



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

AUDIT YEAR 2020-21

AUDITOR GENERAL OF PAKISTAN

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ABBREVIATIONS AND ACRONYMS

AD	Assistant Director
ADP	Annual Development Programme
AIR	Audit & Inspection Report
B&R Code	Building & Road Code
BHU	Basic Health Unit
CPWA Code	Central Public Works Account Code
CVT	Capital Value Tax
DAC	District Accounts Committee
DAC	Departmental Accounts Committee
DDO	Drawing and Disbursing Officer
DG	Director General
DHO	District Health Officer
DPR	Disable Person Rehabilitation
GBS	General Bus Stand
EPI	Expanded Programme of Immunization
EOL	Extra-ordinary leave
FD	Finance Department
FP	Family Planning
HRA	House Rent Allowance
HPA	Health Professional Allowance
KP PPRA	Khyber Pakhtunkhwa Public Procurement Regulatory Authority
LG & RDD	Local Government & Rural Development Department
VC	Village Councils
NC	Neighborhood Councils
PAO	Principal Accounting Officer
PAC	Public Accounts Committee
PFC	Provincial Finance Commission
PTC	Parents Teachers Council
POL	Petrol, Oil & Lubricants
RDA	Regional Directorate of Audit
TAC	Tehsil Accounts Committee

INTOSAI	International Organization of Supreme Audit Institutions
TMA	Tehsil Municipal Administration
THQ	Tehsil Head Quarter
SDA	Swabi Development Authority
CTR	Center Treasure Rules
DEO	District Education Officer
DWSS	Drinking Water Supply Schemes
WSS	Water Supply & Sanitation
XEN	Executive engineer

Preface

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

The report is based on audit of the accounts of offices of District Government, Tehsil Municipal Administrations, Assistant Director Local Government, Elections and Rural Development Department Village Councils and Neighborhood Councils and Development Authority, in District Swabi for the financial year 2019-20. The Director General of Audit, District Governments, Khyber Pakhtunkhwa conducted audit during 2020-21 on test check basis with a view to report significant findings to the relevant stakeholders. The main body of the audit report includes systemic issues and significant audit findings. Relatively less significant issues are listed in Annex-1 of the Audit Report. The audit observations listed in Annex-1 shall be pursued with the Principal Accounting Officers at the DAC level. In all cases where Principal Accounting Officers do not initiate appropriate action, the audit observations will be brought to the notice of appropriate forum through the next year's Audit Report.

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

Some of the observations included in this report were finalized in the light of written replies of the departments whereas in most of the cases the departments did not submit written replies till finalization of this report. DAC meeting were also not convened despite reminders.

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

Islamabad
Dated:

(Javaid Jehangir)
Auditor General of Pakistan

EXECUTIVE SUMMARY

The Directorate General Audit District Governments, Khyber Pakhtunkhwa carries out audit of Local Governments in 35 districts of Khyber Pakhtunkhwa. Regional Directorate of Audit (RDA) Mardan, on behalf of the DG Audit District Governments, Khyber Pakhtunkhwa carried out the audit of local Governments of three District Governments namely Mardan, Swabi, and Buner.

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

Local Governments of District Swabi consist of three tiers which perform their operations under Khyber Pakhtunkhwa Local Government Act, 2013 (amended in 2019). Financial provisions of the Act describe the Local Consolidated Fund and Public Account for which annual Budget Statement is approved by the respective councils in the form of budgetary grants. Top Tier, the District Government comprises one Principal Accounting Officer (PAO) i.e. Deputy Commissioner for the District Government, who is officer in charge (Administrator) of 10 devolved departments including AD Local Government Election & Rural Development Department. The second Tier, the Tehsil Municipal Administrations have one PAO i.e. Tehsil Municipal Officer, the (Administrator) for each administration. There are four Tehsils administrations in district Swabi. The third Tier, the village and neighborhood Councils have AD LGE & RDD as Principal Accounting Officer, (Administrator), for these councils. There are 160 VCs/NCs in district.

In addition district Swabi has one development authority i.e. Swabi Development Authority for which secretary LGE&RDD is the PAO.

a. Scope of Audit

This office is mandated to conduct audit of 177 formations working under 8 PAOs. Total expenditure and receipts¹ of these formations were Rs. 8,437.907 million and Rs. 599.592 million respectively for the financial year 2019-20.

Audit coverage relating to expenditure for the current audit year comprises 19 formations of 8 PAOs having a total expenditure of Rs. 1,691.084

¹ District Government has no receipt

million for the financial year 2019-20. In terms of percentage, the audit coverage for expenditure is 20.04 % of auditable expenditure.

Audit coverage relating to receipts for the current audit year comprises 19 formations of 5 PAOs (SDA and 3 TMAs) having a total receipt of Rs. 599.592 million for the financial year 2019-20. In terms of percentage, the audit coverage for receipts is 100 % of auditable receipts.

In addition to this compliance audit report, Directorate of District Audit conducted Financial Attest audits, Performance Audits and Special Studies for which reports are being published separately.

b. Recoveries at the Instance of Audit

As a result of audit, a recovery of Rs.138.574 million was pointed out in this report. No recovery against these figures was reported.

c. Audit Methodology

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

Audit procedures employed to obtain evidences were inspection, analytical procedures, observations and computation.

d. Audit Impact

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

Comments on Internal Control

Internal control is designed to address risk and to provide reasonable assurance that in pursuit of the entity's mission, its objectives are being achieved. Comments on five components of internal control are given below:

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

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

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

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

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

e. Key audit findings of the report

- i. Non compilation/Consolidation of Accounts of Local Governments- Rs.545.939 million²
- ii. Unauthorized payments to DDOs instead of crossed cheques to venders - Rs 99.865 million³
- iii. Unverified expenditure on account of pay and allowances –Rs 139.636 million⁴
- iv. HR/Employees related irregularities were noticed in 09 no of cases amounting to Rs 23.83 million⁵
- v. Procurement related irregularities were noticed in 03 no of cases amounting to Rs 5.118 million⁶
- vi. Value for money & Service delivery issues were noticed in 04 no of cases amounting to Rs 169.434 million⁷
- v. Others were noticed in 43 cases amounting to Rs. 1,141.477 million⁸.

² 1.2.1

³ 1.2.2

⁴ 1.2.3

⁵ 2.5.1.1 to 2.5.1.7, 3.5.1.1 and 5.5.1.1

⁶ 2.5.1.8 to 2.5.1.10

⁷ 2.5.2.1 to 2.5.2.3 and 4.5.1.1

⁸ 2.5.3.1 to 2.5.3.10, 3.5.2.1 to 3.5.2.21, 4.5.2.1 to 4.5.2.4 and 5.5.2.1 to 5.5.2.8

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

f. Recommendations

- i. TMA accounts needs to be consolidated at DAO level.
- ii. Disciplinary actions need to be taken to stop the practice of violation of the rules and regulations in spending the public money.
- iii. Strenuous efforts need to be made by the departments to recover long outstanding dues on account of water charges.
- iv. Departments need to strengthen internal controls such as financial, managerial, operational, administrative and accounting etc. Controls to ensure that lapses of the kind reported in this audit report are pre-empted and fair value for money is obtained from public spending.

CHAPTER-1

PUBLIC FINANCIAL MANAGEMENT

1.1 SECTORIAL ANALYSIS

INTRODUCTION

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

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

In District Swabi, Funds amounting to Rs. 11,148.12 million were allocated to 177 formations working under 08 PAOs. Out of which, expenditure of 8,934.122 million was made resulting into saving of Rs.2,213.998 million. Receipts of Rs.631.981 million were collected through these formations during the financial year 2019-20. Audit coverage relating to expenditure for the current audit year comprises 19 formations of 08 PAOs having a total expenditure of Rs.1808.554 million for the financial year 2019-20. In terms of percentage, the audit coverage for expenditure is 20.24% of auditable expenditure. Similarly, audit coverage for receipts is 100%.

According to Section 36(3) of Local Government Act 2013, the District Accounts Officer was required to consolidate accounts of Local Government on quarterly and annual basis. However, District Accounts Officer, Swabi did not reflect Rs. 545.939 million into the consolidated financial statement of Local Government, Swabi.

District Government, Swabi 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 the District Government of Swabi 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, the Finance Department, Khyber Pakhtunkhwa could not provide District Account Office, Swabi 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 the District Government was yet another area it could not address as required under section 38 of the LGA, 2013.

The Local government provided services in the following sectors.

Education

The education sector is one of the major sectors devolved at district level. Statistics show that there are 1,010 primary, 133 middle, 130 secondary and 35 higher secondary schools in District Swabi. The estimated Teacher Student Ratio is 1:3 at primary, 1:23 at middle, 1:41 at secondary and 1:40 at the level of higher secondary schools. District Swabi literacy rate is 70% the Gross Enrollment Rate (GER) is 67%, and the Net Enrollment Rate (NER) is 90% at the primary level.

On budgetary front, District Education office, Swabi succeeded in spending 85% of District ADP and 90% of non-salary budgets.

District Education Offices in Swabi were given target of enrolment of 20,538 children for current year against which 3,540 kids were enrolled; wherein, DEO (male) and DEO (female) enrolled 1,860 and 1,680 children respectively. Similarly, annual average of teacher's attendance rate and student attendance rate as per independent Monitoring Unit (IMU) data were approximately 90% & 92% respectively. Furthermore, 83% schools in district Swabi 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 only 44% against the assigned targets.

Health

Health is another important sector of District Swabi with a total of 57 health facilities spread across the district, among which 17 are urban while the rest are rural based. Their further break-up is 9 BHUs, 07 CDs, 06 Hospitals and 04 RHC with the total catchment area population of approximately 1,625,000 as per survey carried out by Health department in 2016.

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, 17,866 babies were born with 10,000 and 7,866 in primary and secondary health facilities respectively. Out of them, 132 infant and 22 maternal deaths were recorded. Lab investigations and diagnostic facilities were also fully utilized as 478,057 lab tests, 76,127 X-rays, 73,268 ultrasounds, 411 CT scans and 88,952 ECGs were done in both primary and secondary health facilities in district Swabi. Figures of immunization from EPI register were also very impressive as 65,963 pregnant women received TT-2 vaccines, 45,468 kids under 12 months received full immunization, 23,341 children under 12 months received 1st measles vaccines and 42,127 kids under 12 received 3rd pentavalent vaccine. 23,330 families were provided family planning services as evident from FP register. Human resource data from facility records

revealed that these health facilities were amply provided with medical officers and paramedics as only very few positions were found vacant. As these facilities were frequently visited by patients so they also generated good revenue from OPD services, indoor patients' treatment and other lab investigations etc.

Social Welfare

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

There is one Welfare Home for orphans/ beggars in district Swabi with the objective to rehabilitate them by imparting vocational training. Rehabilitation center for drug addicts has 20 beds and it had treated 15 patients during the year. Furthermore, various vocational and industrial trainings were provided by the Social Welfare Department. However, keeping in view the spread of drug use and incidence of poverty, 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 Municipal Administrations, District Swabi did not fulfill some primary requirements envisioned as integral component of Local Government in the Khyber Pakhtunkhwa Local Government Act, 2013. The Local Government could not establish & maintain Tehsil Public Fund Account as required under the section 30 of LGA. Similarly, Tehsil Account Officers were not appointed in TMAs. The accounts of receipt and expenditure were also not maintained in such form as prescribed by Auditor General of Pakistan and required under section 36 of LGA. Financial Statements, Finance Account and Appropriation Accounts of the TMAs were not prepared accordingly. Most importantly, Finance Department, Khyber Pakhtunkhwa could not provide District Account Office, Swabi with prescribed format and necessary trainings to compile the accounts of TMAs and then reflect the same in the consolidated financial statement of the district, which resulted in disclaimer of its accounts by the Auditor General of Pakistan. Moreover, Internal Audit function could not be established as provided in sub section 4 of section 37 of LGA 2013, as internal auditors were not posted

in the TMAs to support the Council. In addition, Asset management by tehsil councils was yet another area it could not address as required under section 38 of the LGA 2013.

1.2 AUDIT PARAS

1.2.1 Non compilation/Consolidation of Accounts of Local Governments- Rs. 545.939 million

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

During certification audit of the accounts of the DAO Swabi for the financial year 2019-20, audit observed incompleteness and incorrect presentation of the financial statements as the DAO failed to consolidate into the quarterly and annual accounts of the district, the government and local resources, as required under section-36(3) of the Local Government Act, 2013. Receipts and expenditure of Rs. 545.939 million and Rs.466.222 million respectively, of the TMAs are not reflected in accounts.

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

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

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

Para stands till correction of these omissions.

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

1.2.2 Unauthorized payments to DDOs instead of crossed cheques to vendors - Rs 99.865 million

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

District Accounts Officer Swabi, paid Rs 99,865,372 to various DDOs instead of issuance crossed cheques to Vender/Payees Accounts which was unauthorized

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

The matter should be investigated and regularized by insuring payment to the supplier/vendor instead of DDO as per APPM.

1.2.3 Unverified expenditure on account of pay and allowances –Rs 139.636 million

According to Para 17 of GFR volume-1, all auditable record must be produce to audit for verification.

According to Para 4.6.12.5 of APPM, any change in employee's allowances or deductions shall be immediately notified by the DDO to the Payroll Section of the relevant office of the DAO/AG/AGPR and be applicable from the date indicated in the notification.

During analysis of HR data for financial year 2019-20, it was noticed that DAO Swabi paid Rs 139,636,340 on account of adjustments/ arrear of pay and allowances of various employees of various Cost Centers of the District Government Swabi. However, no record like sources duly verified by concerned

DDOs, documents showing claims of government employees to arrears of pay or allowances and relevant sanction of the competent authority were available/produced for verification. In absence of these documents, the payment of arrears claims of pay & allowances remained unverified which needs inquiry in the matter.

Due to non-availability of adjustments record, expenditure remained unverified.

Payment of employees must be verified through conducting inquiry and detail audit.

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 and Cooperative Society & Social Welfare.

