



**AUDIT REPORT  
ON THE ACCOUNTS OF  
TEHSIL MUNICIPAL ADMINISTRATIONS  
IN DISTRICT KOHAT**

**KHYBER PAKHTUNKHWA**

**AUDIT YEAR 2016-17**

**AUDITOR GENERAL OF PAKISTAN**

## TABLE OF CONTENTS

ABBREVIATIONS AND ACRONYMS.....	i
PREFACE.....	ii
EXECUTIVE SUMMARY .....	iii
SUMMARY TABLES AND CHARTS.....	vi
I: Audit Work Statistics .....	vi
II: Audit observations classified by categories.....	vi
III: Outcome Statistics.....	vii
IV: Table of Irregularities pointed out.....	viii
V: Cost- Benefit (Rs in million) .....	viii
CHAPTER-1.....	1
1.1 Tehsil Municipal Administrations in District, Kohat .....	1
1.1.1 Introduction .....	1
1.1.2 Comments on Budget and Accounts (Variance Analysis) .....	1
1.1.3 Comments on the status of compliance with PAC Directives.....	3
1.2 Tehsil Municipal Administration Kohat.....	5
1.2.1 Irregularity & Non- Compliance .....	5
1.3 Tehsil Municipal Administration Lachi .....	15
1.3.1 Irregularity & Non Compliance.....	15
1.3.2 Internal Control Weaknesses .....	17
ANNEXURES.....	23
Annexure-1 MFDAC.....	25
Annexure-2 Detail of Schemes executed without TS.....	27
Annexure-3Detail of non imposition of penalty .....	28
Annexure-4 Detail of non recovery of outstanding rent.....	29
Annexure-5 Detail of non collection of taxes.....	30
Annexure-6 Detail of Outstanding Rent.....	31
Annexure-7 Detail of non imposition of penalty for non completion of shcemes .....	32
Annexure-8 Detail of Overpayment due accepting of higher rates .....	35
Annexure-9 Detail of non utilization of developmental fund.....	32

## ABBREVIATIONS AND ACRONYMS

AP	Advance Para
ADP	Annual Development Programme
BOQ	Bill of Quantity
BOT	Build Operate and Transfer
BTR	Black Top Road
CH	Civil Hospital
CMD	Chief Minister Directives
CPWD	Central Public Works Departmental
DAC	Departmental Accounts Committee
DDC	District Development Committee
DDO	Drawing and Disbursing Officer
DMC	District Monitoring Committee
GFR	General Financial Rules
LCB	Local Council Board
LGA	Local Government Act
MFDAC	Memorandum for Departmental Accounts Committee
PAC	Public Accounts Committee
PAO	Principal Accounting Officer
PC-1	Planning Commission-1
PFC	Provincial Finance Commission
RDA	Regional Directorate of Audit
S/F	Supply and Fixing
TMA	Tehsil Municipal Administration
TMO	Tehsil Municipal Officer
TOI	Tehsil Officer Infrastructure
TS	Technical Sanction
UC	Union Council
WSS	Water Supply Scheme
ZAC	Zilla Accounts Committee

## Preface

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

The report is based on audit of the accounts of TMAs in District Kohat for the financial year 2015-16. The Directorate General of Audit, District Governments, Khyber Pakhtunkhwa conducted audit on test check basis during 2016-17 with a view to reporting significant findings to the relevant stakeholders. The main body of the Audit Report includes only the systemic issues and audit findings. Relatively less significant issues are listed in the **Annex-1** of the Audit Report. The Audit observations listed in the **Annex-1** shall be pursued with the Principal Accounting Officer at the DAC level. In all cases where the PAO does not initiate appropriate action, the Audit observations will be brought to the notice of Public Accounts Committee through the next year's Audit Report.

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

The observations included in this Report have been finalized in the light of written replies of the departments. However, in some observations, department did not submit written replies. DAC meetings were not convened despite repeated requests.

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

Islamabad  
Dated:

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

## EXECUTIVE SUMMARY

The Director General Audit, District Governments, Khyber Pakhtunkhwa carries out the audit of all Tehsil Municipal Administrations and Town Municipal Administrations. The Regional Directorate of Audit Kohat, on behalf of the DG District Governments Audit, Khyber Pakhtunkhwa carries out the audit of one three District Governments, TMAs and VCs/NCs of three Districts i.e. Kohat, Karak and Hangu respectively.

