,660

Non-recovery of water rates occurred due to Lack of administrative and internal control which resulted in loss to the administration.

When pointed in October 2019, the management did not reply.

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

Audit recommends justification besides recovery of water rates from the individuals concerned.

AIR Para No. 4 (2018-19)

3.5.3.3 Non-recovery on account of revenue receipt contracts- Rs.25.263 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 are claimed, realized and credited immediately into Tehsil Fund under proper receipt head.

TMO Kohat failed to recover Rs.25,263,000 as outstanding dues as on 30.6.2019 on account of revenue receipt contracts as detailed below.

S. No	Name of Contract	Outstanding Amount (Rs.)
1	New Taxes	205,000
2	Toll Tax	543,000
3	Slaughter House	480,000
4	Parking fee Kotal Plaza	554,000
5	Sign Board	4,260,000
6	Service development Tax	2,021,000
7	CNG/Petrol Pumps (40 x Rs. 430,000)	17,200,000
Total		25,263,000

Outstanding government dues were not recovered due to weak internal and financial control, which resulted in loss to Government.

When pointed out in October 2019, the management did not reply.

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

Audit recommends recovery from the contractors.

AIR Para No. 3&7 (2018-19)

3.5.3.4 Non imposition of penalty - Rs. 4.246 million.

As per condition No. 14 & 16 Model Terms & Conditions 2018-19, “if it is proved that the schedule has been violated or excess fee/tax has been charged willfully then the contractor/firm as well as defaulting staff made be liable to pay a penalty up to 11 times of the actual taxes being charged”.

TMO Kohat awarded contracts of collection of taxes on Food & Drinks and Dangerous Trades for Rs. 191,000 and Rs. 195,000 respectively to Mr. Ali Haider during 2018-19. The contractor was served with a notice on 04.10.2018 for charging excess fee/tax, but penalty on contractual amount for Rs. 4,246,000 (Rs. 191,000 x 11= Rs. 2,101,000) & (Rs. 195,000 x 11=Rs. 2,145,000) was not recovered from the contractor.

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

When pointed out in October 2019, the management did not reply.

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

Audit recommends recovery from the contractors.

AIR Para No. 17 (2018-19)

3.5.3.5 Non-recovery of new taxes-Rs. 1.488 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 are claimed, realized and credited immediately into Tehsil Fund under proper receipt head.

TMO, Lachi did not recover taxes at revised rates on various natures of businesses amounting to Rs. 1,487,500 (detail at Annex-10) during the financial year 2018-19.

New taxes were not recovered due to Lack of administrative and internal control which resulted in loss to Government.

When pointed out in October 2019, the management did not reply.

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

Audit recommends justification besides recovery of outstanding dues from the concerned.

AIR Para No. 9 (2018-19)

3.5.3.6 Non-recovery from various contractors of receipt contracts-Rs. 1.338 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, Lachi failed to recover long outstanding amount of Rs. 1,338,467 from various contractors of receipt contracts. The outstanding amount includes principal amount of Rs. 399,910 and Income tax amount of Rs. 938,557 against 7 contractors in 25 receipt contracts since 2004-05 to 2011-12.

Long outstanding Government dues were not recovered due to Lack of administrative and internal control which resulted in loss to the administration.

When pointed out in October 2019, the management did not reply.

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

Audit recommends justification besides recovery of outstanding dues from the contractors concerned.

AIR Para No. 5 (2018-19)

CHAPTER-4

AD LGE &RDD

4.1 Introduction

Assistant Director Local Government, Election and Rural Development Department in District Kohat has 91 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 Kohat.

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

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

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

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

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

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

Detail of audit planned formations 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	92	10	74.186	Nil

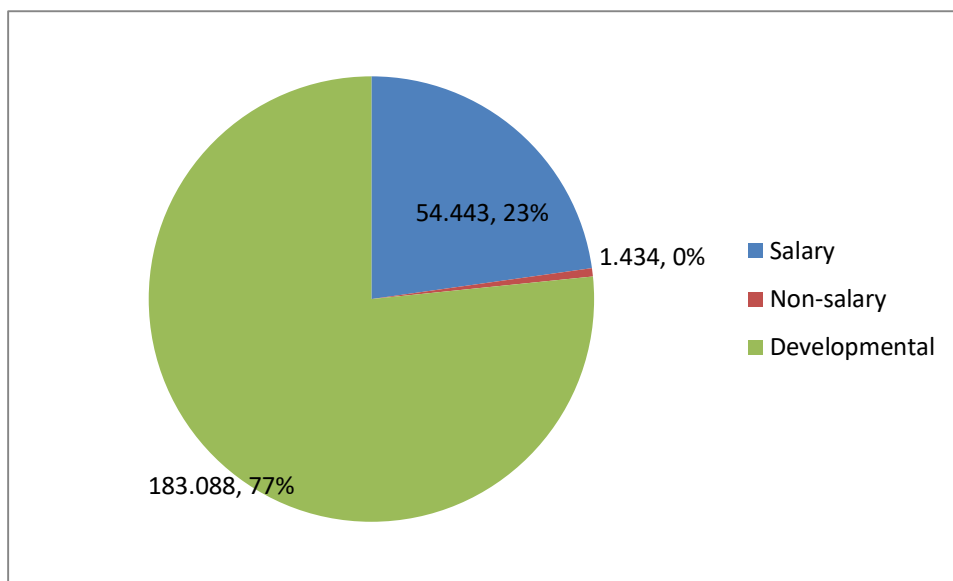
4.2 Comments on Budget and Accounts (Variance Analysis)

AD LGE&RDD				
2018-19	Budget	Actual Expenditure/Receipts	Excess/(Saving)	%age
Salary	55.507	54.443	(1.06)	1.92
Non salary	1.645	1.434	(0.21)	12.83
Development	183.088	183.088	0	
Total	240.24	238.965	(1.27)	0.53

The savings of Rs.1.27 million indicates inefficiency in the capacity of the Local Governments Department to utilize the amount allocated.

EXPENDITURE 2018-19

(Rs. in million)



4.3 Classified Summary of Audit Observations

Audit observations amounting to Rs.230.247 million were raised in this audit report. This amount also includes recoverable of Rs.15.909 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

S, No	Classification	Amount (Rs. in million)
1	Irregularities	
A	Procurement related irregularities	20.233
2	Value for money and service delivery issues	194.168
3	Others, including cases of accidents, negligence etc.	15.846
	Total	230.247

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 DAC meetings are given below:

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

4.5 AUDIT PARAS

4.5.1 Irregularities

Procurement related irregularities

4.5.1.1 Non-transparent award of contracts-Rs.15.818 million

Accordance to miscellaneous provisions in KPPRA Rules 2014, each procuring entity shall plan its procurements with due consideration to transparency, economy, efficiency and timeliness, and shall ensure equal opportunities to all prospective bidders.

AD LGE&RDD Kohat awarded the following works with an estimated cost of Rs.15.818 million to the following contractors during 2018-19. Audit observed that the lowest rates offered were rejected and the highest rates offered were accepted, which is irregular and doubtful.