According to section 13 of the Khyber Pakhtunkhwa Local Government Act 2013 (amended in 2019). The authority and responsibilities of the District Government have been given as under:

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

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

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

Detail of Audit Planned formations expenditure and receipts

S. No.	Description	Total No.	Audited	Expenditure audited FY 2019-20 (Rs. in million)	Revenue /Receipts audited FY 2019-20 (Rs. in million)
1.	Formations	10	4	1565.495	Nil

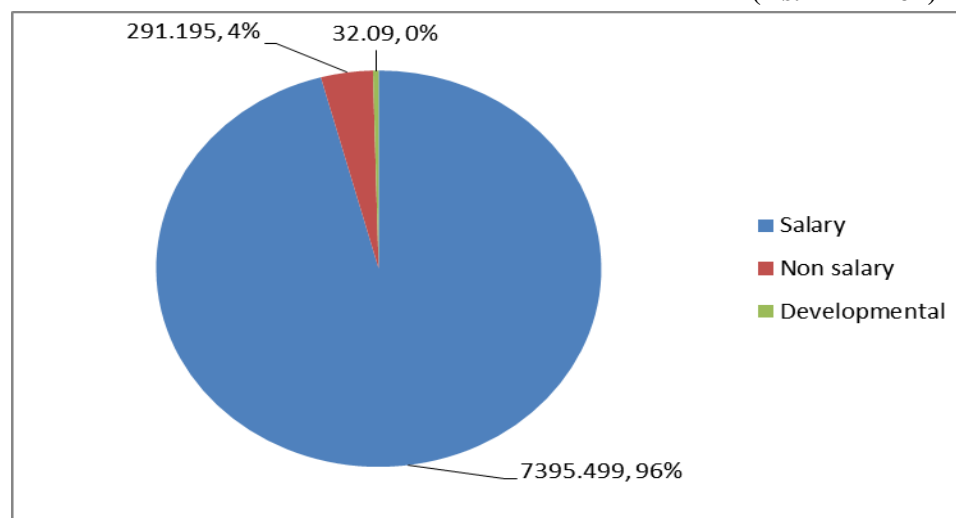
2.2 Comments on Budget and Accounts (Variance Analysis)

(Rs. in million)

2019-20	Budget	Actual Expenditure	(Saving)/Excess	%age
Salary	7,505.194	7395.499	109.695	1.4
Non-salary	549.278	291.195	258.82	46.8
Developmental (A/C-IV)	1177.65	32.09	1145.56	97
Total	9,232.122	7718.784	1513.338	16.3

EXPENDITURE 2019-20

(Rs. in million)



The savings of Rs. 1513.33 million indicate inefficiency in the capacity of Local Government Departments to utilize the amount allocated

2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs. 329.192 million were raised in this audit report. This amount also includes recoverable of Rs. 93.39 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rs. in million)

Sr. No.	Classification	Amount (Rs.)
1.	Irregularities relating to:	-
A.	HR/Employees related irregularities	20.022
B.	Procurement related irregularities	5.118
2.	Value for money and service delivery issues	158.584
3.	Others, including cases of accidents, negligence etc.	145.468
Total		329.192

2.4 Comments on the status of compliance with District Accounts Committee Directives

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

Sr. No.	Audit Year	DAC meeting
1.	2002-03	Not Convened
2.	2003-04	Not Convened
3.	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.	2014-15	Not Convened
14.	2015-16	Not Convened
15.	2016-17	Not Convened
16.	2017-18	Not Convened
17.	2018-19	Not Convened
18.	2019-20	Not Convened

2.5 AUDIT PARAS

2.5.1 Irregularities

A. HR/Employees related irregularities

2.5.1.1 Overpayment on account of Health Professional Allowance – Rs.1.34 million

According to Government of KPK, Finance Department (Regulation Wing) Notification No FD(SOSR-II) 8-18/2016 dated 07-01-2016, the rate of Health Professional Allowance for Medical Officer/ Dental Surgeon in District Swabi has been fixed as Rs 62,000 & Rs 72,000 for Urban & Rural area respectively w.e.f 01.01.2016.

District Health Officer, Swabi during financial year 2019-20, overpaid Rs1,340,000 to doctors on account of HPA performing duty in THQ Lahor (Urban Area). Despite the fact that THQ is located in urban area, the doctors were allowed HPA at rural rate of Rs 72,000 per month instead of urban rate at Rs 62,000 month. Detail is given at annexure-02

Irregularity occurred due to weak internal controls which resulted in loss to government.

When pointed out in July 2020, management stated that relevant record will be examined and clarification will be taken from the LGE&RDD Swabi regarding the matter. Recovery if any will be made from the concerned and progress will be shown to audit. Reply is not convincing as no progress was shown till finalization of this report.

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

Audit recommends recovery of the amount under observation and stoppage of further overpayment besides action against the person(s) at fault under intimation to audit.

AIR Para N0.11 2019-20

2.5.1.2 Overpayment on account of Health Professional Allowance during leave –Rs.1.781 million

According to Government of Khyber Pakhtunkhwa Finance department letter No.FD(SOSR-II) 8-18/2016 dated 07/01/2016, Health Practicing allowance will not be admissible during earned leave, study leave, and EOL except casual leave.

Accountant General Khyber Pakhtunkhwa letter No. Computer/HR-LAB/C/203 dated 04-08-2011 Para-iv states that Conveyance Allowance is not admissible to Government servants during leave period.

District Health Officer Swabi during financial year 2019-20 paid Rs1,781,165 on account of Health Professional and Conveyance Allowance to Doctors/ other staff who proceeded on Earned Leave which were not admissible to them under the above rules. Detail is given at annexeure-03

Irregularity occurred due to weak internal and administrative controls, which caused loss to exchequer

When pointed out in July 2020, management stated that relevant record will be examined recovery if any will be made from the concerned and progress will be shown to audit. Reply is not convincing as no progress was shown till finalization of this report.

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

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

AIR Para No.14 2019-20

2.5.1.3 Overpayment on account House Rent Allowance & Conveyance Allowance –Rs.1.409 million

According to rule 24(1) of Government of Khyber Pakhtunkhwa Administration Department notification No.EO(Admn) 34-M dated 07.01.2015, the allottee of the government accommodation shall not be allowed House Rent and Conveyance Allowances.

DHO Swabi during financial year 2019-20, allotted designated bungalows & quarters in various health facilities to various officers/ officials. However, house rent & conveyance Allowances were not deducted from the officers/officials concerned, which caused loss to government Rs 1,408,919. Detail is given at annexure-04.

Irregularity occurred due to weak internal and administrative controls, which caused loss to exchequer.

When pointed out in July 2020, management stated that relevant record will be examined recovery if any will be made from the concerned and progress will be shown to audit. Reply is not convincing as no progress was shown till finalization of this report.

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

Audit recommends recovery of overpayment from the concerned officers/officials.

AIR Para No.17 2019-20

2.5.1.4 Irregular payment of Health Professional Allowance to Doctors-Rs.1.488 million

According to Government of Khyber Pakhtunkhwa Finance Department letter No.FD (SOSR-II) 8-18/2016 dated 07/01/2016, Monthly Health Practicing Allowance for Doctors will not be admissible during training or deputed outside Health department.

District Health Officer Swabi during financial year 2019-20 paid Rs1,488,000 on account of Health Professional Allowance to Doctors on deputation to PDSRU and FELTP training Programme. Furthermore, the said doctors were drawing salaries from Hospitals in Swabi but working in world health organization affiliated programs. Detailed below:

S.No	Name	Current posting	Drawing salary	HPA (Rs)
1	Dr. Omer Sharif khan	FELTP Training	THQ Lahore	744,000
2	Dr. Mumtaz Ahmad	Deputation PDSRU	DHO Swabi	744,000
Total				1488,000

Irregularity occurred due to weak internal controls, which resulted in loss to government.

When pointed out in July 2020, management stated that relevant record will be examined recovery if any will be made from the concerned and progress will be shown to audit. Reply is not convincing as no progress was shown till finalization of this report.

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

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

AIR Para No.16(2019-20)

2.5.1.5 Unauthorized payment of HPA- Rs. 1.332 million

According to condition No.V of Government of Khyber Pakhtunkhwa Finance Department (regulation wing notification No.FD(SOSR-II)8-18/2016 health professional allowance shall not be admissible to the employees posted/deputed outside the Health Department.

District Officer Social Welfare Swabi during financial year 2019-20 paid Rs 1,332,866 on account of HPA to a Doctor during his period of posting at social welfare department on deputation. The payment of HPA is unauthorized as it is only admissible to Doctors posted in Health Department.

Irregularity occurred due to weak financial control, which resulted in loss to the government.

When pointed out, management stated that reply will be submitted in due course of time by consulting the administrative department and the Doctor concerned. However no reply was furnished till issuance of this report.

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

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

AIR Para No.01 (2019-20)

2.5.1.6 Non recovery of pay and allowances and allied benefits due to fake appointments –Rs.10.834 million

According to Directorate of Elementary & Secondary Education Khyber Pakhtunkhwa Peshawar Notification Endst: No.4061-70 dated 09.12.2019, appointment order vide No. 2816-23/FNO.2/A-14/SST(F)Gen/PSC/APPTT dated 25.06.2012 was declared as fake/bogus after a detailed inquiry.

During audit of the establishment record of the office of DEO (Female) Swabi for the financial year 2019-20 it was noticed that appointment orders of three teachers BPS-16 and one ASDEO (Female) BPS 16 was declared as bogus/fake by the Directorate of Elementary & Secondary Education Khyber Pakhtunkhwa during the month of December 2019. Payments of Rs10,834,000 approximately on account of pay & allowances were made for the periods mentioned against each were made which need to be recovered. Exact recoverable amount of pay and allowances plus other allied benefits be calculated and recovered accordingly. Moreover, relevant files of similar cases in respect of Mst. Sumaira SST (General) GGHS Tano and Mst. Saira SST (General) GGHS Parmolai were not provided which also need to be provided to audit. Detail is given at annexure-05.

Irregularity occurred due to weak internal and administrative controls, which caused loss to exchequer.

When pointed out in December 2020, management stated that detailed reply would be give after scrutiny of record. Reply was not convincing as the irregularity was taken on the basis of record of the office in which no further verification was required.

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

Audit recommends recovery of pay and allowances and other allied benefits and deposit into Government treasury besides other required legal actions against the concerned fake teacher.

AIR Para No.12 2019-20

2.5.1.7 Unjustified and inadmissible grant of frequent & unauthentic leaves and inadmissible payment of leave salaries of four years– Rs.1.838 million and non-deduction of income tax from the manual bills of leave salaries- Rs.120,795

According to Rule 15 (4) of the Leave Rules 1981, Ex- Pakistan leave pay shall be payable for the actual period of leave spent abroad subject to a maximum of one hundred and twenty days at a time.

According to Fundamental Rule-84 & Appendix No. 9 to F.R. & S.R. Vol. I, sub rule 7, Study leave should not ordinarily be granted to Government servants of less than five years' service or to Government servants within three years of the date at which they have the option of retiring, or, if they have the option of retiring after 25 years 'service, within three years of the date at which they will complete 25 years 'service. Nor should it be granted to Government servants who are about to retire on proportionate pension.

According to sub rule 9 of the Appendix *ibid*, the study leave should be granted with due regard to the exigencies of the public service. In no case should the grant of this leave, in combination with leave other than extraordinary leave or leave on medical certificate, involve absence of a Government servant for more than forty-eight months from regular duties, nor should it be granted with such frequency as to remove him from contact with his regular work or to cause cadre difficulties owing to his absence on leave. The study leave if taken on different occasions, shall not exceed forty-eight months in entire service of a Government servant.

During audit of the establishment record of the office of DEO (Female) Swabi for the financial year 2019-20 it was noticed that Mst. Shafqat Rahman was appointed as District Education Officer (Female) Swabi and took over the charge of the post on 31st May 2011. Just about one year after her appointment, she is living abroad since 9 years by availing numerous leaves with effect from 10th May 2012 till 5th April 2021 for which she is not only entitled but has no justification of holding a sanctioned post without duty. Detail of leave is as under:

S.No	Period of leave			Nature of leave/absence or duty	Remarks
	From	To	Years/Days		
01	10.05.2012	09.05.2016	4 years	Study leave on half pay- University of Melbourne (Australia)	Sanctioned and leave salary drawn.
02	10.05.2016	09.05.2017	1 year	Leave without pay- Ex-Pakistan	Sanctioned.
03	10.05.2017	09.05.2020	3 years	Leave without pay- Ex-Pakistan	Applied for but not sanctioned.
04	10.05.2017	14.10.2018	1 year & 5 months	Missing period	Unauthorized absence. Leave not sanctioned.
05	10.05.2018	14.10.2018	5 months	Duty period	Adjusted as Principal BS-18 at GGHSS Kalabat
06	15.10.2018	05.04.2021	2 years and 6 months	Ex- Pakistan leave on half pay	Sanctioned and leave salary not yet drawn.

Audit held that:

1. As the officer has completed just about one year service in the same cadre, therefore, study leave of 4 years was not admissible and the leave salary of Rs 1,838,653 drawn during the said period needs recovery.
2. Leave salary payments were made through manual bills and income tax of Rs 120,795 was not made which resulted in loss to the Government.
3. Admissibility of the overall consecutive leaves of about 9 years and six months with a gap of duty of only 5 months is unjustified. The authenticity of leaves and duty record needs to be verified/inquired in detail.
4. Responsibility of unauthorized absence period of 1 year & 5 months with effect from 10th May 2017 to 9th May 2018 needs to be fixed.
5. Recovery of leave salary of 2 years and 6 months with effect from 5th October 2018 to 5th April 2021, if made, needs to be made as the officer had no leave at credit and the leave was not admissible at all. The leave salary, if not yet paid, should not be honored to avoid the Government from sustaining further loss.

Unjustified and inadmissible leave sanctioned/availed and inadmissible payments were made due to violation of rules which resulted in loss to the Government.

When pointed out in December, 2020, management stated that detailed reply would be give after scrutiny of record. Reply was not convincing as the irregularity was taken on the basis of record of the office in which no further verification was required.

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

Audit recommends detailed joint inquiry in the matter for fixing responsibility on the person (s) at fault.

AIR Para No.12 (2019-20)

B. Procurement related irregularities

2.5.1.8 Non supply of furniture-Rs.1.959 million

According to Elementary & Secondary Education Department letter No. CPO/SPO-II/PO/E&SE/3-1/Release/2019-20/Audit Copy dated 10.02.2020, the purchase of furniture shall be made during financial year 2019-20.

Rule-3 Appendix 9 (part-I) of GFR Vol.-I states that all articles purchased shall be subjected to inspection before acceptance and shall conform to specification.

District Education Officer (Male) Swabi purchased furniture under different ADPs for Rs 1,959,000 from Pak German Wood Working Centre, Small Industries Estate Kohat Road Peshawar during financial year 2019-20. The furniture was required to be supplied till 30.06.2020 which was not done till the date of audit i.e. December, 2020.

Irregularity occurred due to weak internal controls which resulted in depriving the students of the furniture facility.

When pointed out in December 2020, management stated that 100% supply was completed by the firm and acknowledgement receipts of the supply by the schools attached. Reply was not tenable as neither inspection report of the District Purchase Committee nor local purchase committee in respect of supply was produced.

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

Audit recommends that the furniture should be supplied without further delay besides imposing penalty for late supply.

AIR Para No.08 (2019-20)

2.5.1.9 Irregular purchase of furniture and advance payment-Rs.1.959 million

According to Elementary and Secondary Education Department of KP letter No. CPO/PO-II/E&SE/1-1/ADP/Furniture Project/2017-18 dated 06.10.2017, the procurement will be done by the District Purchase Committee as per their TORs, headed by the Deputy Commissioner of their respective districts, in light of the judgment of Peshawar High Court in writ petition No. 4091-P/2016 dated 07.12.2016.

District Education Officer (Male) Swabi purchased furniture under different ADPs for Rs 1,959,000 from Pak German Wood Working Centre, Small industries Estate Kohat Road Peshawar during financial year 2019-20. The procurement was required to be done by the District Purchase Committee notified by the Provincial Government as mentioned in the above criteria which was not done. In addition to the above, the following irregularities were also observed in the procurement process.

1. All the payment was made to the supplier in advance.
2. No agreement was executed with the supplier in respect of the supply of furniture.
3. No proper supply orders were issued to the suppliers

Irregularity occurred due to lack of internal control which resulted in violation of procurement policy.

When pointed out in December 2020, management stated that due to Covid-19 the tender notice was not uploaded and the supply order was placed to SIDB and the higher ups were asked for utilization of the budget in time. The SIDB is approved firm. Reply was irrelevant as audit objected the purchase without involving the District Purchase Committee and making of advance payment.

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

Audit recommends investigation in the matter and fixing of responsibility on the person(s) at fault.

AIR Para No.09 (2019-20)

2.5.1.10 Irregular purchase of equipment of play area –Rs.1.200 million

According to Financial Procedure for PTC issued by Finance Department, ASDEO circle will collect and submit quarterly report of all primary schools in the circle to SDEO while DDEO concerned will collect monthly report from middle, high and higher secondary schools and submit to DEO.

According to rule 14(1) of KPPRA 2018, the procuring entity shall use open competitive bidding as the principal method of procurement for the procurement of goods over the value of Rs. 100,000/ rupees one hundred thousand.

DEO Male Swabi transferred Rs 1,200,000 to PTCs of schools for purchase of different items for establishment of play area in 10 primary schools during financial year 2019-20. The purchase was required to be made through competitive bidding but as revealed from the schools' record the purchases were made through single quotation by schools ignoring the KPPPRA Rules. Furthermore, the following irregularities were also observed.