The Regional Directorate of Audit Kohat has a human resource of 07 officers and staff with a total of 1953 mandays. The annual budget amounting to Rs 10.650million was allocated to the RDA during financial year 2016-17. The directorate is mandated to conduct regularity (financial attest audit and compliance with authority audit) and performance audit of programmes and projects.

Tehsil Municipal Administrations in the District Kohat perform their functions under Khyber Pakhtunkhwa Local Government Act 2013. Each TMA has one Principal Accounting Officer (PAO) as provided in Rule 8(1) (P) of the Khyber Pakhtunkhwa Tehsil and Town Municipal Administration Rules of Business 2015. Financial provisions of the Act establish a local fund for each Tehsil Administration for which Annual Budget Statement is authorized by the Tehsil Council in the form of budgetary grants.

### **a. Scope of Audit**

The total expenditure of the Tehsil Municipal Administrations Kohat and Lachi in District Kohat, for the Financial Year 2015-16 was Rs739.760 million. Out of this, RDA Kohat audited an expenditure of Rs 628.796 million which, in terms of percentage, was 80% of auditable expenditure.

The total of receipts of Tehsil Municipal Administrations in District Kohat for the Financial Year 2015-16 was Rs 214.419 million. Out of this, RDA Kohat audited receipts of Rs 128.651million which, in terms of percentage, was 60% of auditable receipts.

The total expenditure and receipts of Tehsil Municipal Administrations in District Kohat, for the Financial Year 2015-16 was Rs 954.180million. Out of this, RDA Kohat audited transactions of Rs 757.448 million which in terms of percentage was 79.29% of auditable amount.

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

Recovery of Rs140.942 million was pointed out during the audit. However, no recovery was effected till the finalization of this report. Out of the total recoveries Rs 61.266 million was not in the notice of the executive before audit.

**c. Audit Methodology**

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

**d. Audit Impact**

Audit pointed out various irregularities of serious nature. Cases related to weak internal were also pointed out to which management has been sensitized. In certain cases management has taken action which may further be verified. However, no impact was visible as the management failed to reply and the irregularities could not come to the light in the proper forum i.e. DAC.

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

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

Another basic component of internal control, as envisaged under section 37(4) of LGA 2013, is internal audit which was not found in place in the domain of TMAs.

**f. Key Audit Findings of the report**

- i. Irregularity non-compliance were noticed in three of Rs133.722in three cases million.<sup>1</sup>
- ii. Weak internal controls were noticed in sixteen cases of Rs 519.418million<sup>2</sup>.

**g. Recommendations**

- i. Concrete efforts need to be made to recover long outstanding dues.
- ii. Inquiries on urgent basis to be initiated against the responsible officers and officials.
- iii. Recoveries pointed out may be ensured.
- iv. All sectors of TMAs need to strengthen internal controls i.e. financial, operational, administrative controls etc to ensure that reported lapses are preempted and fair value for money is obtained from public spending.

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<sup>1</sup>Paras No. 1.2.1.1,1.2.1.2, & 1.3.1.1

<sup>2</sup>Paras No. 1.2.2.1 to 1.2.2.8& 1.3.2.1 to 1.3.2.8

## SUMMARY TABLES AND CHARTS

### I: Audit Work Statistics

(Rs in million)

S. No	Description	No.	Budget
1	Total Entities in (PAO) in Audit Jurisdiction	02	954.180
2	Total formations in audit jurisdiction	02	954.180
3	Total Entities in (PAO) Audited	02	757.448
4	Total formations Audited	02	757.448
5	Audit and Inspection Reports	02	757.448
6	Special Audit Reports	--	--
7	Performance Audit Reports	--	--
8	Other Reports (relating to TMA)	--	--

### II: Audit observations classified by categories

(Rs in million)

S. No	Description	Amount placed under Audit Observation
1	Unsound asset management	-
2	Weak financial management	133.722
3	Weak Internal controls relating to financial management	379.474
4	Others	139.942
<b>Total</b>		<b>653.14</b>



### III: Outcome Statistics

(Rs in million)