S#	Name of Work	Estimated Cost (Rs. in million)	Lowest Rate and offered by	Rate Accepted/Contract awarded to
1	PCC of approach/streets & repair of RHCs etc	1.471	16.86% by M/S Yaseen Akbar	10% by Khan Amir & Sons
2	Pvt: of streets and drains at UC Jerma	2.500	22.51% by M/S Yaseen Akbar	21.10% by Noor Jannat Shah
3	Pvt: of streets and drains at UC Jerma	1.100	21.55% by M/S Yaseen Akbar	19.76% by Naseem Khan
4	Repair and Maint: of PCC UC Jerma	2.942	17.55% by M/S Yaseen Akbar	10% by Khan Amir & Sons
5	Repair/Reh: of approach streets of CD at Togh Bala	0.735	16.75% by Haq Nawaz	11% by Abdul Qayum & Sons
6	Const: of street and drain at various location	3.890	24.88% by Mehmood Wali Shah	23.25% by Naseem Khan
7	Reh: of BT roads at UC Jerma, Kohat	3.180	17.51% by Yaseen Akbar	17.33% by Mr. Khyal Nawaz
Total		15.818		

Irregularity occurred due to weak internal controls, which resulted in violation of rules.

When pointed in October 2019, the management did not reply.

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

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

AIR Para No. 2&14 (2018-19)

4.5.1.2 Unauthorized award of work and change of scheme-Rs. 4.352 million.

Accordance to miscellaneous provisions in KPPRA Rules 2014, each procuring entity shall plan its procurements with due consideration to transparency, economy, efficiency and timeliness, and shall ensure equal opportunities to all prospective bidders.

AD LGE&RDD Kohat tendered a work “Pvt: of street & drains at UC Togh-1, Kohat” with an estimated cost of Rs. 4,352,000 during 2018-19. A contractor Mr. Naseem Khan offered rate of 24.61% Below through E-bidding and was accordingly approved by the respective procurement committee. Later on, the tender was cancelled and the scheme was unauthorizedly split up into three works on previous administrative approval without sanction of Competent Authority. The local office also failed to produce any written evidence and reason regarding cancellation of the said tender.

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

When pointed out in October 2019, the management did not reply.

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

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

AIR Para No. 3 (2018-19)

4.5.2 Value for money and service delivery issues

4.5.2.1 Non-utilization of fund – Rs. 194.168 million

Rule 75(4) of Khyber Pakhtunkhwa District Government Budget rules provides that it shall be ensured that the funds allotted to spending units are expended in the public interest and upon objects for which the money was provided.

Secretaries of the Village/Neighborhood Councils of District Kohat failed to utilize District ADP fund amounting to Rs. 194,168,462 till 30th June 2019. The fund pertains to financial year 2016-17 and 2017-18 to meet expenditure on account of development activities of the Village/ Neighborhood councils concerned, but the local officials failed to utilize the fund despite having sufficient time. As a result, the general public was deprived of the benefit.

Non-utilization of development fund occurred due to weak financial control and public were deprived of the benefits.

When pointed out in October 2019, the management did not reply.

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

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

AIR Para No. 9 (2018-19)

4.5.3 Others, including cases of accidents, negligence etc.

4.5.3.1 Non-deposit of income tax into government treasury–Rs13.837 million

According to 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 of District Kohat spent developmental funds of Rs. 184,504,787 during the year 2018-19 and deducted income tax @ 7.5% amounting to Rs. 13,837,859 but did not deposit the same into Government treasury through challans.

Non-depositing of income tax occurred due weak internal control which resulted in lost to Government.

When pointed out in October 2019, the management did not reply.

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

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

AIR Para No. 7 (2018-19)

4.5.3.2 Non-recovery of Rent of Property-Rs. 2.009 million

According VCs/NCs Budget Rule 3(2), the Assistant Director LG&RDD is responsible for monitoring of the budget execution through regular expenditure or revenue reviews, as the case may be, ensuring that funds are spent or realized as approved by the Village or Neighborhood Councils;

AD LGE&RDD, Kohat failed to recover rent of the properties of Local Government amounting to Rs. 2,008,738 during 2018-19. The same may be recovered and be deposited into Government treasury under intimation to Audit.

Non-recovery of rent occurred due to negligence and weak internal control which resulted in loss to Government.

When pointed in October 2019, the management did not reply.

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

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

AIR Para No. 8 (2018-19)

CHAPTER-5

Kohat Development Authority

5.1 Introduction

Housing is a basic need and thousands of families are struggling to have a roof over their heads. Rapid population growth, scarcity of Government resources, urbanization and the development imbalances between urban and rural areas have compounded the housing problem. In big Cities/Towns this problem has become further worsen.

Kohat Development Authority is now working under the Administrative control of Secretary Local Government, Elections and Rural Development Department, Government of Khyber Pakhtunkhwa.

Objectives:

- Launching KDA township Phase-II
- External Electrification in KDA
- Arrangement for solid waste Management, Dumping Ground and Land fill
- Establishment Separate Grid Station
- Providing of sui Gas facility
- Development of new Tube Wells in existing networking
- Rehabilitation of existing water supply networking system
- Rehabilitation of sewerage system
- Construction of Roads/Rehabilitation of Roads
- Arrangement of Additional operational equipment/Machinery for the efficient working of maintenance work
- Construction of Sewerage Treatment Plant(STP)
- Extension & strengthening of power supply (PESCO)
- Disposal of commercial plot/Construction of commercial plaza
- Disposal of non-utility plots in education & health sector etc

- Disposal constructed shop/Flats
- Environmental Beautification

Functions and Powers of the Kohat Development Authorities:

- To provide infrastructural and civic facilities such as water supply draining waste management, roads, streetlights, parking and development of parks in the entire Kohat townships beside planning / zoning of unplanned area in to new resorts / township schemes.
- To levy and collect taxes.
- To sell, lease, exchange or dispose off any property vested in it.
- To exercise and control building regulation through BCA and building bye-laws.
- Tourism infrastructure development.
- To undertake any other functions which provincial government may assign to it.

Detail of audit planned formations expenditure and receipts

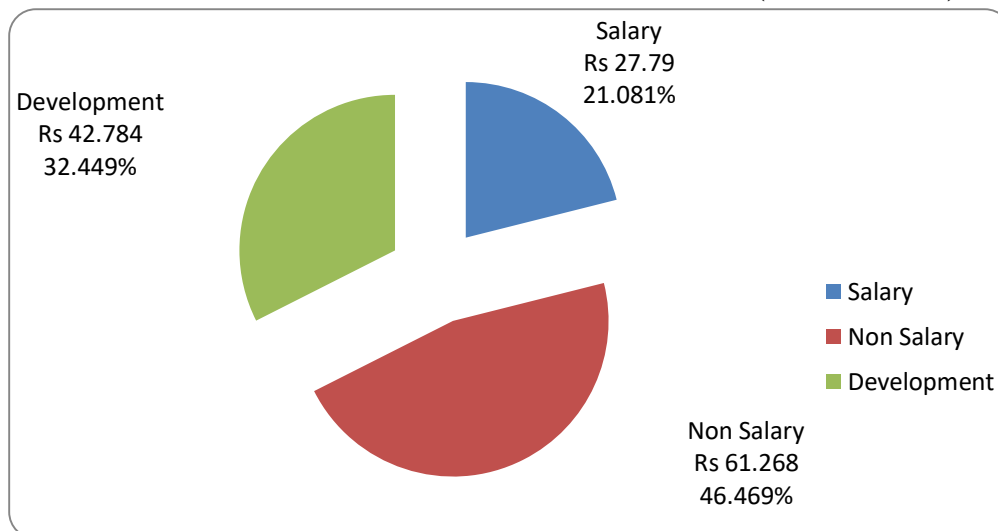
Sr No	Description	Total Nos	Audited	Expenditure audited FY 2018-19 (Rs. in million)	Revenue /Receipts audited FY 2018-19 (Rs.in million)
1	Authorities/Autonomous Bodies etc under the PAO	1	1	131.587	86.074