1. In some cases lump sum amount was mentioned in the invoices giving no separate item rate.
2. The ADP was meant for purchase of 4 specified items i.e See Saw, Monkey Bar, Swing and climber but in some case items were purchased other than the specified .

District Education Officer was required to monitor the expenditure made by the PTCs and make sure the fulfillment of codal formalities in incurrence of expenditure by PTCs.

When pointed out in December 2020, management stated that reply would be given after verification of record. Reply was not tenable as no reply was furnished till finalization of this report.

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

Audit recommends fixing of responsibility and action against the persons at fault.

AIR Para No. 11 (2019-20)

2.5.2 Value for money and service delivery issues

2.5.2.1 Non disbursement of Land compensation to the owners – Rs. 122.070 million

According to Land Acquisition Act 1894 Para 11.B the whole process of land acquisition should be completed within six months by the collector otherwise, he will be personally responsible for delay may result in disciplinary proceeding against him/her.

Deputy Commissioner Swabi received a sum of Rs 287,032,575 on account of compensation for acquisition of land for further disbursement to the landowners. Deputy Commissioner failed within six months to disburse the amount of Rs 122,070,020 which remained undisbursed till date of Audit i.e. July 2020, which requires immediate disbursement and completion of process. Detail is given below:

S.No	Award	Date of award	Cost of land (Rs)	Undisbursed (Rs)
1	Const. of Bada Dam Project/Dam embankment etc	11/03/2019	71,075,554	40,395,837
2	Est. of Gajju Khan Medical College Swabi	19/08/2019	149,477,672	36,822,516
3	Tourists recreation Park at village Hund, Swabi	31/03/2016	47,845,980	44,024,869
4	Const. of Hund Park Road	17/03/2016	18,633,369	826,798
Total			287,032,575	122,070,020

Irregularity occurred due to weak internal controls, which caused in illegal retention of money.

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

Audit recommends disbursement of amount to the land owners and justification for delay.

AIR Para No.23 (2019-20)

**2.5.2.2 Loss to Government due to compulsory acquisition charges –
Rs.33.170 million**

According to Section 23(2) of Land Acquisition Act 1894, the market value of the land as provided, the Court shall award a sum of fifteen per centum on such market-value, in consideration of the compulsory nature of the acquisition, if the acquisition has been made for a public purpose.

Deputy Commissioner Swabi during financial year 2019-20, allowed Rs33,170,933 15 % compulsory acquisition charges for acquisition of land for the various projects. Detail given below:

S.No	Award	Cost of land (Rs)	15% (Rs)
1	Const. of Bada Dam Project/Dam embankment etc	54,673,488	8,201,033
2	Est. of Gajju Khan Medical College Swabi	110,748,000	16,612,200
3	Tourists recreation Park at village Hund, Swabi	40,005,000	6,000,750
4	Const. of Hund Park Road	18,090,650	2,356,950
Total		223,517,138	33,170,933

Audit observed the following:

1. No written objection, obstruction, refusal or appeal made to the Collector/Court by the owners available on record.
2. 15% compulsory acquisition charges shall be allowed by the court under section 23 (2) of the Act, not by the other authority. Under section 3(d) of the Act “Court” means a **Principal Civil Court** of original jurisdiction, unless the Provincial Government has appointed a special judicial officer within any specified local limits to perform the functions of the Court under this Act.
3. Neither the cases were referred to Court nor any proceedings were undertaken/carried out.

Irregularity occurred due to giving undue favor to the land owners, which caused in loss to Government.

When pointed out in July 2020, management stated that the compulsory acquisition charges have been paid as per land acquisition Act 1894. Reply is not

convincing as 15% charges was paid with court orders i.e. civil judge or session judge court.

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

Audit recommends recovery of 15% compulsory charges, enquiry against concerned collector(s).

AIR Para No.22(2019-20)

2.5.2.3 Non utilization of developmental fund-Rs.3.344 million

According to Rule 75(3-4) of the Khyber Pakhtunkhwa-District-or-City-District-Governments-Budget-Rules-2016, The total expenditure shall be kept within the limits of the authorized appropriations.4) 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.

DEO Male Swabi was released Rs3,397,600 as a 2nd release for purchase of furniture for schools under different ADPs during financial year 2019-20. The purchase of furniture was required to be made during the said financial year but Rs 538,000 was utilized and the balance amount of Rs 3,343,800 was remained un-utilized till the end of the year. Timely surrender of the balance amount and its acceptance was also not shown to audit.

Irregularity occurred due to weak internal controls which resulted in blockage of public money.

When pointed in December 2020, management stated that the bills were passed by DAO Swabi but Cheques were not issued to this office due to non-availability of fund in the said ADP. This office surrendered the same amount to Finance Department vide this office letter No 3915-16 dated 17.6.2020. Reply was not tenable as neither acceptance from Finance Department of the surrendered fund was shown nor reconciled budget statement from DAO Swabi was shown.

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

Audit recommends fixing of responsibility on the person(s) at fault for non-utilization of fund.

AIR Para No.10 (2019-20)

2.5.3 Others, including cases of accidents, negligence etc.

2.5.3.1 Unauthorized & Unauthentic payment on account of AOM&R building –Rs.3.940 million

According to sub-section 14(xiii) of second schedule of the Khyber Pakhtunkhwa District Government Rules of Business, 2015, “Planning, designing, construction, maintenance, annual/special repair of all offices and residential buildings in the management charge of District Government is the responsibility/duty of C&W department”.

According to Para 5 & 6 of the Administrative Approvals issued by DC Swabi for AOM&R during financial year 2019-20, the executing agency shall submit the progress report/completion report of the specific work to P&D Section and payment will be made to the concerned executing agency after completion of work.

Deputy Commissioner Swabi during financial year 2019-20, drew Rs 3,940,000 on simple receipts and paid to XEN C&W Swabi on of account repair of Office & Residential buildings. Audit observed the following irregularities:

1. Amount was paid without PC-I and Technical Sanction of the competent forum.
2. Advance Payment was made without execution of work in violation of Para 6 of Administrative Approval, thus chances of misappropriation could not be ruled out.
3. Completion certificates of the occupants were also not available on the record.
4. Rs300,000 was paid for Assistant Commissioner Lahor residence, which was illegally occupied by Additional District Session Judge. Hence, payment was irregular and needs justification.

5. Demands for repair works from office holders/residents were not available on record of the local office; hence the payment was doubtful and unjustified.
6. Furthermore, progress reports, adjustment accounts, BOQ, tender documents; MBs, contractor agreement/bills and acknowledgement etc. were not available in support of the drawl.

Audit held that the amount so drawn was unjustified and needs justification besides action against the person(s) at fault.

Irregularity occurred due to deviation from Rules of Business and weak internal controls.

When pointed out in July 2020, management stated that both PC- 1 and technical sanction are available which can be seen. As financial year was near to closing therefore payment was made. The payment was made regular that the AC lahor was residing in his designated residence. Demands received from officer/official for repair works are available on record. Replies are completely misleading as mention documents were not available at the time of audit as well as attached with replies. The Assistant commissioner lahor vide his letter No. 162/AC (L)/General dated 29/06/2020 reported that his official residence was occupied by the ADJ Lahor. Furthermore the AAs issued by the DC Swabi clearly mentioned that payment will be made after completion of works.

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

Audit recommends inquiry in the matter besides action against the person(s) at fault for fixing responsibilities.

AIR Para No.05 2019-20

2.5.3.2 Non maintenance of Assets and Liability record- Rs. 6.369 million

According to Para VI of the Second Schedule of Khyber Pakhtunkhwa District Government Rules of Business 2015, District Administration will maintain record of Assets & Liabilities of the District.

Deputy Commissioner Swabi during financial year 2019-20, spent Rs 6,369,274 on account of procurement of fixed assets. However, record of Assets and Liabilities of the District Government Swabi was not maintained by the District Administration which needs justification.

Irregularity occurred due to weak internal and administrative controls, which resulted in non-maintenance of record.

When pointed out in July 2020, management stated that the same details will be obtained from the departments and will be provided to Audit. Reply is not convincing as no progress shown till finalization of this report.

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

Audit recommends proper maintenance of assets and liabilities record besides action against the person(s) at fault.

AIR Para No.12 (2019-20)

2.5.3.3 Where about of Arms Licenses receipts - Rs. 12.956 million

As per Para 6.1 of the Agreement deed signed between Home & Tribal Affairs Department Khyber Pakhtunkhwa and M/S M.Comm private limited on 15th August 2014, monthly licenses receipts must be submitted by M/S M.Comm private limited into treasury on or before 5th date of next month and communication into this effect shall be made to the authorities.

Deputy Commissioner Swabi during financial year 2019-20, collected Rs12,956,260 from by M/s M.Comm (A2Z E-Payments) on account of Arms licenses in district Swabi and deposited the amount into the bank account of the said firm. Proof of further deposit into the Government treasury was not available in the local office.

Irregularity occurred due to lack of interest and administrative controls, which caused unauthentic/doubtful receipts.

When pointed out in July 2020, management stated that the matter will be raised with the director M/S A to Z and will be shown to Audit. Reply is not convincing as no progress shown till finalization of this report.

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

Audit recommends inquiry and deposit of receipts into Government treasury.

AIR Para No.13 (2019-20)

2.5.3.4 Unauthentic payment to District police officer – Rs. 8.184 million

According to Deputy Commissioner Swabi letters NO 1864/BC/Polio dated 28/08/2019, 11/09/2019 and 25/11/2019 that actual payee receipts of payment made to police personnel for the polio campaign security arrangement may be provided by the District police officer.

Deputy Commissioner Swabi during financial year 2019-20 paid Rs.8,184,500 to District police officer Swabi for onward payments to the police personnel participated in polio campaign security arrangements. Actual payee receipts as required were not provided by the District police officer resulting unauthentic payment. The chances of misappropriation could not be ruled out

Irregularity occurred due to weak administrative controls which resulted in unauthentic payments.

When pointed out in July 2020, management stated that the office of district police officer, Swabi is being approached for provision of payment receipts in support of having made the requisite payments. Reply is not convincing as no progress shown till finalization of this report.

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

Audit recommends inquiry against district police officer Swabi for non-submission of actual payee receipts.

AIR Para No.16 (2019-20)

**2.5.3.5 Loss to government due to non-recovery of land & other taxes
–Rs.71.286 million**

According to Khyber Pakhtunkhwa Budget rules 2016, Section 69 (1), the primary obligation of the Controlling officers shall be to ensure that all revenue due is claimed, realized and credited immediately into District fund under the proper receipt head.

Deputy Commissioner Swabi during financial year 2019-20, failed to collect/recover Rs 71,286,507 on account of Land Tax/AIT, Usher, local rates, registration fee through Tehsildar/NiabTehsildar Swabi, Lahor, Topi and Razzar. Detail is given at annexure-06

Irregularity occurred due to weak internal controls, which caused loss to government.

When pointed out in July 2020, management stated that the CRO concerned will be directed to deposit as soon as possible. Reply is not convincing as no progress shown till finalization of this report.

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

Audit recommends justification in the matter and immediate recovery of amount besides fixing of responsibility for action against the person(s) at fault.

AIR Para No.20 (2019-20)

2.5.3.6 Non-reporting of clinical efficacy of medicines worth – Rs.35.481 million

According to Para H of the Director General Health Services Khyber Pakhtunkhwa Peshawar letter No 4333-4450/DDC/DGHIS dated 27.09.2019, the purchasing entity shall submit quarterly reports regarding the clinical efficacy of the MCC approved brands of medicines, surgical disposables etc used at their ends. In case of failure, disciplinary action may be initiated against the Incharge of purchasing entity.

District Health Officer Swabi during financial year 2019-20, purchased medicines amounting to Rs 35,481,300 from various suppliers and issued to various health facilities in the District. However, the clinical efficacy reports of the medicines were not submitted to the quarter concerned which was contrary to the above instructions.

Irregularity occurred due to weak internal controls, which caused non - compliance of Government orders.

When pointed out in July 2020, management stated that efficacy reports of the medicines will be obtained from the doctors and will be shown to audit.

Reply is not convincing as submission of Clinical Efficacy Reports of the medicines to the concerned were required on quarterly basis, which was not done and requires justification.

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

Audit recommends that clinical efficacy of medicines must be performed and reported to the higher authorities as required under the rules besides action against the person(s) at fault.

AIR Para No.05 (2019-20)

2.5.3.7 Non-deposit of stamp duty and district share -Rs. 1.886 million

According to Khyber Pakhtunkhwa Budget rules 2016, Section 69 (1), the primary obligation of the Controlling officers shall be to ensure that all revenue due is claimed, realized and credited immediately into District fund under the proper receipt head

.Deputy Commissioner Swabi did not deposit Rs 1,886,239 as stamp duty and district share in the acquisition of land for construction bada dam. Detail is given below:

S.No	Stamp duty 1%	District share 2%(Rs)	Total(Rs)
	628,747	1,257,492	1,886,239

Irregularity occurred due to weak financial control which resulted in loss to government.

When pointed out in July 2020, management stated that the concerned CRO will be directed to deposit the same as soon as possible Reply is not convincing as no progress shown till finalization of this report.

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

Audit recommends immediate deposit of stamp duty into the Government treasury.

AIR Para No.03 (2019-20)

2.5.3.8 Unauthorized transfer of salaries of adhoc teachers to the PTC accounts – Rs. 2.00 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.

District Education Officer (Female) Swabi withdrew Rs 2,000,000 vide cheque No. 0868929 dated 29-05-2019 under District ADP (2017-18) from the Government treasury for the appointment of ADOH/ Daily wages teachers. The amount was credited to designated bank account and shown transferred to PTC accounts of the concerned schools in 12.2019 instead of payments to the concerned teachers after their appointment by the competent authority and performance of duties. Further record of utilization of the amount was silent.

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

When pointed out in December 2020, management stated that detailed reply would be give after scrutiny of record. Reply was not convincing as the irregularity was taken on the basis of record of the office in which no further verification was required.

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

Audit recommends fixing responsibility for credit to designated bank account and transfer to PTC accounts instead of payment to the concerned teachers.

AIR Para No.03 (2019-20)

2.5.3.9 Non collection/non deposit of Tuition fee-Rs 1.334 million and non- reconciliation of receipts with DAO

According to Khyber Pakhtunkhwa Budget rules 2016, Section 69 (1), the primary obligation of the Controlling officers shall be to ensure that all revenue due is claimed, realized and credited immediately into District fund under the proper receipt head

District Education Officer (Female) Swabi during financial year 2019-20, failed to deposit tuition fee for Rs1,035,450 and Admission fee for Rs.299,130 respectively. Moreover, receipts were not reconciled with DAO, thus the receipts of the local office could not be authenticated. Detail is as under:

	No. of Students as per EMIS		Total(Rs)	Rate(Rs)	Total amount (Rs)
	Class 11	Class 12			
Tuition fee	1265	1036	2301	450	1,035,450
Admission	1265	1036	2301	130	299,130
Total					1,334,580

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

When pointed out in December 2020, management stated that detailed reply would be given after verification of record. No reply was furnished till finalization of this report.

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

Audit suggests immediate collection and deposit of the tuition fee and admission fee into the Government treasury besides the provision of reconciled receipts statement to audit.

AIR Para No.20 (2019-20)

2.5.3.10 Non deposit of Government share out of Boys Scouts registration fee, Shaheen and Red Crescent fund –Rs.2.032 million

According to KP Boys Scouts Association letter No. 5-2/57670-93 dated 25.02.2009, Government share out of Boys Scouts and Shaheen fund will be transferred to the KP Scouts Association at the rates given in the table below.