S. No	Description	Expenditure on Acquiring Physical Assets Procurement	Civil Works	Receipts	Others	Total for the year 2015-16	Total for the year 2014-15
1	Outlays Audited	-	432.946	128.651	195.850	757.448	579.999
2	Amount Placed under Audit Observation /Irregularities of Audit	-	422.61	89.394	141.136	653.14	309.249
3	Recoveries Pointed Out at the instance of Audit	-	47.982	91.96	1.00	140.942	218.304
4	Recoveries Accepted /Established at the instance of Audit	-	-	-	-	-	-
5	Recoveries Realized at the instance of Audit	-	-	-	-	-	-

**Note:** - The outcome figures reported for the year 2014-15 pertain to the Municipal Committees audited last year. Since PAOs are the same therefore, these amounts have been included here to show cumulative effect against the PAOs.

**IV: Table of Irregularities pointed out**

<b>(Rs in million)</b>		
<b>S. No</b>	<b>Description</b>	<b>Amount Placed under Audit Observation</b>
1	Violation of Rules and regulations, principle of propriety and probity in public operation	237.664
2	Reported cases of fraud, embezzlement, thefts and misuse of public resources.	-
3	Accounting Errors(accounting policy departure from NAM, misclassification, over or understatement of account balances) that are significant but are not material enough to result in the qualification of audit opinions on the financial statements.	-
4	Quantification of weaknesses of internal control systems.	379.474
5	Recoveries and overpayment, representing cases of established overpayment or misappropriations of public monies.	-
6	Non production of record	-
7	Others, including cases of accidents, negligence etc.	-
<b>Total</b>		<b>653.14</b>

**V: Cost- Benefit****(Rs in million)**

<b>S.No</b>	<b>Description</b>	<b>Amount (Rs in million)</b>
1	Outlay Audited (Item 1 of table 3)	757.448
2	Expenditure on Audit	0.100
3	Recoveries realized at the instance of Audit	-
4	<b>Cost -Benefit Ratio</b>	1:0

## **CHAPTER-1**

### **1.1 Tehsil Municipal Administrations, District Kohat**

#### **1.1.1 Introduction**

District Kohat has two Tehsil i.e. Kohat and Lachi. Each Tehsil office is managed by a Tehsil Municipal Officer. Each Tehsil Office has its own Tehsil Officer (Finance), Tehsil Officer (Infrastructure) and Tehsil Officers (Regulation). The functions and powers of Tehsil Municipal Administration shall be to;

- Monitor and supervise the performance of functionaries of Government offices located in the Tehsil and prepare spatial plans for the Tehsil including plans for land use and zoning and disseminate these plans for public enquiry;
- Execute and manage development plans for improvement of municipal services and infrastructure;
- Exercise control over land-use, land-subdivision, land development and enforce municipal laws, rules and bye-laws and prevent and remove encroachments;
- Regulate affixing of sign-boards and advertisements;
- Prepare budget, long term and annual municipal development programmes;
- Collect taxes, fines and penalties and organize sports, cultural, recreational events, fairs and shows; organize cattle fairs and cattle markets, co-ordinate and support municipal functions amongst village and neighborhood councils;
- Prepare financial statements and present them for Audit

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

The budget and expenditure position of Town Municipal Administrations in City District Kohat for the year 2015-16 is as under:

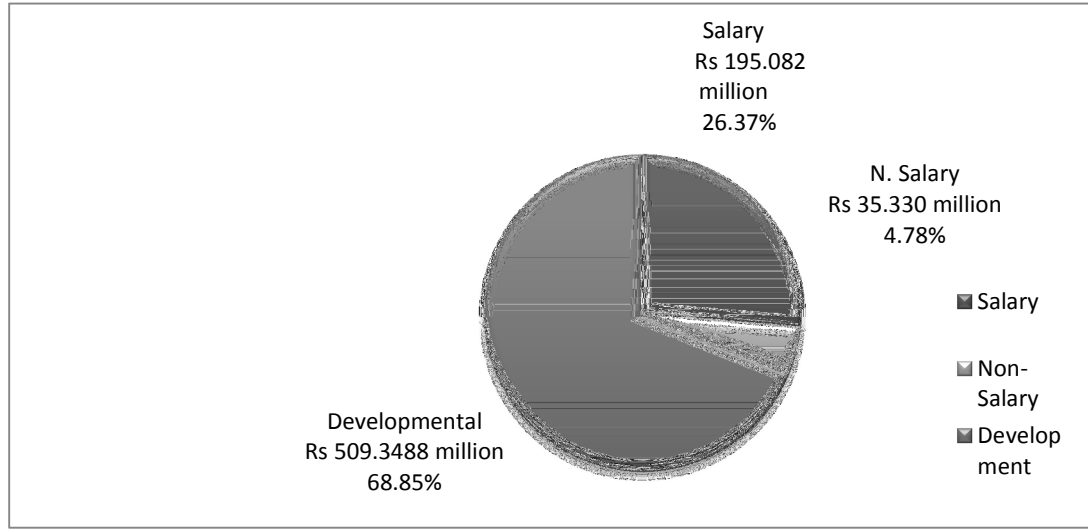
(Rs in millions)