5.2 Comments on Budget and Accounts (Variance Analysis)

KDA				
2018-19	Budget	Actual Expenditure/Receipts	Excess/(Saving)	%age
Salary	27.795	27.795	0	0
Non salary	61.268	61.268	0	0
Development	42.784	42.784	0	0
Total	131.847	131.847	0	0
Receipts	86.074	86.074	0	0.00%

EXPENDITURE 2018-19

(Rs. in million)



5.3 Classified Summary of Audit Observations

Audit observations amounting to Rs. 125.871 million were raised in this audit report. This amount also includes recoverable of Rs. 26.671 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

S. No	Classification	Amount (Rs. in million)
1	Irregularities	
A	Procurement related irregularities	67.383
2	Value for money and service delivery issues	43.000
3	Others, including cases of accidents, negligence etc.	10.159
Total		120.542

5.4 Comments on the status of compliance with Public Accounts Committee Directives

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

Sr. No.	Audit Year	Public Accounts Committee 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

5.5 AUDIT PARAS

5.5.1 Irregularity/ Non Compliance

Procurement related irregularities

5.5.1.1 Irregular award of contracts without E-Tendering system- Rs. 10.983 million

According to Government of Khyber Pakhtunkhwa Local Government, Elections & Rural Dev. Department Notification No. AOI/LCB/Estt; 19.06.2019 “the Government of Khyber Pakhtunkhwa in Local Government and Rural Development intends to ensure maximum transparency in the process of E-Tendering system by introducing E-Bidding system and hereby directs that henceforth all the Local Councils in the Khyber Pakhtunkhwa shall offer their contracts through new E-Tendering system.

PD KDA, Kohat awarded contracts of estimated/ tender cost of Rs. 10,983,495 to various contractors for different works under District ADP for the year 2018-19 without adopting E-Bidding system to ensure maximum transparency. Following is the detail:

S. No.	Name of Scheme	Name of Contractor	Estimated Cost (Rs.)
1	Improv. & Reh. of football ground at Street # 8, Phase-I KDA Koahat	M/S Barkhi Const. Co.	1,181,000
2	(1) Const; of PCC road streets drain etc (2) Supply & fixing of Hand Pump at Dispensary (3) Const of Drain at Urban-III, Jangle Khel, Kohat	M/S TKS Govt. Contractor	2,915,000
3	(1) Const; of Dispensary street PCC road etc (2) Const; of street PCC roads etc at various Schools (3) Const; of streets near Mohalla Jalal-ud-Din Mansoor Khel	M/S TKS Govt. Contractor	3,536,362
4	Const; of street & drain at Mohalla Khumar Shah, Jungle Khel etc	M/S TKS Govt. Contractor	3,351,133
Total			10,983,495

E-Bidding system was not adopted due to weak administrative and internal control which may leads to un-economical expenditure.

When pointed out in August 2019, the management replied that detail reply will be furnished after consultation of relevant record.

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

Audit recommends that facts finding inquiry may be initiated for taking action against the person(s) at fault.

AIR Para No. 12 (2018-19)

5.5.1.2 Non-recovery of loss sustained by the authority Rs. 56.40 million

The Provincial Government vide letter No. AO-I/PUDB/4.18.06/851-57 dated 16-01-1997 imposed complete ban on exchange of plots in the respective areas of the Developmental Authorities circulated by PUDB among the Developmental Authorities

PD KDA Kohat during 2018-19 did not recover Rs. 56.40 million from the officers/officials who were found responsible for the loss caused by changing of location of residential plots from non-developed / low-priced locations to develop / high priced locations.

Non-recovery occurred due to weak administrative and internal control which resulted in loss to the authority.

When pointed out in August 2019, the management replied that the Ehtisab Commission KP has lodge FIR and Ehtisab Court also decided the case against the person involve i.e Attaullah Jan Ex-Housing Officer KDA Kohat. He has been fined for Rs. 50,00,000 with 3 years imprison. The Ehtisab court decision has been challenged by him in the High Court. The Fined recovered from Mr. Attaullah Jan during the court proceeding is lead to COC against this authority. So that action will be taken after decision of the Peshawar High Court Peshawar. More over the full package of Mr. Attaullah Jan ex-Housing Officer is also lying with this Authority.

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

Audit recommends recovery from the persons at fault.

AIR Para No. 2 (2018-19)

5.5.2 Value for money and service delivery issues

5.5.2.1 Non-utilization of fund-Rs. 32.00 million

Rule 75(4) of Khyber Pakhtunkhwa District Government Budget rules provides that it shall be ensured that the funds allotted to spending units are expended in the public interest and upon objects for which the money was provided.

PD KDA Kohat received an amount of Rs. 32,000,000 in three years i.e. 2016-17, 2017-18 and 2018-19 from provincial finance under Provincial ADP “Improvement of infrastructure in selected Development Authorities of KPK” which were not utilized.

Non utilization of development fund occurred due to negligence, weak financial control and ill planning and the general public were deprived from the benefit of the fund.

When pointed out in August 2019, the management stated that detail reply will be furnished after consultation of record.

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

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

AIR Para No. 13 (2018-19)

- 5.5.2.2**
- i. Non imposition of penalty-Rs1.00 million**
 - ii. Non completion of developmental scheme worth-Rs. 10.00 million within stipulated time period**

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

Clause 5 of contract agreement requires that if the contractor shall desire an extension of time for completion of work on the ground of his having been

unavoidably hindered in its executor or any other grounds, he shall apply in writing to the Divisional Officer within 30 days of the date of the hindrance on account of which the extension is desired. The Divisional Officer, if found it reasonable, may authorize extension of time in case it does not exceed one-tenth of the original time of the contract. Beyond this limit the extension not exceeding one-half of the original time will allowed with the approval of Superintending Engineer and if it exceeds one-half of the original time, the approval of the Chief Engineer will be required.

PD KDA, Kohat awarded a contract with estimated/ tender cost of Rs. 10.00 million to the contractor M/S Shabir Khattak for work “Improvement and Rehabilitation of Sewerage/ Drainage system in Phase-II KDA Kohat”. The following irregularities were noticed:

- i. The work was not completed within stipulated time period. Moreover no time extension was given because the work was sublet to another contractor in contrary to the rules mentioned above;
- ii. Due to delay in completion of work, penalty of Rs. 1.00 million @ of 10% was required to be recovered from the contractor which was not done.

The irregularity occurred due to weak internal control which resulted in non-utilization of funds and loss to the Authority.

When pointed out in August 2019, the management stated that detail reply will be furnished after consultation of record.

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

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

AIR Para No. 10 (2018-19)

5.5.3 Others, including cases of accidents, negligence etc.

5.5.3.1 Defective contract agreement Rs. 4.368 million

According to Khyber Pakhtunkhwa Local Government Budget Rules 75(9)(a), terms of contract must be precise, definite and there should be no room for ambiguity.

Project Direct KDA leased out four spaces to mobile phone companies for installation of (Base Transceiver Station) towers. However, dues of Rs. 4,368,019 on account of monthly rent were not recovered from tow companies. Moreover, there was no clause of penalty on the late deposit of dues. Detail is given below.