District Education Officer (Male) Swabi’s bank accounts reflect balance of Rs3,206,139 collected from schools on account of Boy Scout registration fee, Shaheen fund and Red Crescent fund at the end of financial year 2019- 20. The balance amount in the bank accounts was consist of Government share of Rs2,031,752 which was required to be transferred to the Government but it failed to do so. Detail is as under:

Shaheen fund	Balance as per bank	Govt Share 75%
	932,478	699,358
Boy Scouts	Balance as per bank	Govt Share 50%
	1,051,383	525,691
Red Crescent	Balance as per bank	Govt Share 66%
	1,222,278	806,703
Grand Total	3,206,139	2,031,752

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

When pointed out in December 2020, management stated that Government share would be deposited as and when asked by the high ups. Reply was not satisfactory as there were clear instructions of the Provincial Government regarding deposit the Government share to the quarters concerned.

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

Audit recommends deposit of the fund besides action against the person(s) at fault.

AIR Para No.14 (2019-20)

CHAPTER-3

TEHSIL MUNICIPAL ADMINISTRATIONS

3.1 Introduction

District Swabi has four Tehsils i.e. Swabi, Topi, Lahor and Razzar. 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	Audited	Expenditure audited FY 2019-20 (Rs. in million)	Revenue /Receipts audited FY 2019-20 (Rs. in million)
1.	Formations	4	4	93.24	545.93

3.2 Comments on Budget and Accounts (Variance Analysis)

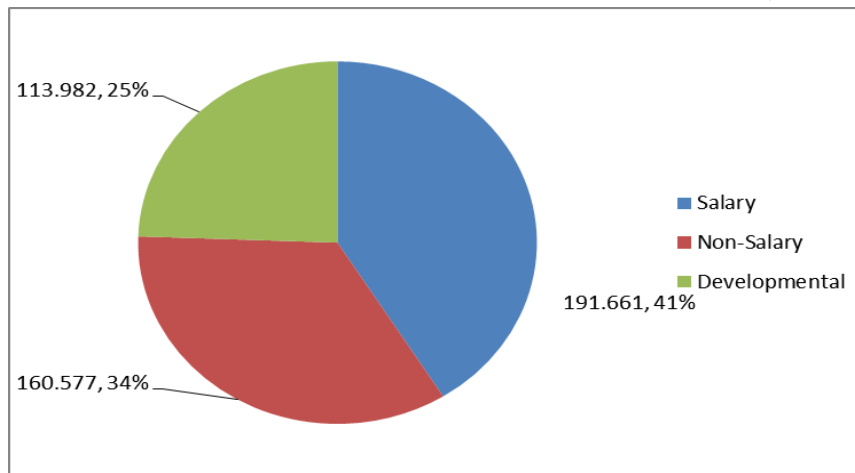
(Rs. In million)

2019-20	Budget	Actual Expenditure/Receipts	(Saving)/Excess	%age
Salary	230.977	191.661	(39.315)	17
Non-salary	314.735	160.577	(154.158)	49
Developmental	527.551	113.982	(413.569)	78.3
Total	1073.263	466.22	(607.043)	56.5
Receipts	764.315	545.939	218.375	28.5

The savings of Rs. 607.043 million Indicate inefficiency in the capacity of Local Government Departments to utilize the amount allocated.

EXPENDITURE 2019-20

(Rs. in million)



3.3 Classified Summary of Audit Observations

Audit observations amounting to Rs. 843.964 million were raised in this audit report. This amount also includes recoverable of Rs. 9.974 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rs. in million)

Sr. No.	Classification	Amount (Rs.)
1	Irregularities	-
A	HR /Employees related irregularities	1.356
2	Others, including cases of accidents, negligence etc.	842.608
Total		843.964

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

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

Sr. No.	Audit Year	TAC meeting
1.	2002-03	Not convened
2.	2003-04	Not convened
3.	2005-06	Not convened
4.	2006-07	Not convened
5.	2007-08	Not convened
6.	2008-09	Not convened
7.	2009-10	Not convened
8.	2010-11	Not convened
9.	2011-12	Not convened
10.	2012-13	Not convened
11.	2013-14	Not Convened
12.	2016-17	Not Convened
13.	2017-18	Not Convened
14.	2018-19	Not Convened
15.	2019-20	Not Convened

3.5 AUDIT PARAS

3.5.1 Irregularities

A. HR/Employees related irregularities

3.5.1.1 Overpayment on account of technical Allowance-Rs.1.356 million

According to Government of Khyber Pakhtunkhwa Local Council Board letter No. Ao/LCB/Tech Allowance/TMAAs/2020 dated 24.07.2020, Technical allowance admissible to four departments i.e C&W,, irrigation, PHE and local Government Department, whereas engineers of autonomous bodies are not entitled.

TMO Tehsil Municipal Administration Swabi Overpaid Rs1,356,650 on account of technical allowance to the officers for which they are not entitled. Detail below:-

S.No	Name	Designation	Period	Overpayment (Rs)
1	RaazMuhmmad	TOI	11/2018 to 05/ 2019	402,675
2	RaazMuhmmad	TOI	06./2019 to 06/ 2020	690,300
3	Muqraab Khan	TOI	01/04/2020 to 06/2020	172,575
4	Riaz Muhmmad	ATOI	01/05/2020 to 06/2020	91,100
Total				1,356,650

Irregularity occurred due to weak financial management system which resulted in loss to the TMA.

When pointed out in August 2020, management stated the issue not yet decided and the recovery will be made accordingly. Reply is not convincing as no progress shown till finalization of this report.

Request for convening DAC meeting was made in August, 2020, 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.10 (2019-20)

3.5.2 Others, including cases of accidents, negligence etc.

3.5.2.1 Non submission of Accounts of Local Government –Rs.176.754 million

According to section 36(2)(b) read with section 36(3) of Local Government Act 2013, the Tehsil Accounts Officer shall maintain the accounts of Tehsil Municipal Administration and submit to DAO concerned for consolidation of the accounts of local governments at the District Accounts Office quarterly and annually separately for receipts from the Government and local resources and send to Government, Accountant General and Nazim District Council.

Tehsil Municipal Officer, TMA Swabi did not submit the accounts of receipts from the Government and own resources amounting to Rs 176,754,772 during Financial Year 2019-20, for consolidation of receipts' accounts by DAO Swabi as required above. Detail is given below:

S.No.	Particular	Amount (Rs)
1.	Receipts from own Source	136,516,772
2.	Receipts from Government	40,238,000
Total		176,754,772

Irregularity occurred due to lack of accounting procedure, which caused non-reflection of financial information in the financial statements of the District.

When pointed out in August, 2020, management stated that the TAO and new Accounts system not yet established nor started. The needful will be done as and when started. Reply is not tenable as no progress shown till finalization of this report.

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

Audit recommends consolidation of TMA accounts in District Financial Statements.

AIR Para No.01(2019-20)

3.5.2.2 Non-deposit of profit into Government treasury – Rs.8.814 million

Finance Department Khyber Pakhtunkhwa Peshawar vide letter No. 2/3-(F/L)/FD/2007-08/vol-IX dated 10.03.2018, has allowed sanction of bank accounts in commercial banks for various departments/autonomous/semi-autonomous /corporation in KP and directed that such accounts may be converted into PLS mode and profit earned may be deposited into government treasury under the relevant head of account not later than a week when declared by the bank

Tehsil Municipal Officer, Swabi realized Rs 8,814,618 on account of bank profit on deposits for the financial year 2019-20. However, profit earned thereof was not deposited into government treasury and retained in the designated bank accounts till August 2020.

Irregularity occurred due to weak internal and financial controls, which resulted in loss to Government.

When pointed out in August, 2020, management stated that the profit is part of income of TMA Swabi. Reply is not convincing as above government orders was violated.

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

Audit recommends deposit of profit into Government treasury.

AIR Para No.02 (2019-20)

3.5.2.3 Non- recovery of Water Charges –Rs. 2.315 million

According to Para 6 of TMA budget rules 2016 ensuring all sums due to the TMA are regularly and promptly assessed, realized and duly credited in the Tehsil Fund.

Tehsil Municipal Officer Swabi did not recover Water Charges amounting to Rs 2,315,618 from consumers. Detail is given below:

S. No	Description	Amount (Rs)
1	Balance due as on 30-06-2019	1,997,548
2	Amount due during 2019-20	621,960
3	Total outstanding Balance as on 30-06-2020 (1+2)	2,619,508
4	Recovery made during 2019-20	303,890
5	Total outstanding as on 30-06-2016 (3-4)	2,315,618

Irregularity occurred due to weak financial control, which resulted in loss to Committee.

When pointed out in August 2020, management stated that the TOR will be directed for recovery. Reply is not convincing as no progress shown till finalization of this report.

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

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

AIR Para No.08 (2019-20)

3.5.2.4 Irregular developmental expenditure without TS-Rs. 3.59 million

According to Para 2.4 of B&R Department Code, no work shall be started without administrative approval, technical sanction.

During audit of the accounts record of the office of Tehsil Municipal Officer, Swabi for the year 2019-20, it was noticed that the local office incurred expenditure of Rs3,598,710 on account of various developmental schemes but Technical Sanction from the competent authority was not accorded as per details given below.

S#	ADP Name	Name of Scheme	Location	E.Cost (Rs)	Expenditure (Rs)
1	30%PFC	Installation of hand pumps at UC Shah mansoor	Shah Mansoor	1000,000	424,310
2	30% PFC	Constt: of Boundery wall at hujra taju kheil , sanitation scheme with aallied works at TAju khail ectc UC Zaida	Zaida	3,239,000	3,174,400
Total					3,598,710

Irregularity occurred due to weak financial control which resulted in risk of substandard execution of work and uneconomical expenditure.

When pointed out in August 2020, management stated that TS will be obtained before completion of schemes. Reply is not convincing as no progress shown till finalization of this report.

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

Audit recommends obtaining of technical sanction and justifications.

AIR Para No.20 (2019-20)

3.5.2.5 Loss to Government due to Less collection/ deposit of Income Tax from contractor-Rs.1.514 million

According to section 153(1) (c)of Income Tax Ordinance 2001, 10% Income Tax shall be deducted from the contractor (filer) on execution of contract.

TMO Swabi awarded contracts of General Bus stand Swabi to Mr. Sher Alam S/O Said Ahmad resident of Mangai Swabi for Rs 27,138,500 during financial year 2019-20. The local office was required to collect Income Tax from the contractor for Rs 2,713,850. However, the local office collected income tax for Rs 1,199,163 causing less collection of Rs 1,514,687.

Irregularity occurred due to lack of interest for collection of tax which resulted in loss to government.

When pointed out in August 2020, management stated that needful will be done accordingly. Reply is not convincing as no progress shown till finalization of this report.

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

Audit recommends collection of the Income Tax and deposit thereof into the Government treasury.

AIR Para No.06 (2019-20)

**3.5.2.6 Irregular execution of schemes without location coordinates –
Rs. 5.65 million**

According to Government of Khyber Pakhtunkhwa Local Government, Elections and Rural development department letter No.AO(planning)/LCB/2-1/General file/2019 dated 02/05/2019 that location coordinates of each scheme must be available in files.

Tehsil Municipal Officer Swabi during financial Year 2019-20, incurred expenditure on various developmental schemes, however location coordinates of below mentioned schemes worth Rs5,650,000 were not available as required under the rules. Due to non obtaining location coordinates the chance of duplication of schemes could not be ruled out. Details below:

Name of scheme	Estimated cost in million
Sanitation Scheme at Moh; Dadam khana at UC Panj pir	1.00
Installation of Hand pumps at UC Balm Kheil	2.55
Sanitation Scheme at Moh: dehri at UC marguz	1.30
Installation of Hand pumps at Zaida	0.80
Total	5.65

Irregularity occurred due to weak management controls, which resulted in violation of Government orders.

When pointed out in August 2020, management stated that location coordinates will be obtained and will be shown to Audit. Reply is not convincing as no progress shown till finalization of this report.

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

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

AIR Para No.21 (2019-20)

3.5.2.7 Non-submission of Accounts of Local Government – Rs.149.033 million

According to section 36(2)(b) read with section 36(3) of Local Government Act 2013, the Tehsil Accounts Officer shall maintain the accounts of Tehsil Municipal Administration and submit to DAO concerned for consolidation of the accounts of local governments at the District Accounts Office quarterly and annually separately for receipts from the Government and local resources and send to Government, Accountant General and Nazim District Council.

Tehsil Municipal Officer, TMA Topi did not submit the accounts of receipts from the Government and own resources amounting to Rs 149,033,524 during Financial Year 2019-20, for consolidation of receipts' accounts by DAO Topi as required above. Detail is given below:

S. No.	Particular	Amount (Rs)
1.	Receipts from own Source	56,301,524
2.	Receipts from Government	92,732,000
Total		149,033,524

Irregularity occurred due to lack of accounting procedure, which caused non-reflection of financial information in the financial statements of the District.

When pointed out in August 2020, management stated that Tehsil Accounts Office was not established and notified by the Provincial Government. Reply is not correct as the functions of Accounts Officer are performed by the TOF at TMA concerned. Hence, the accounts of receipts as required above shall be submitted to DAO Swabi for consolidation.

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

Audit recommends submission of TMA accounts for consolidation in District Financial Statements.

AIR Para No.01(2019-20)

3.5.2.8 Non-deposit of profit into Government treasury – Rs.1.195 million

Finance Department Khyber Pakhtunkhwa Peshawar vide letter No. 2/3-(F/L)/FD/2007-08/vol-IX dated 10.03.2018, has allowed sanction of bank

accounts in commercial banks for various departments/autonomous/semi-autonomous /corporation in KP and directed that such accounts may be converted into PLS mode and profit earned may be deposited into government treasury under the relevant head of account not later than a week when declared by the bank.

Tehsil Municipal Officer, Topi during financial year 2019-20, realized Rs 1,194,803 on account of bank profit from various PLS accounts. However, the same was not deposited into government treasury and retained in the designated bank accounts till August 2020.

Irregularity occurred due to weak internal and financial controls, which resulted in loss to Government.

When pointed out in August 2020, management stated that clarification in this regard will be obtained from LCB Peshawar. No progress in the matter was shown till finalization of this report.

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

Audit recommends deposit of profit into Government treasury/ justification.

AIR Para No.02 (2019-20)

3.5.2.9 Irregular developmental expenditure without TS –Rs 50.646 million

According to Para 2.4 of B&R Department Code, no work shall be started without administrative approval, technical sanction and allotment of funds and Para 32 of CPWA code states that no work shall be executed without obtaining T.S and A.A. Para 89 of CPWD Code Provide that where work or the supply of material is to be given out on contract, the following condition must be observed:

Tehsil Municipal Officer Topi, District Swabi during financial year 2019-20, incurred expenditure of Rs.50,646,100 on account of various developmental schemes but technical sanction from the competent authority was not accorded as per detail annexure-07.

Irregularity occurred due to weak financial control which resulted in risk of substandard execution of work and uneconomical expenditure.

When pointed out in August 2020, management stated that the Technical Sanctions was delayed due to Covid-19 pandemic. Reply is not correct as the technical sanctions shall be accorded before start of works.

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

Audit recommends obtaining of technical sanction and action against the person authorizing execution/payment without technical sanction.

AIR Para No.13 (2019-20)

3.5.2.10 Irregular execution of schemes without location coordinates – Rs.171.500 million

According to Government of Khyber Pakhtunkhwa Local Government, Elections and Rural development department letter No.AO(planning)/LCB/2-1/General file/2019 dated 02/05/2019 that location coordinates of each scheme must be available in files.

Tehsil Municipal Officer Topi Swabi during financial Year 2019-20, incurred expenditure on various developmental schemes, however location coordinates of below mentioned schemes worth Rs 171,500,000 were not available as required under the rules. Due to non availability of location coordinates and measurement books the chance of duplication of schemes could not be ruled out. Details given below:-

S#	ADP Name	Name of Scheme	E.Cost (Rs)
1	RDP	Sanitation and street pavement at Kalabat	1500,000
2	NHP-	Sanitation scheme at UC Kalabat	30,000,000
3	RDP	Sanitation and street pavement at Zarobai	10,000,000
4	RDP	Sanitation and street Pavement at UC Mainai	50,000,000
5	NHP	Water Supply scheme at Gadoon Area	80,000,000
			171,500,000

When pointed out in August 2020, management stated that location coordinates will be obtained and will be shown to audit. Reply is not correct as the same were neither available in the files nor any progress was shown till finalization of this report.

Irregularity occurred due to weak management controls, which resulted in violation of government orders.

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

Audit recommends justification into the matter besides action against the person(s) at fault.

AIR Para No.14 2019-20

3.5.2.11 Non-recovery of outstanding dues from contractors- Rs 2.521 million

According to Para 6 of TMA budget rules 2016 ensuring all sums due to the TMA are regularly and promptly assessed, realized and duly credited in the Tehsil Fund.

Tehsil Municipal Officer TMA Razzar Swabi during financial year 2019-20 failed to recover receipts amounting to Rs.2,521,208 from the contractors of two bus stands resulting loss to the TMA. Detail below:-

S.No	Name of Contract	Name of contractor	Amount (Rs)
1	Bus stand Yar Hussain	SherZaman	406,290
2	Cattle fare urmaldheri	Sher Ali	64,905
3	Cattlefare Yar Hussain	Sher Ali	143,398
4	License fee Razzar	Nasir	27,500
5	TehBazari KSK	BakhtAfsarv Khan	179,100
6	Cattlefare KSK	Muslim Khan	1,700,015
Total			2,521,208

Irregularity occurred due to weak financial controls, which resulted in loss to TMA.

When pointed out in October 2020. Management stated that case has already been forwarded to provincial government due to COVID-19 pandemic. Reply is not satisfactory as no progress shown till finalization of this report.

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

Audit recommends recovery from the contractors.

AIR Para No.01 (2019-20)

3.5.2.12 Non-recovery of income tax amounting- Rs.1.33 million

According to income tax ordinance section 153(i)(c) 10 % (Filler) and 15% (Non filler) withholding tax shall be deducted on all auction contracts.

Tehsil Municipal Officer TMA Razzar Swabi during financial year 2019-20 failed to deduct income tax amounting to Rs 1,339,415 from contractors of KSK Cattle fare and KSK General Bus stands resulting loss to the Government. Details given below

S.No	Name of Contract	Income tax due	Tax recovered (Rs)	Outstanding tax (Rs)
1	Bus stand YarHussain	1,837,650	6,68,240	1,169,410
2	Cattle fare KSK	467,505	297,500	170,005
Total				1,339,415

Irregularity occurred due to weak financial controls, which resulted in loss to TMA.

When pointed out in October 2020. Management stated that case has already been forwarded to provincial government due to COVID-19 pandemic. Reply is not satisfactory as no progress shown till finalization of this report.

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

Audit recommends recovery from the contractor.

AIR Para No.05 (2019-20)

3.5.2.13 Irregular developmental expenditure without TS-Rs.7.993 million

According to Para 2.4 of B&R Department Code, no work shall be started without administrative approval, technical sanction.

Tehsil Municipal Officer, Razzar District Swabi during financial year 2019-20, incurred expenditure of Rs7,993,000 on accounts of various developmental schemes but technical Sanction from the competent authority was not accorded as per details given below:-

Sr.#	Name of Scheme	Expenditure	(CFY) Financial Progress (%)	Physical Progress (%)	Remarks/Issues
1	Sanitation scheme at Tehsil Razzar Part-1	4,000,000	100.00	100	Completed
2	Sanitation scheme at Tehsil Razzar Part-2	3,993,000	100.00	100	Completed
Total		7,993,000			

Irregularity occurred due to weak financial controls, which resulted in risk of substandard execution of work and uneconomical expenditure.

When pointed out in October 2020. Management stated that TS will be obtained from competent authority and will be shown to audit. Reply is not satisfactory as no progress shown till finalization of this report.

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

Audit recommends obtaining of technical sanction and justifications.

AIR Para No.04 (2019-20)

3.5.2.14 Irregular execution of schemes without location coordinates – Rs.1.500 million

According to Government of Khyber Pakhtunkhwa Local Government, Elections and Rural development department letter No.AO(planning)/LCB/2-1/General file/2019 dated 02/05/2019 that location coordinates of each scheme must be available in files.

Tehsil Municipal Officer Razzar, Swabi during financial Year 2019-20, incurred expenditure on various developmental schemes, however location coordinates of below mentioned schemes worth Rs1,500,000 were not available as required under the rules. Due to non-obtaining location coordinates the chance of duplication of schemes could not be ruled out. Details given below:

S.No	Name of Scheme	Amount (Rs)
1	Const. of shingle path & installation of hand pumps Turlandai	500,000
2	Const. of shingle path & installation of hand pumps Kalo Khan	1,000,000
Total		1,500,000

Irregularity occurred due to weak management controls, which resulted in violation of Government orders.

When pointed out in October 2020. Management stated that location coordinates of the mentioned scheme will be obtained and progress will be shown to audit. Reply is not satisfactory as no progress shown till finalization of this report.

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

Audit recommends justification in the matter.

AIR Para No.08 (2019-20)

3.5.2.15 Non-deposit of profit into Government treasury – Rs.12.212 million

Finance Department Khyber Pakhtunkhwa Peshawar vide letter No. 2/3-(F/L)/FD/2007-08/vol-IX dated 10.03.2018, has allowed sanction of bank accounts in commercial banks for various departments/autonomous/semi-autonomous /corporation in KP and directed that such accounts may be converted into PLS mode and profit earned may be deposited into government treasury under the relevant head of account not later than a week when declared by the bank

Tehsil Municipal Officer, Razzar realized Rs 12,212,460 on account of bank profit on deposits for the financial year 2019-20. However, profit earned thereof was not deposited into government treasury and retained in the designated bank accounts till October 2020.

Irregularity occurred due to weak internal and financial controls, which resulted in loss to Government.

When pointed out in October 2020. Management stated that TMA is autonomous body. However, matter will be clarified from LCB. Reply is not satisfactory as Finance department notification applicable on all provincial departments as well as autonomous bodies in KP.

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

Audit recommends deposit of profit into Government treasury.

AIR Para No.11 (2019-20)

3.5.2.16 Non-submission of Accounts of Local Government – Rs.146.369 million

According to section 36(2)(b) read with section 36(3) of Local Government Act 2013, the Tehsil Accounts Officer shall maintain the accounts of Tehsil Municipal Administration and submit to DAO concerned for consolidation of the accounts of local governments at the District Accounts Office quarterly and annually separately for receipts from the Government and local resources and send to Government, Accountant General and Nazim District Council.

Tehsil Municipal Officer, TMA Razzar, Swabi did not submit the accounts of receipts from the Government and own resources amounting to Rs146,369,094 during Financial Year 2019-20, for consolidation of receipts' accounts by DAO Swabi as required above. Detail is given below:

S. No.	Particular	Amount (Rs)
1.	Receipts from own Source	88,093,094
2.	Receipts from Government	5,8276,000
Total		146,369,094

Irregularity occurred due to lack of accounting procedure, which caused non-reflection of financial information in the financial statements of the District.

When pointed out in October 2020. Management stated that the system is not implemented by the provincial government, as and when the same is implemented progress will be shown to audit. Reply is not satisfactory as Local Government Act was violated.

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

Audit recommends submission of TMA accounts for consolidation in District Financial Statements.

AIR Para No.12 (2019-20)

3.5.2.17 Irregular developmental expenditure without TS –Rs.11.179 million

According to Para 2.4 of B&R Department Code, no work shall be started without administrative approval, technical sanction.

Tehsil Municipal Officer Lahor District Swabi during financial year 2019-20, incurred expenditure of Rs 11,179,000 on accounts of various developmental schemes but technical Sanction from the competent authority were not accorded as per details given below:-

Sr No	Name Of Scheme	Expenditure (Rs)	CFY Progress	Physical Progress	Remarks
1	Sanitation Scheme with Allied Works at U/C Jalbai	2,500,000	100%	100%	Completed
2	Remaining work Janazghah Sanitation Scheme With Allied Works at U/C Jalsai	2,500,000	100%	100%	Completed
3	Sanitation Scheme with allied works at U/C Anbar	2,429,000	100%	100%	Completed
4	Sanitation Scheme with allied works at U/C Bekka	3,050,000	100%	100%	Completed
5	Sanitation Scheme with allied works at U/C Bekka	700,000	100%	100%	Completed
Total		11,179,000			

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

When pointed out in November 2020, management stated that TS will be obtained from the competent authority and will be shown to audit party. No progress shown to audit till finalization of this audit report.

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

Audit recommends obtaining of technical sanction and justifications..

AIR Para No.02 (2019-20)

3.5.2.18 Non-submission of Accounts of Local Government –Rs.73.782 million

According to section 36(2)(b) read with section 36(3) of Local Government Act 2013, the Tehsil Accounts Officer shall maintain the accounts of Tehsil Municipal Administration and submit to DAO concerned for consolidation of the accounts of local governments at the District Accounts Office quarterly and annually separately for receipts from the Government and local resources and send to Government, Accountant General and Nazim District Council.

Tehsil Municipal Officer Lahor, District Swabi did not submit the accounts of receipts from the Government and own resources amounting to Rs 73,782,524,during Financial Year 2019-20, for consolidation of receipts' accounts by DAO Swabi as required above. Detail is given below:

S.No.	Particular	Amount (Rs)
1.	Receipts from own Source	6,2191,524
2.	Receipts from Government	11,591,000
Total		73,782,524

Irregularity occurred due to lack of accounting procedure, which caused non-reflection of financial information in the financial statements of the District.

When pointed out in November 2020, management stated that the system was not implemented by provincial government, when the system is implemented progress will be shown to audit. No progress was shown till finalization of this report.

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

Audit recommends consolidation of TMA accounts in District Financial Statements.

AIR Para No.04 (2019-20)

3.5.2.19 Non-deposit of profit into Government treasury – Rs.8.016 million

Finance Department Khyber Pakhtunkhwa Peshawar vide letter No. 2/3-(F/L)/FD/2007-08/vol-IX dated 10.03.2018, has allowed sanction of bank accounts in commercial banks for various departments/autonomous/semi-autonomous /corporation in KP and directed that such accounts may be converted into PLS mode and profit earned may be deposited into government treasury under the relevant head of account not later than a week when declared by the bank

Tehsil Municipal Officer Lahor, District Swabi realized Rs 8,016,780 on account of bank profit for the financial year 2019-20. However, profit earned was not deposited into government treasury and retained in the designated bank accounts till October 2020.

Irregularity occurred due to weak internal and financial controls, which resulted in loss to Government.

When pointed out in November 2020, management stated that TMA is an autonomous body. However, clarification will be obtained from Secretary Local Council Board. Reply is not tenable as the orders were cleared in this regard by the Finance Department KP Peshawar.

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

Audit recommends deposit of profit into Government treasury.

AIR Para No.03 (2019-20)

3.5.2.20 Loss to Government due to Non-Deposit of Income Tax and KPPRA Tax –Rs.1.218 million

According to Para 6 of TMA budget rules 2016 ensuring all sums due to the TMA are regularly and promptly assessed, realized and duly credited in the Tehsil Fund.

Tehsil Municipal Officer TMA Lahor, District Swabi during financial year 2019-20 deduct income tax and KPPRA tax amounting to Rs 1,218,476 however, till the month of October 2020 did not deposit the entire amount. Detail is given at annexure-08

Irregularity occurred due to weak financial controls, which resulted in loss to TMA.

When pointed out in November 2020, management stated that taxes will be deposited and will be shown to audit. No progress made till finalization of this report.

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

Audit recommends deposit of taxes into government treasury.

AIR Para No.06 (2019-20)

3.5.2.21 Irregular execution of schemes without location coordinates – Rs.5.477 million

According to Government of Khyber Pakhtunkhwa Local Government, Elections and Rural development department letter No.AO(planning)/LCB/2-1/General file/2019 dated 02/05/2019 that location coordinates of each scheme must be available in files.

Tehsil Municipal Officer Lahor, District Swabi during financial Year 2019-20, incurred expenditure on various developmental schemes, however location coordinates of below mentioned schemes worth Rs 5,477,000 were not available as required under the rules. Due to non-obtaining location coordinates

the chance of duplication of schemes could not be ruled out. Details given below:-

S.No	Name of Scheme	Amount (Rs)
1	Sanitation Scheme with allied works at Kunda	1,683,000
2	Sanitation Scheme with allied works at Kunda	818,000
3	Sanitation Scheme with allied works at Anbar	1,326,000
4	Flood Protection Works and Sanitation Schemes with allied work at U/C Jabai	600,000
5	Maintenance and Repair and Renovation of Jarga Hall	1,050,000
Total		5,477,000

Irregularity occurred due to weak management controls, which resulted in violation of Government orders.

When pointed out in November 2020, management stated that coordinates will be obtained from the actual list of work and will be shown to audit. No progress shown till finalization of this report.

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

Audit recommends justification/corrective action in the matter.

AIR Para No.08 (2019-20)

CHAPTER-4

AD LGE & RDD

4.1 Introduction

Assistant Director Local Government, Election and Rural Development Department in District Swabi has 160 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 Swabi.

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

S. No.	Description	Total Nos	Audited	Expenditure audited FY 2019-20 (Rs. in million)	Revenue /Receipts audited FY 2019-20 (Rs. in million)
1.	Formations	161	9	23.906	Nil

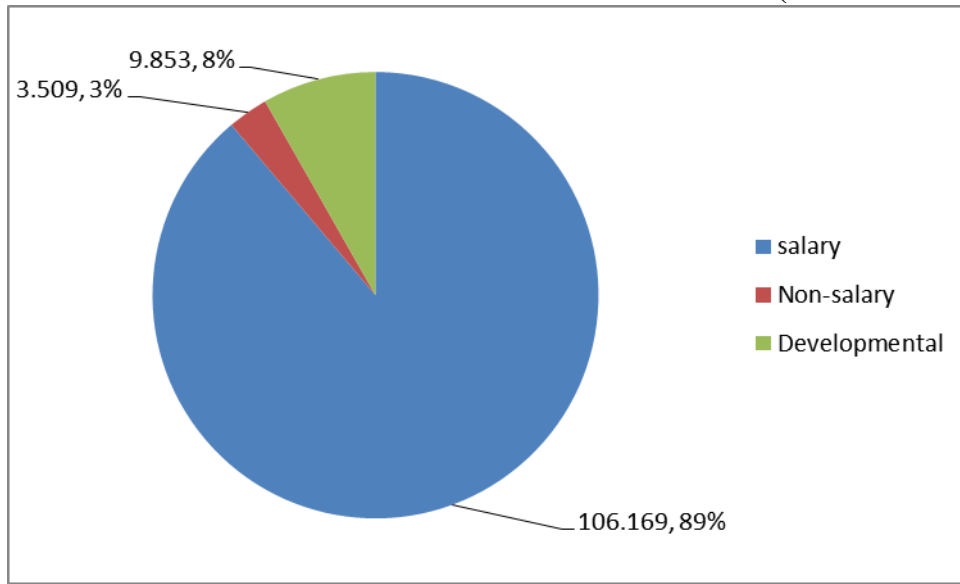
4.2 Comments on Budget and Accounts (Variance Analysis)

(Rs in million)				
2019-20	Budget	Actual Expenditure/Receipts	(Saving)/Excess	%age
Salary	106.156	106.169	-0.001	0.01
Non-salary	10.039	3.509	6.530	65
Developmental	20.707	9.853	10.854	52.4
Total	136.902	119.531	17.383	12.69
Receipts	Nil	Nil		

The savings of Rs. 17.383 million indicate inefficiency in the capacity of Local Government Departments to utilize the amount allocated.