S#	Shop/Flat No.	Name of allottee	Reference	Period	Amount (Rs.)
1.	Warid Tower Sector 9, KDA Kohat	M/S Al-Warid Project Manager, Lahore	Personal Ledger Page No. 06	Up to 05/2019	2,292,082
2.	Telenor Tower Sector 9, KDA Kohat	M/S Telenor Mr. Taskeen Malik Peshawar	Personal Ledger Page No. 07	Upto 08/2019	2,075,937
Total					4,368,019

Defective contract was signed due to weak of administrative and internal control which resulted in loss to the authority.

When pointed out in August 2019, management replied that a sum of Rs. 717,422 have been recovered by the authority and effort continued for the recovery of balance amount, and it is hoped that the balance amount will be received soon and will be shown to audit.. Request for convening DAC meeting was made in August 2019, however meeting of DAC could not be convened till finalization of this report.

Audit recommends recovery of the amount from lessees and action against person(s) at fault besides redrafting of the contract agreement for inclusion of clauses to safeguard the interest of government.

AIR Para No. 7 (2018-19)

5.5.3.2 Non-recovery of monthly rent- Rs. 2.296 million

According to Khyber Pakhtunkhwa Local Government Budget Rules 69(1), the primary obligation of the Collecting Officers shall be to ensure that all revenue due is claimed, realized and credited immediately into the District Fund under the proper receipt head.

PD KDA, Kohat during the year 2018-19 failed to recover outstanding rent from allottees of various shops/flats amounting to Rs. 2,295,960 as evident from the personal ledger accounts maintained by the accounts section of the Authority. Relevant correspondence files were time and again requested for detail scrutiny but not produced to Audit. (Detail at Anex-11).

Non-recovery occurred due to weak of administrative and internal control which resulted in loss to the authority.

When pointed out in August 2019, the management replied that an amount of Rs. 1,974,530 has been recovered as mentioned against each of the attached list. A recovery cell is being established in this Authority to recover the remaining/balance amount from the lessee which can be shown to the audit shortly. Beside this, the flat No.8-C-1 Sector-10 (reference S.No15) of the annexure has been auctioned since long. So that outstanding amount for Rs.604,260 shown against the lessee is not justified. Reply is not tenable as not documentary proof in support of the reply was produced.

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

Audit recommends recovery of receipts besides conducting facts finding inquiry to take action against the person(s) at fault.

AIR Para No. 1 (2018-19)

5.5.3.3 Overpayment on account of HRA-Rs. 2.198 million

House Rent Allowance is admissible @ 30% of initial of respective basic pay scale for 2008 with 50% increase allowed w.e.f July 2018.

PD KDA Kohat during 2018-19 overpaid an amount Rs. 2,197,908 on account of HRA. The Authority paid HRA at a higher rate than the actual rate fixed by the Provincial Finance Department for the Government servants. Detail at annex 12.

Overpayment occurred due to weak administrative and internal control which resulted in loss to the authority.

When pointed out in August 2019, the management did not reply.

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

Audit recommends recovery from the persons at fault.

AIR Para No. 16 (2018-19)

5.5.3.4 Non-recovery of outstanding rent from the KDA Shopping Plaza-Rs. 1.297 million

According to Khyber Pakhtunkhwa Local Government Budget Rules 69(1), the primary obligation of the Collecting Officers shall be to ensure that all revenue due is claimed, realized and credited immediately into the District Fund under the proper receipt head.

PD KDA Kohat did not recover outstanding rent of Rs. 1.297 million from the lease holder of the commercial plaza at plot No. 1 Sector X, KDA Kohat. A plot measuring 2.4 kanal was initially allotted to the lessee for 33 years during December 2009 at monthly Rent of Rs. 25,000 P.M with the condition of 25% increase after three (03) year. It was further agreed upon that rent would be commenced after completion of building. The building plan was approved by the

BCA on 09-01-2010 and the lessee was given three years time to complete the building. Detail of outstanding rent is given below.

S.No.	Period of Rent	Monthly Rent	Total (Rs.)
1	January 2013 to December 2013	25,000	300,000
2	January 2014 to December 2014	25,000	300,000
3	January 2015 to December 2015	25,000	300,000
4	January 2016 to December 2016	31,250	375,000
5	January 2017 to December 2017	31,250	375,000
6	January 2018 to December 2018	31,250	375,000
7	January 2019 to June 2019	39,063	234,375
Total			2,259,375
8	Less total amount recovered upto June 2019		(962,500)
Total outstanding rent			1,296,875

Non-recovery occurred due to weak administrative and internal control which resulted in loss to the authority.

When pointed out in August 2019, the management replied that as per statement of the lessee that Plaza was completed on January 2016, so that the rent is due with effect from 01/2016, whereas this authority is demanding its claim with effect from January 2013. The lessee filed the case in the court of law which is under hearing, meanwhile he is paying the rent regularly basis with effect from 01/2016 to 08/2019 as per detail below.

S.No.	Period of Rent	Monthly Rent	Due	Paid (Rs.)
1	January 2013 to December 2013	25,000	300,000	-
2	January 2014 to December 2014	25,000	300,000	-
3	January 2015 to December 2015	25,000	300,000	-
4	January 2016 to December 2017	25,000	600,000	600,000
5	January 2018 to December 2018	25,000	300,000	300,000
6	January 2019 to August 2019	31,250	250,000	250,000
Total			20,50,000/-	11,50,000/-

The outstanding rent for the period 01/2013 to 12/2015 for Rs. 900,000 is depend upon the decision of the court as and when decided.

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

Audit recommends recovery of receipts besides conducting facts finding inquiry to take action against the person(s) at fault.

AIR Para No. 3 (2018-19)

ANNEXURES

Annexure -1

MFDAC

(Rs. in million)

S#	AIR No	Department	Gist of Para	Amount
1	9	DHO Kohat	Non-deduction of income tax on account of purchase of medicines	0.271
2	3	DEO (Male)	Wasteful expenditure under head Advertising Charges-Rs. 98,003	0.098
3	3	DEO (Female)	Irregular and un-authorized retention of fund- Rs. 0.900 million-Para-3	0.900
4	1	DC Office	Irregular and doubtful appointment of two patwaries	0
5	2	-do-	Irregular and doubtful promotion of Naib Qasids to Junior Clerks, Junior Clerks to Senior Clerks and Patwari to Kanungo	0
6	3	-do-	Non deduction of Conveyance allowance-Rs. 634,272	0.634
7	5	-do-	Non deduction of conveyance allowance during leave period-Rs. 105,209	0.105
8	8	-do-	Irregular release to C&W Department (AOM&R)-Rs. 7.00 million	7.000
9	11	-do-	Loss to government due to non-realization of Bachelor Hostel receipts	0.602
10	2	TMA Kohat	Irregular and doubtful appointment	-
11	4	-do-	Irregular and unauthorized payment to work charge employees	5.940
12	5	-do-	Irregular/doubtful payment of Pay & Allowances	8.795
13	6	-do-	Irregular and doubtful purchase of vehicle	5.750
14	9	-do-	Suspected misappropriation on account of Abaseen Plaza receipts	-
15	10	-do-	Non-recovery of advances paid to TMA Officials	1.548
16	11	-do-	Non-compliance with LGA 2013, Rules of Business 2015 & Budget Rules 2016	-
17	12	-do-	Irregular and doubtful release out of PLA fund	8.600

18	13	-do-	Irregular lump-sum transfer of funds	121.037
19	14	-do-	Irregular award of contract due non-transparent tendering of work	7.000
20	18	-do-	Non-imposition of penalty on account of delay in execution of work and no auctioning of shops	-
21	2	TMA Lachi	Unauthorized expenditure on items not provided in PC-I & BOQ	1.132
22	3	-do-	Irregular expenditure and loss to government	2.671
23	7	-do-	Unauthorized advance payment to TMA Officials	3.399
24	11	-do-	Unauthorized payment on account of salary and miscellanies expenditure out of ADP fund	40.120
25	12	-do-	Non-Payment of long outstanding liability of advertising charges	1.225
26	4	TMA Gumbat	Unauthorized payment of HBA and non-recovery of advance paid	0.250
27	5	-do-	Non-compliance with LGA 2013, Rules of Business 2015 & Budget Rules 2016	-
28	6	-do-	Irregular expenditure on account of cleanliness	0.760
29	7	-do-	Overpayment on account of honorarium	0.343
30	8	-do-	Overpayment on account of transfer grant	0.042
31	9	-do-	Irregular payment on account of rent of office building	0.240
32	10	-do-	Non-supply of furniture and non-imposition of penalty	0.197
33	11	-do-	Doubtful payment on account of daily wages staff	0.151
34	13	-do-	Irregular award of contract	0.800
35	14	-do-	Irregular award of contract	1.200
36	1	AD LGE&RDD	Non-transparent award of contract	3.000
37	4	-do-	Overpayment on account area factor cost	0.253
38	5	-do-	Irregular lump-sum transfer of funds	183.088
39	6	-do-	Irregular and doubtful appointment and promotion of staff	-
40	10	-do-	Irregular Expenditure on account of POL and repair of Vehicle	1.231
41	11	-do-	Non-deposit of DPR and Stamp duty	0.933
42	12	-do-	Irregular and doubtful developmental expenditure	59.465

43	13	-do-	Irregular and doubtful transfer of fund of VCs/NCs to designated bank account	12.995
44	15	-do-	Irregular and doubtful expenditure on account of DDAC office	-
45	16	-do-	Irregular and unauthorized award of marriage hall	-
46	4	KDA Kohat	Non recovery of rent from Canteen	0.522
47	5	-do-	Non Deposit of property Tax Government Treasury	0.389
48	6	-do-	Non-recovery of outstanding dues	0.204
49	8	-do-	Non auction of car park and entry fees of public Parks	-
50	9	-do-	Irregular investment of reserve balances	55.00
51	11	-do-	Non completion of developmental scheme	10.00
52	14	-do-	Loss to authority due to irregular expenditure on honoraria	0.708
53	15	-do-	Non recovery of advances paid to KDA employees	2.921

Annexure-2
2.5.1.1

Detail of overpayment of house rent and conveyance allowance

S#	Name of occupant	Accommodation	C A	HRA/ Room Rent	Total	Total Months	Total Recovery (Rs.)
1	Dr Mosab	BungalowRHCchorlaki	5,000	3,873	8,873	36	319,428
2	Dr Arshad Sohil	Banglow RHCChorlaki	5,000	3873	8,873	70	621,110
3	M Qasim Lab Tech	Quarter RHC Chorlaki	2,856	1,307	4,163	36	149,868
4	Sahib Noor Chowki	Quarter BHU Bazid k	0	972	972	24	23,328
5	Dr Sameen	Banglow RHC Usterzia	5,000	3873	8,873	24	212,952
6	Dr Baber Baloch	Banglow RHC Usterzia	5,000	3873	8,873	24	212,952
7	Dr. Yasir MO	Bungalow BHU Doli	5,000	3,873	8,873	24	212,952
8	Nadia Riaz LHV	Quarter BHU Khadarkhail	2,856	1,307	4,163	24	99,912
	Karim Khan MT	Quarter BHU Khadarkhail					0
9	Khalil ur Rahman	Quarter BHU Doli B	2,856	1,307	4,163	24	99,912
11	Dr. Syed Ghulam	Banglow RHC Gumbt	5,000	3,873	8,873	24	212,952
12	Dr javid	Type-D Lachi	5,000	3873	8,873	24	212,952
13	M. Javid MT	Quarter RHC Gumbat	2,856	1,307	4,163	24	99,912
14	Arsalan Pump Rep	Quarter RHC Gumbat	0	972	972	24	23,328
15	Nazrin Bibi Sweper	Quarter RHC Gumbat	0	972	972	24	23,328
16	Dr. M. Rafiq MO	Banglow BHU Parshai	5,000	3,873	8,873	24	212,952
17	Munawar Khan MT	Quarter BHU Parshai	2,856	1,307	4,163	48	199,824
18	Rozina Shahin LHV	Quarter BHU Parshai	2,856	1,307	4,163	48	199,824

19	Ghulam Hyder Cho	Quarter BHU Parshai	0	972	972	24	23,328
21	Muhammad subhan MT	Quarter BHU Tulanj	2,856	1,002	3,858	24	92,592
22	Dr Arif	CH shaker dara	5,000	3873	8,873	24	212,952
24	Barketullah	CH shaker dara	2,856	1307	4,163	24	99,912
25	Dr. Muhammad Zhid	Banglow RHC Bilitag	5,000	3,873	8,873	14	124,222
26	Dr. Tofail	Banglow RHC Bilitag	5,000	3,873	8,873	24	212,952
27	Dr. Basit	Banglow RHC Bilitag	5,000	3,873	8,873	24	212,952
28	M. Rafiq EPI Tech	Quarter RHC Bilitag	2,856	1,307	4,163	24	99,912
29	M. Iqbal Chowkidar	Quarter RHC Bilitag	0	972	972	24	23,328
30	Rukhsana Dai	Quarter RHC Bilitag	2,856	1,002	3,858	24	92,592
31	Akhtar Husain MT	Quarter RHC Khadr K	2,856	1,307	4,163	24	99,912
32	Rehmat Ullah Chow	Quarter RHC Khadr K	0	972	972	24	23,328
35	Dr. Sajida Afridi	Banglow BHU M. Zai	5,000	3,873	8,873	24	212,952
36	Golawat Khan Chow	Quarter BHU M. Zai	0	972	972	24	23,328
37	Ishrat Bano LHV	Quarter BHU M. Zai	2,856	1,307	4,163	24	99,912
38	Javid Iabal SMT	Quarter BHU Ziarat S	2,856	1,307	4,163	24	99,912
39	Dr. Naeem	Banglow CH Shakard	5,000	3,873	8,873	21	186,333
40	Dr. Habib	Banglow CH Shakard	5,000	3,873	8,873	24	212,952
41	Dr. Nazia	Banglow CH Shakard	5,000	3,873	8,873	24	212,952
42	Barkat Ullah Radiog	Quarter CH Shakardra	2,856	1,307	4,163	24	99,912
43	Riaz Ud Din Swepr	Quarter CH Shakardra	0	972	972	24	23,328
44	Dr. Waseem	Hostel Room CH Shak	5,000	1,000	6,000	12	72,000
45	Dr. Shahid	Hostel Room CH Shak	5,000	1,000	6,000	24	144,000
46	Mushtaq	Hostel Room CH Shak	0	1,000	1,000	24	24,000

	Chowkidar						
47	Shifat Gul EPI Tech	Hostel Room CH Shak	2,856	1,000	3,856	24	92,544
48	Dr. Fawad	Hostel Room CH Shak	5,000	1,000	6,000	12	72,000
49	Dr. Said Malook	Hostel Room CH Shak	5,000	1,000	6,000	12	72,000
50	Sohaib MT	Hostel Room CH Shak	2,856	1,000	3,856	24	92,544
51	Muzaffer MT	Hostel Room CH Shak	2,856	1,000	3,856	24	92,544
52	Munawar Shah Cho	Quarter BHU Showki	0	972	972	24	23,328
Total							6,312,009