EXPENDITURE 2019-20

(Rs in million)



4.3 Classified Summary of Audit Observations

Audit observations amounting to Rs. 26.586 million were raised in this audit report. Summary of the audit observations classified by nature is as under:

(Rs. in million)

Sr. No.	Classification	Amount (Rs.)
1	Value for money and service delivery issues	10.85
2	Others, including cases of accidents, negligence etc.	15.736
Total		26.586

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

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

Sr. No.	Audit Year	VACs/NACs meeting
1.	2002-03	Not Convened
2.	2003-04	Not Convened
3.	2005-06	Not Convened
4.	2006-07	Not Convened
5.	2007-08	Not Convened
6.	2008-09	Not Convened
7.	2009-10	Not Convened
8.	2010-11	Not Convened
9.	2011-12	Not Convened
10.	2012-13	Not Convened
11.	2013-14	Not Convened
12.	2016-17	Not Convened
13.	2017-18	Not Convened
14.	2018-19	Not Convened
15.	2019-20	Not Convened

4.5 AUDIT PARAS

4.5.1 Value for money and service delivery issues

4.5.1.1 Blockage of government money due to non-execution of works –Rs.10.85 million

According to Para 17(1) of Khyber Pakhtunkhwa Village Council Budget Rules 2016, all ADP project shall be completed within same financial year for which the budget is appropriated and shall not be extended to next financial year.

Eight Secretaries of village councils of District Swabi received Rs.10,850,000 million as development fund for village councils in the District. The amount was not utilized in relevant financial year and was remains unspent. Detail is given at annexure-09

Irregularity occurred due to weak internal controls, which deprived the public from the benefits of the schemes and loss to Government.

When pointed out in October 2020. Management stated that tenure of local councils completed on 28th August 2019. The said VC/NCs could not agreed on unanimous ADP. The power is now conferred to AD (SR) through amendment. The same ADP will be passed on merit and progress will be shown. Reply is not satisfactory as no progress shown till finalization of this report.

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

Audit recommends utilization of fund in execution of development schemes.

AIR Para No. 02 (2019-20)

4.5.2 Others, including cases of accidents, negligence etc.

4.5.2.1 Non-submission of Accounts of Local Government –Rs.2.879 million

According to Section 36(2)(c)&(d) read with Section 36(3) of Local Government Act 2013, the Village Accountant shall maintain the accounts of Village Council , Neighborhood Accountant shall maintain the accounts of Neighborhood Council and submit to DAO concerned for consolidation of the accounts of local Governments in the district separately for receipts from the Government and local resources and send a copy to Government, Accountant General and Nazim.

08 Secretaries of Village Councils of District Swabi during financial year did not submit the accounts of receipts from the Government and local resources amounting to Rs.2,879,601 for consolidation of receipts' accounts by DAO Swabi as required above. Non-compilation of receipts accounts caused non-reflection/unfair view of the financial information, which needs justification. Detail at Annexure -10

Irregularity occurred due to lack of accounting procedure, which caused non-reflection of financial information in the financial statements of the District Swabi.

When pointed out in October 2020. Management stated that the system has not yet been implemented by the provincial Government. After implementation of the system, compliance will be made in the matter. Reply is not satisfactory as local Government act was violated.

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

Audit recommends consolidation of VC accounts in District Financial Statements

AIR Para No. 01 (2019-20)

4.5.2.2 Irregular expenditure without Technical Sanction –Rs. 5.968 million

According to Para 32 of CPWA Code, no work shall be executed without Administrative Approval /Technical Sanction and Budget allotment.

Secretaries of 03 Village Councils in District Swabi spent Rs 5,968,929 on the execution of three (03) developmental schemes during financial year 2019-20. However, Audit observed that Technical sanction was not obtained from competent authority before making the payment. Detail is given below:

VC/NC	Name of Scheme	Expenditure (Rs)
ManeriBala No.03	Pavement of street at VC Maneri bala No.03	2,200,870
Kalabat No.02	Pavement of street at VC kalabat no.02	2,135,757
Topi east No.01	Pavement of street at VC Topi east no.01	1,632,302
	Total	5,968,929

Irregularity occurred due to non-compliance with rules which resulted in irregular expenditure.

When pointed out in October 2020. Management stated that technical sanction will be obtained from the competent authority and progress will be shown. Reply is not satisfactory as no progress shown till finalization of this report.

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

Audit recommends obtaining T.S from the competent authority/ justification in the matter.

AIR Para No.11 (2019-20)

4.5.2.3 Irregular execution of schemes without location coordinates - Rs.5.823 million

According to Government of Khyber Pakhtunkhwa Local Government, Elections and Rural development department letter No. AO(planning)/LCB/2-1/General file/2019 dated 02.05.2019, location coordinates of each scheme must be available in files.

Secretaries of 07 village councils of District Swabi awarded the following schemes amounting to Rs 5,823,099 without location coordinates of the schemes in violation of the above rules. Due to non-obtaining location coordinates the chances of duplication of schemes could not be ruled out. Details below

S.No	VC/NC	Name of work	Cost (Rs)
01	Parmoli North	Payment of street at VC Paemoli North	1,474,000
02	Kalabat No.2	Payment of street at VC kalabat No.2	2,135,757
03	ManeriBala No0.3	Payment of street at VC ManeriBala No.03	2,213,342
Total			5,823,099

Irregularity occurred due to weak management controls, which resulted in violation of Government orders.

When pointed out in October 2020. Management stated that the location coordinates of the subject schemes will be obtained and progress will be shown to audit. Reply is not satisfactory as no progress shown till finalization of this report.

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

Audit recommends justification into the matter.

AIR Para No. 03 (2019-20)

4.5.2.4 Non deposit of Bank profit into Government treasury – Rs.1.066 million

Finance Department Khyber Pakhtunkhwa Peshawar vide letter No. 2/3-(F/L)/FD/2007-08/vol-IX dated 10.02.2014, has allowed sanction of bank accounts in commercial banks for various departments/autonomous/corporation

in KP and directed that such accounts may be converted into PLS mode and profit earned may be deposited into government treasury under the relevant head of account not later than a week when declared by the bank.

Seven Secretaries of village councils of District Swabi during 2019-20 received bank profit of Rs 1,066,036 which was required to be deposited into government treasury. However, the same was not done. Detail is given at annexure-11.

Irregularity occurred due to weak internal controls, which caused loss to exchequer.

When pointed out in October 2020. Management stated that compliance will be made after clarification from local government. Reply is not satisfactory as Finance department notification applicable on provincial departments.

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

Audit recommends to deposit bank profit into Government treasury.

AIR Para No. 05 (2019-20)

CHAPTER-5

SWABI 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.

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

Objectives:

- External Electrification in SMT
- 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)
- plot/Disposal of commercial Construction of commercial plaza
- Disposal of non-utility plots in education & health sector etc
- Disposal constructed shop/Flats
- Environmental Beautification.

The Main Functions of this Authority are as under:-

To provide housing facilities in urban areas of District Swabi

1. To provide infrastructure facilities like water supply, sewerage, drainage, Sui Gas, roads and electrification etc, in the housing schemes.
2. To execute all developmental schemes in the township duly financed by the Provincial/District Governments.
3. To execute all kinds of deposit works in urban area such as construction of urban roads, water supply schemes, sanitation schemes sewerage drainage, building, parking facilities, development of chowks, development of parks, green belts etc.
4. Zoning and land use plans.
5. Any other objectives/functions assigned by District/Provincial Govt.

Detail of Audit Planned formations expenditure and receipts

Sr No	Description	Total Nos	Audited	Expenditure audited FY 2019-20 (Rs. in million)	Revenue /Receipts audited FY 2019-20 (Rs. in million)
1.	Formations	1	1	8.443	53.653

5.2 Comments on Budget and Accounts (Variance Analysis)

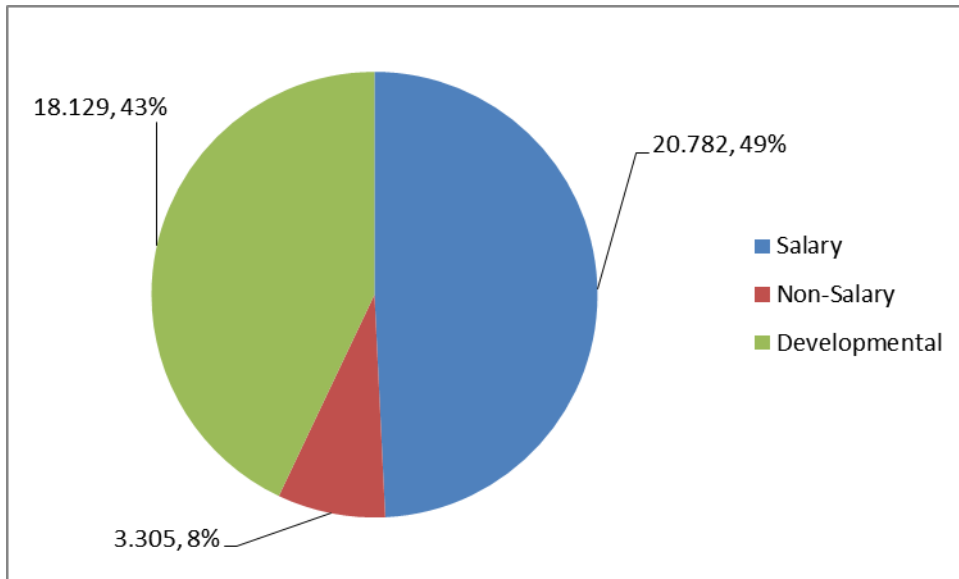
(Rs in million)

2019-20	Budget	Actual Expenditure/Receipts	(Saving)/Excess	%age
Salary	23.158	20.782	2.376	10.26
Non-salary	7.881	3.305	4.575	58
Developmental	69.00	18.129	50.870	73
Total	100.039	42.216	57.821	57.7
Receipts	89.422	53.653	35.769	40.1

The savings of Rs. 57.821 million indicate inefficiency in the capacity of Local Government Departments to utilize the amount allocated

EXPENDITURE 2019-20

(Rs in million)



5.3 Classified Summary of Audit Observations

Audit observations amounting to Rs. 140.117 million were raised in this audit report. This amount also includes recoverable of Rs. 35.21 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rs. in million)

Sr. No.	Classification	Amount (Rs.) in million
1	Irregularities	-
A	HR/Employees related irregularities	2.452
2	Others, including cases of accidents, negligence etc.	137.665
Total		140.117

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

5.5 AUDIT PARAS

5.5.1 Irregularities

A HR/Employees related irregularities

5.5.1.1 Overpayment due to withdrawal of inadmissible Technical Allowance—Rs. 2.452 million

According to Government of Khyber Pakhtunkhwa Finance Department (Regulations Wing) letter No FD (SO SR-TI) 8-7/2018-19 dated 19.10.2018, Engineers holding Engineering qualification from the accredited engineering programme of Higher Education Institutions (HEI) / Universities duly recognized by Higher Education Commission (HEC) and registered with Pakistan Engineering Council (PEC), serving against the sanctioned posts in the C&W, Irrigation, Public Health Engineering and Local Government Departments, Govt. of Khyber-Pakhtunkhwa with effect from 1st November 2018.

S.No	Pay Scales	Initial Basic Pay of Pay (Rs)	Rate of Technical Scales 2017 Allowance Per Month (@ 1.5 initial Basic Pays as per Pay Scales 2017 (Rs)
01	Engineers in BS – 20	69,090/-	103,635/-
02	Engineers in BS – 19	59,210/-	88,815/-
03	Engineers in BS – 18	38,350/-	57,525/-
04	Engineers in BS – 17	30,370/-	45,550/-

According to Government of Khyber Pakhtunkhwa Finance Department (Regulations Wing) letter No. F.D (SO SR-II) 8-7/2017/06 dated 03.07.2020 that Finance Department allowed Technical Allowance to only four works Department i.e. Communication & Works, Irrigation, Public Health Engineering and Local Government Department. Therefore, the Engineers of the Local Area Authorities (Autonomous Bodies), are not entitled for Technical Allowance nor officer of any other Local Area Authority has been authorized by Finance Department for the said allowance.

Project Director, SDA Swabi, withdrew Rs 2,452,617 on account of Technical Allowance for the period from 1st November 2018 to 13th September 2020 for which they was not entitled as per criteria referred to above. The Project

Director, SDA issued an office order under his own signature vide SDA office letter No. 1657-59/SDA/Acct: 68 dated 29.11.2018 and allowed the allowance to himself and one other officer without admissibility and without obtaining approval from the competent authority.

S.No	Name of officer	Designation & BPS	Technical Allowance (Rs)	Drawl month/period	Total months/days	Amount (Rs)
01	Mr. Syed Saiful Islam	Project Director (BPS-19)	88,815	01.11.2018 to 13.09.2020	22 months and 13 days	1,992,417
02	Mr. Javed Iqbal	Deputy Director (BPS-18)	57,525	01.11.2018 to 30.06.2019	08 months	460,200
Total						2,452,617

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

When pointed out in November, 2020, management stated that payment of the allowance has been stopped. The officers have filed a case and the Honorable Peshawar High Court and decision is awaited. Compliance would be made as and when decision is taken by the Court. Reply was not convincing as the allowance was paid without any authority/admissibility and they went to the Court against the recovery.

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

Audit recommends recovery and strict action against the person (s) at fault for allowing and paying the allowance without admissibility..

AIR Para No. 01 (2019-20)

5.5.2 Others, including cases of accidents, negligence etc.

5.5.2.1 Non-deposit of profit into Government treasury – Rs.2.229 million

According to Government of Khyber Pakhtunkhwa Finance Department (Regulation Wing) office letter No. 2/3-(F/L)/FD/2007-08/vol-IX dated 10.03.2018, has allowed sanction of bank accounts in commercial banks for various departments/autonomous/semi-autonomous /corporation in Khyber Pakhtunkhwa and directed that such accounts may be converted into PLS mode and profit earned may be deposited into government treasury under the relevant head of account but not later than a week when declared by the bank.

Project Director, Swabi Development Authority, Swabi, realized Rs 2,229,860 on account of bank profit on deposits during financial year 2019-20. However, the profit was not deposited into government treasury as required under the rule referred to above.

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

When pointed out in November, 2020, management stated that the orders of the Finance Department were not applicable on the SDA being Authority. Reply was not plausible as the orders were applicable on departments/autonomous/semi-autonomous bodies and corporations in Khyber Pakhtunkhwa.

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

Audit recommends immediate deposit of profit into Government treasury.

AIR Para No. 03 (2019-20)

5.5.2.2 Non recovery of outstanding rent of shops – Rs. 4.907 million

According to S. No 11 of the Term and Conditions issued by Swabi development Authority, the successful bidder(s) will be required to deposit the

monthly rent in advance or before 5th of each month to the authority without any notice of demand.

Project Director, Swabi Development Authority, Swabi, allotted 03 shops through auction to various persons on lease basis for 33 years since 2013 @ Rs 1500 per month rent with 25% increase after three years but rent has not been recovered since the date of allotment.

Irregularity occurred due to weak internal control which resulted in loss to the authority.

When pointed out in November, 2020, management stated that the allottees had filed a case and the Honorable Court of Law. Reply was not convincing as they were bound as per agreement to deposit the monthly rent in advance or before 5th of each month to the authority without any notice of demand. They had retained the shops without payment to the SDA despite issuing numerous notices by the authority.

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

Audit recommends recovery of rent of shops along with penalty for non-deposit and action against the person(s) at fault for laxity shown in the last 7 years for non-payment of rent by the allottees.

AIR Para No. 04 (2019-20)

5.5.2.3 Non imposition of penalty on late completion of developmental schemes – Rs. 5.00 million

According to Clause-2 of the terms and condition of the contract agreement, a penalty up to 10% of the estimated cost should be imposed on contractors who fail to complete the work in due time.

Project Director Swabi Development Authority, Swabi failed to impose penalty of Rs 5,000,000 on contractor of Sewerage Treatment Plant due to late completion of developmental scheme during financial year 2019-20 as per detail given below:

Name of scheme	E/cost (Rs in million)	Date of commencement	Completion date	Actual completion	Penalty @ 10% (Rs)
Construction of STP	50,000,000	01.07.2016	30.06.2018	In progress till 11.2020	5,000,000

Irregularity occurred due to weak internal controls which resulted in depriving the public from basic facility and blockage of fund.

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

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

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

AIR Para No. 17 (2019-20)

5.5.2.4 Loss to Government due to inclusion of unjustified/inadmissible contingency/overhead in PC-I and deduction thereof from the bills – Rs. 1.00 million

According to Finance Department letter NO.BI/5-17/97-98/FD dated 20.01.98 and decision of the Provincial Government circulated vide Finance Department notification NO.BOI/FD/2-6/2008-09 dated 26.03.2009, charging POL/repair of vehicles to Development/Maintenance & Repair works may be discontinued and no expenditure should be incurred under object 0.50% contingency.

Project Director, SDA Swabi, included Rs 1,000,000 as 2% contingency/overhead in the PC-I of a developmental work of provincial ADP “Sewerage Treatment Plant in Shah Mansoor Town Swabi” of estimated cost of Rs 50,000,000. Deductions of contingency/overhead @ 2% were made in the bills of the contractor and retained in the designated bank account in violation of repeated instructions of the provincial Government which needs justification as regard to inclusion in PC-I and rate of contingency/overhead.

Irregularity occurred due to violation of rules which resulted in loss to the government and undue benefit to the Authority.

When pointed out in November, 2020, management stated that the contingency has been deducted & retained in the bank account of SDA as it was provided for in the approved PC-I. Reply was not tenable as documentary evidence for provision of 2% as contingency was not produced.

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

Audit recommends fixing responsibility on the persons at fault under intimation to audit.

AIR Para No. 21 (2019-20)

5.5.2.5 Non recovery of Sui Gas Charges from the allottees-Rs.13.347 million

Para 28 of GFR Vol.-I states that no amount due to government should be left outstanding without sufficient reason and where any dues appear to be irrecoverable the orders of competent authority for their adjustment must be sought.

Project Director Swabi Development Authority Swabi did not recover Rs13,346,726 as Sui Gas Pipeline Installation charges from the allottees of the plots as per progressive Trial Balance of the Authority. The Authority spent Rs34,473,162 on installation of the Sui Gas Pipe lines in the Shah Mansoor Township which were required to be recovered from the allottees of plots but only Rs 21,126,436 were recovered and remaining Rs 13,346,726 are still outstanding.

Irregularity occurred due to weak internal controls which resulted in loss to the Authority.

When pointed out in November 2020, management stated that notices would be issued to the allottees. No progress in the matter was intimated till finalization of this report.

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

Audit recommends immediate recovery of the Sui Gas Charges from the concerned.

AIR Para No. 23 (2019-20)

5.5.2.6 Non recovery of Non User Charges-Rs. 12.182 million

According to office order of Project Director Swabi Development Authority Swabi No. 2880-85/SDA/Minutes dated 21.01.2016, Non User Charges will be collected at the following rates.

Particulars	01 kanal	10 marla	7 marla	05 marla	03 marla
Annual rate of charges	10,000	8,000	7,000	5,000	4,000

Project Director Swabi Development Authority Swabi did not recover Rs12,182,000 as Non User Charges from the owners of unconstructed/open plots during financial year 2019-20. Detail is as under:

Detail of Non User Charges						
	01 kanal	10 marla	7 marla	05 marla	03 marla	Total
Open Plot/unconstructed Plots	329	521	181	649	53	1733
Annual Rate	10,000	8,000	7,000	5,000	4,000	
Total	3,290,000	4,168,000	1,267,000	3,245,000	212,000	12,182,000

Irregularity occurred due to weak internal controls which resulted in loss to the Authority.

When pointed out in November 2020, management stated that for recovery of the charges notice was published in the newspaper with last date of 15th December 2020. Reply was not satisfactory as no recovery was intimated till finalization of this report.

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

Audit recommends immediate recovery of the Non User Charges from the concerned.

AIR Para No. 25 (2019-20)

5.5.2.7 Unauthorized subletting of work-Rs. 50.00 million

According to clause 20 of the conditions of contract, contract shall not be assigned or sublet without the written approval of the Deputy Director. If the contractor shall assign or sublet his contract or attempt so to do, the Deputy Director may thereupon by notice in writing rescind the contract, and security deposit of the contractor shall thereupon stand forfeited and be absolutely at disposal of the Authority.

Project Director Swabi Development Authority Swabi awarded a work “Construction of Sewage Treatment Plant at Shah Mansoor Town Swabi” under the Provincial ADP No.761(2015-16) having estimated cost of Rs 50,000,000 to M/S Awan Associates & Brothers, Charsadda. Audit observed that work was later on subletted to M/S Jamal Khel Construction Company Swat as evident from a certificate issued by Deputy Director SDA Swabi. This action on part of the contractor and SDA was violation of the contract rules which needs justification.

Furthermore, work was supervised by SDO Khalil Usman who was diploma holder and was not registered with PEC which made the execution of work irregular which needs justification.

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

When pointed out in November 2020, management stated that the payment was made to M/S Awan Associates Charsadda, the original contractor of the scheme. Secondly, Mr. Khalid Usman was promoted from sub engineer to Assistant Director and posted as Deputy Director on stop gap arrangement by

Secretary Local Government. Reply was not tenable as the subletting of work is evident from a certificate issued by the Deputy Director SDA referred above.

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

Audit recommends the matter should be investigated and action against the responsible (s) should be initiated as per rules.

AIR Para No. 29 (2019-20)

5.5.2.8 Irregular with drawl and payment to the contractor without pre-Audit-Rs. 49.00 million

According to section 5(b) of the Controller General of Accounts (Appointment, Functions and Powers) Ordinance, 2001, the Controller General of Accounts shall authorize payments and withdrawals from the Consolidated Fund and Public Accounts of the Federal and Provincial Governments against approved budgetary provisions after pre-audited checks.

Project Director Swabi Development Authority Swabi un-authorizedly withdrew Rs 50,000,000 allocated by Provincial Government for scheme “Construction of Sewage Treatment Plant at Shah Mansoor Township Swabi” from District Accounts Office Swabi on simple receipts and deposited the same in designated bank account. Later on, payments were made to the contractor without conducting pre Audit. Thus, the payment without pre audit was unauthorized and irregular.

Irregularity occurred due to lack of financial controls which resulted in irregular and unauthentic payment.

When pointed out in November 2020, management stated that as per prevailing admissible rules of Local Area Authorities, pre-audit of the bill from DAO is not required. Reply was not tenable as the fund was released by Provincial Government and which was required to be withdrawn from the Government treasury after pre-audit.

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

Audit recommends that matter should be brought to the notice of higher ups for action against the person(s) at fault.

AIR Para No. 30 (2019-20)

ANNEXURES

Annex -1

DETAIL OF MFDAC PARAS

(Rs. in million)

S. No.	AIR No.	Department	Caption	(Rs. in million)
1	6	DC	Mis-procurement of furniture	3.689
2	7	-do-	Where about of 520 trees	-
3	8	-do-	Non utilization of development funds in the same	-
4	9	-do-	Non -Auction of confiscated 14,799 nos Weapons worth	-
5	10	-do-	Unauthorized deposit into current bank accounts	14.097
6	11	-do-	Unauthorized disbursement without revival of funds	28.605
7	14	-do-	Illegal occupation of District Administration residential buildings and non-deductions of HRA	-
89	15	-do-	Overpayment on account of P.O.L	0.082
10	17	-do-	Irregular payment of conveyance allowance	0.147
11	18	-do-	Unauthorized allocation of funds for repair out of development funds	14.810
12	19	-do-	Unauthentic payment out of Provincial ADP	-
13	24	-do-	Non-reconciliation of expenditure	153.492
14	25	-do-	Loss to government due to non-achievement of target receipts	28.319
15	3	DHO	Where about medicines	1.138
16	4	-do-	Non supply of medicines and non-imposition of penalty	0.745
17	6	-do-	Loss due to non- recovery of penalty for late supply of	0.071
18	7	-do-	Unauthorized payment on account of purchase of medicine without Contract Execution Certificates	35.481
19	8	-do-	Irregular purchase of Anti rabies Vaccine –Rs 0.550	0.550
20	9	-do-	Non deposit of health receipts into Government Treasury	0.693
21	10	-do-	Unauthorized deposit into current bank account	59.324
22	12	-do-	Loss due to unauthorized payment of Non-Practicing	0.360
23	13	-do-	Unauthorized payment of prison allowance	0.305
24	15	-do-	Non reconciliation of expenditure	4.236
25	18	-do-	Unauthorized payment of Adhoc Relief Allowances 2013	0.108
26	19	-do-	Loss to Government due to Non-auction/ non-surrender of condemned vehicles	-
27	01	DEO Male	Un-authorized maintenance of designated bank accounts without approval and non- conversion of current account into PLS mode	-

28	02	-do-	Inadmissible payment of best performing school teachers' award to non-teaching staff	0.050
29	03	-do-	Irregular expenditure on enrollment campaign without	0.325
30	05	-do-	Non deposit of one month salary without one month prior	0.029
31	07	-do-	Unauthorized grant of study leave on half pay without its admissibility and loss due to payment of leave salary	0.618
32	12	-do-	Non deposit of Income Tax & Sales Tax	0.333
33	13	-do-	Non recovery of Scouts registration, Shaheen and Red Crescent fund	0.144
34	15	-do-	Non auction of old building material and unserviceable	-
35	16	-do-	Non deposit of profit into Government treasury	0.233
36	01	DEO	Excess expenditure over and above the overall revised	0.174
37	04	-do-	Loss to government due to non-conversion of current Bank Accounts into PLS	-
38	05	-do-	Overpayment due to withdrawal of pay and allowances	0.130
39	06	-do-	Inadmissible and unjustified withdrawal of additional	0.183
40	07	-do-	Irregular expenditure on enrollment campaign without	0.259
41	08	-do-	Irregular expenditure on convince charges due to incorrect accord of sanctions and without visit reports	0.300
42	09	-do-	Non deduction of retiring benefits and death	0.065
43	10	-do-	Overpayment of pay & allowances for the period of leave without pay	0.087
44	11	-do-	Non-payment of incentive and unjustified retention in designated bank account	0.050
45	14	-do-	Non supply of furniture	0.376
46	15	-do-	Irregular purchase of furniture and advance payment	0.376
47	16	-do-	Non utilization of developmental fund	1.128
48	17	-do-	Unauthentic/Irregular purchase of equipment of play area non deposit of Income Tax/Sales Tax thereon	0.240
49	18	-do-	Non recovery of Girls Guide and Red Crescent fund	0.534
50	19	-do-	Non deposit of Government share out of Girls Guide and	0.307
51	21	-do-	Non disbursement of Stipend to Secondary School Girl	3.409
52	22	-do-	Non surrender of saving of Girls stipend	2.697
53	23	-do-	Non verification of record/stock and stores	-
54	02	DO Social Welfare	Unauthentic withdrawal from bank account	1.219
55	03	-do-	Unauthentic expenditure	26.991
56	04	-do-	Overpayment in payment of arrear of pay and allowances	0.112
57	05	-do-	Unjustified payment of pay and allowances	0.420
58	06	-do-	Suspected misappropriation on account of pay	5.022

59	07	-do-	Misappropriation on account of purchases	0.405
60	08	-do-	Unauthentic expenditure on account of ADP project	0.427
61	09	-do-	Unauthentic budget and expenditure on account of ADP	6.548
62	10	-do-	Misappropriation on account of purchases of various	0.124
63	11	-do-	Unauthorized cash payment instead of crossed cheques/bank transfer to vendors	0.012
64	12	-do-	Non-conducting of physical verification of store and	-
65	03	TMA Swabi	Non deposit of 3% RTA Share-	0.873
66	04	-do-	Less deposit of 2% LCB Share	0.330
67	05	-do-	Unauthentic receipts of 2% property tax without reconciliation with revenue department	2.906
68	06	-do-	Loss to Government due to Less collection/ deposit of Income Tax from contractor	1.514
69	07	-do-	Non recovery of outstanding dues from contractor of	0.341
70	09	-do-	Non recovery of outstanding rent of shops	0.324
71	11	-do-	Unauthorized placement of funds	5.053
72	12	-do-	Non conversion of current bank accounts into PLS and	-
73	13	-do-	Irregular payment on account of Hot & Cold weather	0.685
74	14	-do-	Non-achievement of target of receipts	17.229
75	15	-do-	Loss to Government due to non recovery of annual fee	0.625
76	16	-do-	Unauthorized expenditure on account contingent paid	0.602
78	17	-do-	Un- Authorized expenditure incurred on account of TA	0.207
79	18	-do-	Non imposition of penalty on late completion of	0.991
80	19	-do-	Substandard execution of items of PCC	1.418
81	22	-do-	Less deposit of Income Tax by GBS Swabi contractor	0.763
82	03	TMA Topi	Non deposit of 3% RTA Share	0.130
83	04	-do-	Loss to Government due to non recovery of NOC and annual fee from petrol pumps	0.425
84	05	-do-	Non-recovery of rent of shops	0.220
85	06	-do-	Unauthorized placement of funds	8.330
86	07	-do-	Unauthentic receipts of 2% property tax without reconciliation with Revenue Department	25.911
87	08	-do-	Irregular award of contract	0.918
88	09	-do-	Non-achievement of target receipts	0.745
89	10	-do-	Irregular payment on account of pay and allowances in	0.424
90	11	-do-	Irregular drawl of developmental funds	50.450
91	12	-do-	Blockage of government money due to non utilization of funds	0.25
92	15	-do-	Unauthorized execution of WSS without approval of DUE Department	6.707
93	02	TMA Razzar	Loss to TMA due to non recovery of annual fee from petrol pumps	0.425

94	03	-do-	Unauthentic receipts of 2% property tax without reconciliation with Revenue Department	5.536
95	04	-do-	Non-imposition of penalty on late completion of	0.400
96	07	-do-	Unauthorized payment for non-schedule items without	0.120
97	09	-do-	Unauthorized payment for unapproved items of work	0.073
98	10	-do-	Unauthentic expenditure on account of water supply	1.520
99	13	-do-	Non deposit of 3% RTA Share	0.360
100	01	TMA	Loss to TMA due to non-recovery of annual fee from	0.650
101	05	-do-	Non deposit of 3% RTA Share	0.201
102	07	-do-	Non-deposit of DPR fund dues and Stamp duty and	0.116
103	09	-do-	Unauthentic receipts of 2% property tax without reconciliation with Revenue Department	24.493
104	10	-do-	Non-recovery of outstanding dues from contractors	0.269
105	11	-do-	Non-imposition of penalty on late completion of	0.363
106	04	AD LGRDD	Non-imposition of penalty due to non- completion of	0.492
107	06	-do-	Non conversion of current into saving account	-
108	07	-do-	Unauthentic expenditure on account of boring	0.194
109	08	-do-	Unauthentic execution of PCC without Lab tests	0.958
110	09	-do-	Irregular expenditure on account of Rent of office	
111	10	-do-	Irregular expenditure on account of cleanliness out of	0.189
112	12	-do-	Non- deposit of KPRA Tax	0.050
113	13	-do-	Overpayment due to allowing higher rates	0.080
114	14	-do-	Excess payment due to deviating from Approved BOQ	0.264
115	15	-do-	Unauthorized payment for non-scheduled items without	0.200
116	16	-do-	Irregular payment on account of POL to deputy	0.135
117	01	SDA	Unauthorized expenditure without approval of budget by the competent forum and without pre-audit	35.227
118	05	-do-	Overpayment due to withdrawal of house rent allowance at inadmissible rates	2.592
119	07	-do-	Unjustified retention of advance payment of unsuccessful	1.080
120	08	-do-	Overpayment due to allowing full transfer grant and non-recovery of 5% maintenance charges	0.082
121	09	-do-	Un-authorized maintenance of designated bank accounts without approval and non-conversion of current accounts	-
122	10	-do-	Unauthorized payment of gratuity in addition to C.P.	15.939
123	11	-do-	Non recovery of 2% income tax on transfer of immovable	0.639
124	12	-do-	Non deposit of deducted taxes in to government treasury	0.766
125	13	-do-	Unjustified deduction of withholding tax on profit in	0.288
126	14	-do-	Loss due to lapsed days in investment	0.340
127	15	-do-	Non maintenance of financial statements for the last 12	-