Annexure-3

2.5.1.1

Detail of payment of HPA and CA during leave period

S#	Name	Name BHU/RHC	Months	HPA	CA	Total	Total Recovery (Rs.)
1	Dr Tanveer Abbas	CD Miramat khel	3	72,000	5,000	77,000	231,000
2	Dr Samina Zahir	RHC Gumbat	3	72,000	5,000	77,000	231,000
3	Dr Yawar Abbas	CD Kharmato	1	72,000	5,000	77,000	77,000
4	Dr Fahad Ajmal	Type D Lachi	2	72,000	5,000	77,000	154,000
5	Dr Shah Nawaz	Type D Lachi	0.5	72,000	5,000	77,000	38,500
6	Dr Hamid Ali Shah	CD jungle khel	0.5	72,000	5,000	77,000	38,500
7	Dr Shoaib	CH Shakardara	1.5	72,000	5,000	77,000	115,500
8	Dr M. Rafiq Afridi	BHU Parshai	1.5	72,000	5,000	77,000	115,500
9	Dr Fayyaz Muh	RHC biltong	0.5	72,000	5,000	77,000	38,500
10	Dr Nazia Zaman	CH Shakardara	0.5	72,000	5,000	77,000	38,500
11	Dr Saria Bibi	RHC Chorlaki	1	72,000	5,000	77,000	77,000
12	Dr Johar Azam	Police hospital	3	62,000	5,000	67,000	201,000
13	Dr. Sajida Afridi	BHU Muh; Zai	3.5	72,000	5,000	77,000	269,500
14	Dr. Farman Ullah	Type-D Lachi	1.5	72,000	5,000	77,000	115,500
15	Dr. Nazia Arif	CH Shakardara	0.5	72,000	5,000	77,000	38,500
16	Muhammad Riaz, PHC Technician	Police Hospital	2	10,000	2,856	12,856	25,712
17	Muhammad Adnan, EPI Tech	CD Chekar Kot	1	10,000	2,856	12,856	12,856
18	Faisal Anwar, M. Supervisor	Type-D Lachi	1.5	10,000	2,856	12,856	19,284
19	M. Tufail, EPI Tech	BHU Parshai	1	10,000	2,856	12,856	12,856
20	Saira Gul, LHV	BHU Nakband	0.5	10,000	2,856	12,856	6,428
21	Islam-ud-Din, EPI Tech;	BHU Suliman Talab	2	10,000	2,856	12,856	25,712
Total							1,882,348

Annesure-4**2.5.1.1****Statement showing detail of non-practicing allowance**

S#	Name of Doctor	NPA Per Month	Total NPA Outstanding (Rs.)
1	Samin Khan	3000x12	36,000
2	Fayyaz Mohammad	3000x12	36,000
3	Nasir Ghayas	3000x12	36,000
4	Samina Zahir	3000x10	30,000
5	Mohammad Masab	3000x12	36,000
6	Yasmin Sharif	3000x12	36,000
7	Saira Bibi	3000x12	36,000
8	Zafar Rashid	3000x4	12,000
9	Inamullah	3000x12	36,000
10	M. Babar Baloch	3000x12	36,000
11	M. Shoaib Khan	3000x12	36,000
12	Safdar Mohammad	3000x12	36,000
13	Malik Johar	3000x12	36,000
14	Nazia Zaman	3000x12	36,000
15	M. Arif Zaman	3000x12	36,000
16	Habibullah	3000x12	36,000
17	Syed Hamad Ali Shah	3000x12	36,000
18	Tanveer Abbas	3000x12	36,000
19	Yawar Abbas	3000x5	15,000
20	Shehzadi Nayab	3000x12	36,000
21	Khalid Khan	3000x12	36,000
22	Ahmed Dawar	3000x12	36,000
23	Sajida Afridi	3000x12	36,000
24	Noor Kamal	3000x12	36,000
25	M. rafique	3000x12	36,000
26	M. Omair	3000x12	36,000
27	Hassan Gul	3000x12	36,000
28	M. Yasir	3000x12	36,000
29	Irfanullah Khan	3000x12	36,000
30	Kamran Ilahi	3000x12	36,000
31	Imran Hameed	3000x12	36,000
32	Tariq Aziz	3000x12	36,000
33	Haroon Nasir	3000x12	36,000

34	Abdul Hameed	3000x12	36,000
35	Kifayatullah	3000x12	36,000
36	Fahad Ajmal	3000x12	36,000
37	Pio Rahman	3000x6	18,000
38	Hashmatullah	3000x12	36,000
39	Farmanullah Shah	3000x12	36,000
40	Muhammad Awais	3000x4	12,000
41	Muhammad Awais	3000x4	12,000
Total			1,359,000

Annexure-5

2.5.1.4

Detail of non deduction of HRA

Amount in Rs.

S#	Name of Officers /Officials & Designation	Department / Office	HRA per month	Total months	Total Recovery Outstanding (Rs.)
1	Riaz Aslam, Civil Judge kohat	Judiciary	3,873	3,873 x12	46,476
2	Mr. M. Gul Karim Afridi, Senior Govt: Pleader Kohat	Judiciary	3,873	3,873 x12	46,476
3	Muhammad Fayyaz, PS to Commissioner	Commissioner Kohat	2,727	2,727x12	32,724
4	Raja Muhammad Shoaib, Senior Civil Judge Kohat	Judiciary	3,873	3,873 x12	46,476
5	Ms. Sumbal Naseer, ADJ Kohat	Judiciary	3,873	3,873 x 01	3,873
6	Fahim Afzal, ADJ-V Kohat	Judiciary	3,873	3,873 x 12	46,476
7	Mst; Shazia Raza Khattak, Dy; Director Special Education	Special Education	3,873	3,873 x12	46,476
8	Nasir Hussain		2,727	2,727x12	32,724
9	Alamgir shah, Civil Judge	Judiciary	3,873	3,873 x 12	46,476
10	Abdul Rashid, DSP	Police Deptt;	3,873	3,873 x12	46,476
11	Mian Imtiaz Gul, SP FRP	Police Deptt;	3,873	3,873 x04	15,492
12	Jamil Akhtar, Addl; SP Kohat	Police Deptt;	3,873	3,873 x02	7,746
13	Murad Ali shah, Civil Judge	Judiciary	3,873	3,873 x 12	46,476
14	M. Umar Al Farooq Civil Judg	Judiciary	3,873	3,873 x 02	7,746
15	Muhammad Hussain, Asstt; Private Secretary IB office	IB Kohat	2,727	2,727x12	32,724
16	Rehmat Ullah, ADJ Kohat	Judiciary	3,873	3,873x12	46,476
17	Mr. Rasheed, DSP	Police Department	2,955	2,955 x 12	35,460
18	Mr. Payo Khan AC Lachi	DC Kohat	2,955	2,955 x 12	35,460
19	Mr. Tahir Ali AAC Revenue	DC Kohat	2,955	2,955 x 12	35,460
20	Mr. Jamil ASP	Police Department	3,873	3,873x12	46,476
21	Mr. Muhammad Hussain Steno B-15	IB Kohat	1,818	1,818 x 12	21,816
22	Mr. Sona Khan, DSP	Police	2,955	2,955 x 12	35,460
23	Mr. Imtiaz Gul SP FRP	Police	3,873	3,873x12	46,476
24	Mr. Mohammad Hayat, Civil Judge	Judiciary	3,873	3,873 x12	46,476