128	19	-do-	Unjustified retention of withheld salaries and contractor's	1.580
129	20	-do-	Illogical reflection of overdraft balance of cash at bank in credit side of Trial Balance	2.170
130	21	-do-	Loss to Government due to inclusion of unjustified/inadmissible contingency/overhead in PC-I	1.00
131	22	-do-	Loss on account of delay in investment and receiving lower rate of profit on TDR	0.531
132	24	-do-	Non recovery of Water charges and Conservancy	0.479
133	26	-do-	Non recovery of arrears on account of Enhancement of	0.795
134	27	-do-	Unauthentic payment of Capital Value Tax	1.602
135	28	-do-	Less deduction of Income Tax and Capital value Tax	0.262
136	31	-do-	Unjustified payment on execution of sub-standard work	3.067
137	32	-do-	Unjustified expenditure on repair and maintenance of	1.109
138	33	-do-	Unauthentic payment of Income Tax	1.952
139	34	-do-	Loss of million Rupees due to non auction of plots and	-

Annex -2
Para No. 2.5.1.1

Detail of overpayment on account of HPA

Name of Dr.	Per.No	Desig:	HPA admissible (Rs)	HPA Drawn (Rs)	Excess drawl (Rs)	Overpayment (Rs)
Dr. Alia Jehan	00387616	SMO	62,000	72,000	10,000	120,000
Dr. NasreenHaider	00442519	SMO	-do-	Do	-do-	120,000
Dr. Ahmad Ali	006564264	MO	-do-	Do	-do-	120,000
Dr. naznnen	00691306	MO	-do-	Do	-do-	120,000
Dr. UbaidUllahAsad	00758869	MO	-do-	Do	-do-	120,000
Dr. Ishtiaq Ali	00807779	MO	-do-	76000	14000	140,000
Dr. Noor islam	00810668	MO	-do-	Do	-do-	120,000
Dr. Nisar Muhmmmad	00811186	MO	-do-	Do	-do-	120,000
Dr. Qasim Shah	00815842	MO	-do-	Do	-do-	120,000
Dr. Hamyun	00848565	MO	-do-	Do	-do-	120,000
Dr. Rafiq	00866540	MO	-do-	Do	-do-	120,000
Total						1,340,000

Annex -3
Para No. 2.5.1.2

DETAIL OF OVERPAYMENT ON ACCOUNT OF HPA DURING LEAVE

S.No	Personnel #	Name of Doctor	Designation	Facility	Leave	w.e.f	Amount
1	00654264	Dr. Ahmad Ali	MO	Cat-C Lahor	30 Days Earned Leave	16/12/2019	77,000
2	00387616	Dr. Alia Jehan	SWMO	Cat-C Lahor	20 Days Earned Leave	25/9/2019	51,333
4	00649297	Dr. Arshad Amin	SMO	Cat-D Kalu Khan	45 Days Hajj Leave	24/7/2019	115,500
5	00836260	Dr. Azra Aman	WMO	RHC Tordher	45 Days Maternity Leave	15/11/2019	115,500
6	00838157	Dr. Fatima Akbar	WMO	RHC Anbar Kunda	13 Days	17/2/2020	33,366
7	00843849	Dr. Hammad Saqib	MO	BHU Manki	30 Days Umrah Leave	30/9/2019	77,000
8	00913386	Dr. Humaira Kamal	WMO	Cat-C Lahor	22 Days Earned Leave	24/9/2019	56,466
9	00729025	Dr. Masab Khan	MO	RHC Sheikh Jana	15 Days Umrah Leave	28/11/2019	38,500
10	00807776	Dr. Muhammad Saeed	MO	Cat-C Lahor	45 Days Hajj Leave	1/8/2019	115,500
12	00904336	Dr. Nayab	WMO	Cat-C Topi	90 Days Maternity Leave	6/1/2020	231,000
13	00837721	Dr. Samreen Faiz	WMO	RHC Anbar Kunda	45 Days Maternity Leave	6/4/2020	115,500
14	00875326	Dr. Sehrish Baloch	WMO	Cat-C Lahor	45 Days Hajj Leave	13/7/2019	115,500
15	00729016	Dr. Shah Abid	MO	Cat-C Topi	Hajj Leave	26/7/2019	115,500
16	00758871	Dr. Waheed Anwar	MO	RHC Sheikh Jana	120 Days Earned Leave	1/9/2019	231,000
17	00777007	Brita Ghulam	Charge Nurse	Cat-C Lahor	31 Days Earned Leave	1/10/2019	15,000
18	00707714	Mrs. Faiza Khurshid	Charge Nurse	Cat-C Topi	90 Days Maternity Leave	16/6/2020	45,000
19	00588994	Mrs. Naghmana	Charge Nurse	Cat-C Topi	90 Days Maternity Leave	17/2/2020	45,000
20	00434771	Mrs. Saima Bibi	Charge Nurse	Cat-C Topi	90 Days Maternity Leave	2/12/2019	45,000
21	00349610	Naseema Shaheen	Charge Nurse	Cat-D Kalu Khan	25 Days Umrah Leave	21/2/2020	12,500
22	00735712	Rafia Naz	Charge Nurse	Cat-D Kalu Khan	90 Days Maternity Leave	25/11/2019	45,000
23	00839675	Shafina	Charge Nurse	Cat-C Lahor	30 Days Earned Leave	1/7/2019	15,000

24	00835550	Shuhrat Begum	Charge Nurse	Cat-D Kalu Khan	20 Days Earned Leave	18/11/2019	10,000
25	00717029	Mrs. Amina Madiha	Dental Tech	Cat-C Topi	90 Days Maternity Leave	4/2/2020	45,000
26	00235284	Muhammad Ali	Dispenser	Cat-C Topi	30 Days	19/12/2019	15,000
Total							1,781,165

Annex -4
Para No.2.5.1.3

Detail of overpayment on account of CA and House Rent Allowance

S. No.	Pers.no.	Name of Employee	Wage Type Description	Cost Center	Designation	Total
1	713876	ARIFULLAH	HRA	RHCs	MO	53,196
2	713876	ARIFULLAH	Convey Allow 2005	RHCs	MO	60,000
3	758859	MAZHAR KHAN	HRA	BHUs	MO	53,196
4	758859	MAZHAR KHAN	Convey Allow 2005	BHUs	MO	60,000
5	758862	ANESS AHMAD	HRA	RHCs	MO	53,196
6	758862	ANESS AHMAD	Convey Allow 2005	RHCs	MO	60,000
7	758871	WAHEED ANWAR	HRA	RHCs	MO	48,763
8	758871	WAHEED ANWAR	Convey Allow 2005	RHCs	MO	55,000
9	807777	ASGHAR ALI	HRA	BHUs	MO	60,000
10	807777	ASGHAR ALI	Convey Allow 2005	BHUs	MO	53,196
11	811175	Muhammad Shahid	HRA	BHUs	MO	53,196
12	811175	Muhammad Shahid	Convey Allow 2005	BHUs	MO	60,000
13	815691	MUHAMMAD ARIF KHAN	HRA	BHUs	MO	53,196
14	815691	MUHAMMAD ARIF KHAN	Convey Allow 2005	BHUs	MO	60,000
15	834615	QURAT UL AIN	HRA	RHCs	MO	53,196
16	834615	QURAT UL AIN	Convey Allow 2005	RHCs	MO	60,000
17	836124	SYED ZOHAD ALI SHAH	HRA	RHCs	MO	53,196
18	836124	SYED ZOHAD ALI SHAH	Convey Allow 2005	RHCs	MO	60,000
19	844237	TANVEER AHMAD	Convey Allow 2005	BHUs	MO	60,000
20	845935	Muhammad Rashid	HRA	BHUs	MO	53,196
21	845935	Muhammad Rashid	Convey Allow 2005	BHUs	MO	60,000
22	848653	MUHAMMAD ANEESZAHID	HRA	BHUs	MO	53,196
23	848653	MUHAMMAD ANEESZAHID	Convey Allow 2005	BHUs	MO	60,000
24	886922	SAIMAGUL	HRA	BHUs	MO	53,196
25	886922	SAIMAGUL	Convey Allow 2005	BHUs	MO	60,000
Total						1,408,919

Annex -5
Para No. 2.5.1.5

Detail of overpayment of pay and allowances due to fake appointments

S.No	Name of teacher/office	Designation & BPS	Place of posting	Period of payment			Average monthly gross salary (Rs)	Overpayment (Rs)
				From	To	Total months		
01	Mst. TahiraNaz	SST (General) BPS-16	GGHS Parmola i Swabi	01.07.2012	31.01.2019	79	53,000	4,187,000
02	Mst. NazishJehan	SST (General) BPS-16	GGCMS Muhib Banda Swabi	01.07.2012	31.01.2019	79	53,000	4,187,000
03	Mst. Neelam	ASDEO (Female) BPS-16	DEO (Female) office Swabi	01.09.2016	31.01.2019	29	41,000	1,189,000
04	Mst. Safia	SST (General) BPS-16	GGHS Zain Yar Hussain Swabi	01.07.2012	30.06.2013	31	41,000	1,271,000
				01.07.2017	31.01.2019			
Total								10,834,000

Annex-6
Para No. 2.5.3.5

Detail Of Loss To Government Due To Non-Recovery Of Land & Other Taxes

Statement showing non recovery of land & other taxes during 2019-20				
S.No	Head of Account	Amount due	Amount recovered	Non recovery
1	Land Tax/AIT	5,786,000	4,107,470	1,678,530
2	Usher	94,426	56,848	37,578
3	Local Rates	1,208,800	853,115	355,685
4	Mutation fee	120,901,700	110,410,362	10,491,338
5	CVT	15,895,000	3,661,003	12,233,997
6	Stamp duty	27,840,500	6,662,250	21,178,250
7	Registration fee	5,999,500	2,404,235	3,595,265
8	Old Abyana	21,809,569	93,705	21,715,864
Total		199,535,495	128,248,988	71,286,507

Annex-7
Para No. 3.5.3.9

Detail of irregular Developmental expenditure without Technical Sanction

S#	ADP Name	Name of Scheme	Location	E.Cost (Rs)	Expenditure	Work Status
1	RDP	Sanitation and street pavement at Kalabat	Kalabat	1500,000	1,500,000	Completed
2	NHP	Sanitation scheme at UC Kalabat	Kalabat	30,000,000	25,992,176	Completed
3	RDP	Sanitation and street pavement at Zarobai	Zarobai	10,000,000	10,000,000	Completed
4	RDP	Sanitation and street Pavement at UC Mainai	Mainai	50,000,000	4,654,228	In progress
5	NHP	Water Supply scheme at Gadoon Area	Gadoon	8,000,000	8,499,696	In progress
Total				171,500,000	50,646,100	

Annex-8
Para No. 3.5.2.20

Loss to Government due to Non-Deposit of Income Tax and KPPRA Tax

S/No	Name of Contractor	Gross Bill (Rs)	Income Tax (Rs)	KPPRA (Rs)	Total(Rs)
1	M/S Nawaz Jalbai	142,889	10,716	1,429	12,145
2	M/S Rahim & Sons	870,000	65,263	8,700	73,963
3	M/S Sher Dheri Construction	858,281	64,371	8,582	72,953
4	M/S Ali & Brothers	424,371	31,827	4,243	36,070
5	M/S Manzoor Ahmad & Brothers	603,158	45,263	6,351	51,614
6	M/S Nawab Ali Khan	455,851	34,180	4,559	38,739
7	M/S Sher Dheri Construction	406,911	30,518	-	30,518
8	M/S Rahim & Sons	762,391	57,179	7,623	64,802
9	M/S Nawaz Jalbai	243,038	18,223	2,430	20,653
10	M/S Engika Engineering Service	1,500,000	67,500	15,000	82,500
11	M/S Ali & Brothers	648,000	29,160	7,000	36,160
12	M/S Manzoor Ahmad & Brothers	327,307	24,548	4,000	28,548
13	M/S Nawab Ali Khan	85,774	6,433	-	6,433
14	M/S imdad Ullah & Sons	392,316	29,423	5,000	34,423
15	M/S imdad Ullah & Sons	1,248,092	93,600	12,000	105,600
16	M/S Ali & Brothers	278,997	20,924	3,000	23,924
17	M/S Raheed Nawab	999,221	74,941	10,000	84,941
18	M/S imdad Ullah & Sons	1,025,273	76,895	10,000	86,895

19	M/S Taj Ur Rahman	570,000	42,738	6,000	48,738
20	M/S Raheed Nawab	444,655	33,349	4,500	37,849
21	M/S Raheed Nawab	520,088	39,007	7,700	46,707
22	M/S Manzoor ahmad & Brothers	243,142	19,451	2,054	21,505
23	M/S Nawab Ali khan	41,744	3,130	570	3,700
24	M/S Friends Construction	204,791		9,683	9,683
25	M/S Ajmal Shah & Co	823,006	61,725	8,230	69,955
26	M/S Raheed Nawab & Sons	161,370	12,102	1,700	13,802
27	M/S Nawab Ali Khan	99,513	7,463	1,600	9,063
28	M/S Imdad Ullah & Brothers	184,729	13,854	1,800	15,654
29	M/S Imdad Ullah & Brothers	564,334	42,340	8,599	50,939
Total			1,056,123	162,353	1,218,476

Annex-9
Para No.4.5.1.1

Blockage of government money due to non-execution of works

S.No	VCs/NCs	Amount (Rs. in millions)
1	Permoli North	1.684
2	Jehangira -02	1.019
3	Kalabat No.02	2.221
4	ManeriBala No.03	1.362
5	YarHussain East-01	1.943
6	Zaida rural	0.923
7	Kundamera	1.147
8	Topi East No.01	0.551
Total		10.85

Annex -10
Para No. 4.5.2.1

Non-submission of Accounts of Local Government

S.No	VCs/NCs	Amount (Rs)
1	Permoli North	403,900
2	ManeriBala No.03	420,783
3	Kalabat No.02	360,787
4	YarHussan East-1	360,787
5	Jehanigira -02	300,787
6	Zaida Rural	250,991
7	KundaMera	360,779
8	Topi East -01	420,787
Total		2,879,601

Annex-11
Para No. 4.5.2.4

Detail of bank profit not deposited

Detail of bank profit not deposited by VCs/NCs during 2019-20		
S.No	VCs/NCs	Accounts
1	VC ManeriBala	244,265
2	VC YarHussain East-01	59,349
3	NC permoli north	251,394
4	VC Kalabat No.02	123,392
5	VC Jehangira -02	200,187
6	VC Kundamaira	69,463
7	VC topi East No.01	117,986
Total		1,066,036