25	Sher Andal, Waiter Commissioner office	Commissioner Kohat	1,818	1,818x12	21,816
26	Sajjda Parveen, PTC Teacher	Education	1,818	1,818x12	21,816
27	Furqan Junior clerk	DC Office	1,235	1,235 x 36	44,460
28	Rehmat Ullah Wazir Civil Judge V	Judiciary	3,873	3,873 x12	46,476
29	Zakir Hussain, Supdt: DC	DC office	3,873	3,873 x12	46,476
30	Naeemullah, Reader to AC	---do---	1,818	1,818 x 12	21,816
31	Sher Nawab, Steno	---do---	1,818	1,818 x 12	21,816
32	Muhammad Pervez, Asstt:	---do---	1,818	1,818 x 12	21,816
33	Mohammad Din, S/Clerk	DHO	2,955	2,955 x 12	35,460
34	Asmatullah, J/Clerk	Commissioner	1,818	1,818 x 12	21,816
35	Waheed Ahmed, Comp/Oper:	DC	1,818	1,818 x 12	21,816
					1,179,981

Annexure-6

2.5.1.5

Detail of irregular and unauthorized expenditure

S. No.	DDO Code and Description	Object Head and Description	Amount of other Heads	Amount of Transportation	Total Amount (Rs.)
01	KT-6350 Type-D Hospital Lachi	A033- Utilities ch	322,343	0	
		A038- Transportation	0	193,782	
		A03901- Stationary	9,921	0	
		A03902- Printing	14,960	0	
		A03927- Medicines	1,887,326	0	
		A03942- Other Store	486,740	0	
		A04114- LPR	537,000	0	
		A013- Repair & Maint	55,750	0	
02	KT-6363- RHC Bilitang	A033- Utilities ch	31,460	0	
		A038- Transportation	0	74,343	
		A03901- Stationary	6,940	0	
		A03902- Printing	41,204	0	
		A03927- Medicines	670,706	0	
		A03942- Other Store	123,015	0	
		A04114- LPR	1,017,760	0	
		A013- Repair & Maint	59,750	0	
03	KT-6364- RHC Chorlaki	A033- Utilities ch	105,972	0	
		A038- Transportation	0	112,768	
		A03901- Stationary	6,369	0	
		A03902- Printing	41,500	0	
		A03927- Medicines	675,365	0	
		A03942- Other Store	112,080	0	
		A04114- LPR	0	0	
		A013- Repair & Maint	78,350	0	
04	KT-6365- RHC Gumbat	A033- Utilities ch	45,772	0	
		A038- Transportation	0	115,935	
		A03901- Stationary	7,000	0	

		A03902- Printing	41,358	0	
		A03927- Medicines	670,382	0	
		A03942- Other Store	109,302	0	
		A04114- LPR	0	0	
		A013- Repair & Maint	69,170	0	
05	KT-6366- RHC Usterzai	A033- Utilities ch	267,255	0	
		A038- Transportation	0	97,736	
		A03901- Stationary	6,916	0	
		A03902- Printing	41,404	0	
		A03927- Medicines	667,395	0	
		A03942- Other Store	19,980	0	
		A013- Repair & Maint	61,350	0	
06	KT-6368- MS Shakardara	A033- Utilities ch	26,811	0	
		A034- Rent Charges	200,582	0	
		A038- Transportation	0	39,540	
		A03927- Medicines	1,486,000	0	
06	KT-6370- MS Shakardara	A033- Utilities ch	25,339	0	
		A038- Transportation	0	222,242	
		A03901- Stationary	13,669	0	
		A03927- Medicines	2,298,891	0	
		A03942- Other Store	227,750	0	
07	KT-6371- BHUs Lachi and MS Type-D Hospital is its Disbursing Officer	A033- Utilities ch	16,675	0	
		A038- Transportation	0	106,967	
		A03901- Stationary	5,000	0	
		A03927- Medicines	2,345,776	0	
		A03942- Other Store	299,942	0	
08	KT-6372- CDs Lachi and MS Type-D Hospital is its Disbursing Officer	A033- Utilities ch	8,799	0	
		A038- Transportation	0	3,700	
		A03901- Stationary	1,360	0	
		A03927- Medicines	283,495	0	
		A03942- Other Store	79,935	0	
	Total		15,611,819	967,013	16,578,832

Annexure –7
2.5.1.8

Statement showing detail of expenditure on purchase of medicine

DDO Code	DDO Description	Gross amount (Rs.)
KT-6095	Other Hospital DHO Kohat	1,017,016
KT-6099	MCH DHO Kohat	502,500
KT-6355	CD DHO Kohat	1,091,120
KT-6354	Malaria Control DHO Kt	487,965
KT-6350	Type-D Hospital Lachi	1,887,326
KT-6356	BHU DHO Kohat	4,547,588
KT-6357	RHCs DHO Kohat	2,294,590
KT-6358	EPI DHO Kohat	155,281
KT-6363	RHC Bilitang	670,706
KT-6364	RHC Chorlaki	675,365
KT-6365	RHC Gumbat	670,382
KT-6366	RHC Usterzai	667,395
KT-6367	BHU Kohat	5,884,461
KT-6368	CH Shakardara	1,486,000
KT-6369	MCH DHO Kohat	160,428
KT-6370	CH Shakardara	2,298,891
KT-6371	BHU Lachi	2,345,776
KT-6372	CDs Lachi	283,495
Total		27,126,285

Annexure-8

2.5.1.15

Detail of non credit of bank profit, irregular and unnecessary retention in bank accounts

S. No	Account No	Purpose	Profit (Rs.)
01	0360001680	FR Compensation	78,133
02	3101385803	Miscellaneous and Polio	2,074,452
03	3101385812	OGDCL Fund	519,401
04	7068300016	Land Compensation	701,902
Total			3,373,888

Unnecessary retention

S. No	Account No	Purpose	Closing Balances (Rs.)
01	7068300016	Land Compensation	9,995,920
02	7068300022	Death Compensation FATA	4,880,956
03	3101385803	Miscellaneous and Polio	49,318,913
04	3101385812	OGDCL Fund	109,920,524
05	4101390887	PAC	15,373,172
06	4101407930	CSR Fund	70,776,563
Total			260,266,048

Annexure-9

3.5.3.1

Detail of outstanding rent of municipal shops

S#	Property	Total Units	Outstanding for the current year 2018-19 (Rs.)
1	Long lease	234	2,695,063
2	Shops/plots annual lease	224	4,270,300
3	Municipal Plaza	25	77,856
4	Municipal Office Shops	18	35,346
5	Ghalla Mandi Shops	08	112,179
6	RDD office market	18	57,626
7	TMA Shops	08	14,575
8	New Bus stand	58	13,552,053
9	Sheen Ghar Plaza	18	1,751,858
Total			22,566,856

Annexure – 10
3.5.3.5

Detail of non-recovery of new taxes

Nature of business			Numbers	Tax rate	Outstanding amount (Rs.)
Mobile towers	8	50,000	400,000	0	400,000
Private Schools	20	2,000	40,000	0	40,000
Service stations	13	5,000	65,000	0	65,000
Gas Agencies	2	3,000	6,000	0	6,000
Ice Factories	3	15,000	45,000	0	45,000
Concrete block	10	4,000	40,000	0	40,000
Bakeries	11	7,000	77,000	0	77,000
Kabab Shops	9	3,000	27,000	0	27,000
Cold Drinks Shops	15	2,000	30,000	0	30,000
Whole Sales Shops	12	5,000	60,000	0	60,000
General Stores	40	2,000	80,000	0	80,000
Hotels & Restaurants	15	10,000	150,000	0	150,000
Tea Hotels	10	25	25,000	0	25,000
Nan Shops	9	2,000	18,000	0	18,000
Vegetables Commission	5	15,000	75,000	0	75,000
Vegetables Shops	27	2,000	54,000	0	54,000
Shattering Stores	9	5,000	45,000	0	45,000
Tail	7	2,000	14,000	0	14,000
Medicos	29	2,000	58,000	0	58,000
X-Rays Clinic	3	3,500	1,0500	0	1,0500
Fruit Shops	8	2,000	16,000	0	16,000
Dry Fruit Shops	7	2,000	14,000	0	14,000
Hardware Shops	10	2,000	20,000	0	20,000
Pakora Shops	26	2,000	52,000	0	52,000
Automobile dealers	20	1,000	20,000	0	20,000
Computer centres	2	2,000	4,000	0	4,000
Flour machines	5	2,000	10,000	0	10,000
Sewing machines Shops	2	1,000	2,000	0	2,000
Flesher/ Qasab	15	2,000	30,000	0	30,000
Total amount of taxes not recovered					1,487,500

Annexure – 11
5.5.3.2

Detail of non-recovery of monthly rent

S#	Shop/Flat No.	Name of allottee	Reference	Period	Amount (Rs.)
3.	14 Sector II	Mir Haider	Personal Ledger Page No. 1	Up to 12/2018	204,492
4.	12 Sector II	Imtaiz Ahmed	Personal Ledger Page No. 2	Up to 12/2018	36,100
5.	01 Sector I	Abdur Rehman	Personal Ledger Page No. 3	Up to 12/2018	136,300
6.	01 Sector VI	Umar Farooq	Personal Ledger Page No. 10	Up to 12/2018	16,412
7.	01 sector A-2	Siraj ul Islam	Personal Ledger Page No. 11	Up to 12/2018	116,619
8.	02 sector A-2	Hafiz ullahjan s/o	Personal Ledger Page No. 12	Up to 12/2018	116,619
9.	05 sector A-2	Rehman Badshah	Personal Ledger Page No. 16	Up to 12/2018	148,365
10.	06 Sector A-2	Habib Nawaz	Personal Ledger Page No. 17	Up to 12/2018	133,713
11.	07 Sector A-2	Zahid Ali	Personal Ledger Page No. 15	Up to 12/2018	101,862
12.	02 Sector I	Khanzad Gul	Personal Ledger Page No. 36	Up to 06/2018	250,468
13.	Flat No. 1/A-2	Shad Muhammad	Personal Ledger Page No. 27	Up to 12/2018	93,750
14.	Flat No. 2/A-2	Mehboob Nawaz	Personal Ledger Page No. 28	Up to 12/2018	146,250
15.	Flat No. 3/A-2	Shoaib Nawaz	Personal Ledger Page No. 29	Up to 12/2018	102,500
16.	Flat No. 4/A-2	Arshid Hayat	Personal Ledger Page No. 30	Up to 12/2018	88,250
17.	Flat No. 8/C-1 Sector IX	Mst Zainab Rehman	Personal Ledger Page No. 08	Up to 06/2019	604,260
18.	Warid Tower Sector 9, KDA Kohat	M/S Al-Warid Project Manager, Lahore	Personal Ledger Page No. 06	Up to 05/2019	2,292,082
19.	Telenor Tower Sector 9, KDA Kohat	M/S Telenor Mr. Taskeen Malik Peshawar	Personal Ledger Page No. 07	Upto 08/2019	2,075,937
Total					2,295,960

Annexure – 12

5.5.3.3

Detail of overpayment on account of HRA

S#	P/Roll Ref:	Name of Officer	Designation	BPS	Rate of HAR Actually drawn	Rate Allowed	Overpayment for 12 Months (Rs.)
1	1	Mr. Sana Ullah	Project Director	19	21120	8856	147,168
2	2	Qazi Laque Ahmed	Director	19	24030	8856	182,088
3	3	FasihUllah	Deputy Director	18	18906	5810	157,152
4	10	Shakeel Ahmed	AO	18	15558	5810	116,976
5	4	Mirza Khan	Housing Officer	17	10461	4433	72336
6	5	Abdul Ghaffar	AD	17	9462	4433	60,348
7	6	Inayat Ullah	AD	17	8574	4433	49,692
8	7	Mohammad Iftikhar Shah	AD	17	8130	4433	44,364
9	8	Hidayatullah	Supdt	17	10794	4433	76,332
10	9	Qazi Burhanuddin		17	6354	4433	23,052
11	11	Muhammad Tariq	AD	17	4926	4433	5,916
12	12	Asghar Shah	AD	17	9462	4433	60,348
13	13	Wasid Jamil	Accounts Assistant	16	8148	2727	65,052
14	15	Farrukh Jamil	Assistant	16	8430	2727	68,436
15	22	Javed Khan Assistant	Assistant	16	7866	2727	61,668
16	23	Muhammad Umer	Computer Opp:	16	6738	2727	48,132
17	24	Mohammad Arsalan	Assistant	16	2799	2727	,864
18	40	Faheem Khan	C/Operator	16	3918	2727	14,292
19	16	Hafeez ul Rehan	S/Clerk	14	6144	2214	47,160
20	17	Asim Aziz	S/Clerk	14	4092	2214	22,536
21	37	Mohammad Rafique	S/Clerk	14	5784	2214	42,840

22	39	Fahimullah Shah	Sr/Clerk	14	4092	2214	22,536
23	18	Ashiq Mohammad	ADM	12	6519	1961	54,696
24	27	Fazle Karim	S/Engr	12	7635	1961	68,088
25	36	Fiaz Ahmad	Draftsman	12	7034	1961	60,876
26	38	Shams Ul Rehman		12	7635	1961	68,088
27	19	Imdad Shah	Serveyor	10	6429	1781	55,776
28	21	Saifoor Khan	Electrician	10	5337	1781	42,672
29	25	Aziz Ul Rehman	Lab Tech	10	4557	1781	33,312
30	28	Ramazan Ali Shah	RRD	7	4854	1589	39,180
31	29	Zaffar Abbas	Driver	7	3828	1589	26,868
32	14	Nasir Khan	N.Q	4	3876	1458	29,016
33	20	Shabir Shah Assist	Assist: Line Man	4	3792	1458	28,008
34	26	Naseer Khan	Chowkidar	4	3708	1458	27,000
35	30	Noor Muhammad	Mali	4	3792	1458	28,008
36	31	Khail Baz	Mali	4	3792	1458	28,008
37	32	Hashim Khan	Mali	4	3792	1458	28,008
38	33	Ameer Zaman	Mali	4	3708	1458	27,000
39	34	Muhammad Javed	Mali	4	3708	1458	27,000
40	35	Akber Ali	Mali	4	3792	1458	28,008
41	41	Gulawat Khan	Mali	4	3708	1458	27,000
42	42	Naseer Khan	Mali	4	3708	1458	27,000
43	43	Fazal Rahim	Mali	4	3792	1458	28,008
44	44	Dildar Khan	Mali	4	3708	1458	27,000
Total Overpayment							2,197,908