<b>2015-16</b>	<b>Budget</b>	<b>Expenditure</b>	<b>Excess (+) / Saving (-)</b>	<b>% age</b>
Salary	198.121	195.082,188	3.039	1.53
Non-salary	260.974	35.330	225.644	86.46
Developmental	1,129.472	509.349	620.123	54.90
<b>Total</b>	<b>1,588.567</b>	<b>739.760</b>	<b>848.806</b>	<b>53.43</b>

<b>2015-16</b>	<b>Budgeted Receipts</b>	<b>Actual Receipts</b>	<b>Variation</b>	<b>%age</b>
	214.419	214.419	0	0

The savings of Rs 848.807 million in all heads of accounts indicate weakness in the capacity of these local institutions to utilize the allocated budget.

## EXPENDITURE 2015-16



### 1.1.3 Comments on the status of compliance with PAC Directives

The Audit Reports pertaining to Financial Years 2009-10 to 2014-15 on accounts of Tehsil Municipal Administration/Municipal Committees have not been discussed in PAC/ZAC. The Provincial Assembly Khyber Pakhtunkhwa has returned the Audit Reports during February, 2017 with the remarks that the same may be examined by respective Accounts Committees as provided under Khyber Pakhtunkhwa Local Government Act, 2013.

**TEHSIL MUNICIPAL ADMINISTRATION KOHAT**

**1.2 Tehsil Municipal Administration Kohat**

**1.2.1 Irregularity & Non- Compliance**

**1.2.1.1 Unauthorized Expenditure Rs 53.883 million without Obtaining Technical Sanction**

According to Rule 178 GFR Volume 1 read with para 54 and 56 of CPWD Code requires that work may not be commenced or liability incurred unless the work is administratively and technically sanctioned by competent authority.

Tehsil Municipal Officer, Kohat awarded various developmental schemes worth Rs 173,239,000 to contractors during 2015-16. The local office spent Rs 53,883,000 out of developmental fund during the year 2015-16 without obtaining technical sanction from the competent authority in violation of the rules as per detail given at annexure-2. These schemes were also not monitored from the DMT for the purpose of transparent efficient utilization of developmental fund in the year 2015-16.

Unauthorized payment occurred due to non-compliance of rules.

The unauthorized payment was pointed out to the management in January 2017, management stated that reply will be submitted after scrutiny of records, but reply was not submitted. Request for convening DAC meeting was made in January 2017, however meeting of DAC could not be convened till finalization of this report.

Audit suggests that schemes executed should be physically inspected by a committee including a member from audit to verify the factual position and include audit to fix the responsibility on the person(s) at fault

**AIR Para No.119 (2015-16)**

**1.2.1.2 Loss to government due to unjustified expenditure on account of pay & allowances & electricity charges Rs 2.566 million with less receipt**

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

Tehsil Municipal Officer, Kohat paid a sum Rs 2,566,065 on account of pay and allowances to the staff deputed & electricity charges of slaughter house during the year 2015-16, detailed given below. Audit observed that due to less realization of the receipts Rs 469,150 from the operation of slaughter house through departmental collection, the incurrence of such a huge expenditure on account of pay and allowances of staff deputed and electricity charges in the slaughter house was unjustified and needs detail enquiry.

S. No	Name of Employee	Designation	Total Pay and Allowances (Rs)
01	Mohammad Rehman	Water Carrier	340,674
02	Jahanzeb	-do-	290,627
03	Tariq Khan	-do-	365,255
04	Parvez khan	Muslim Beldar	365,255
05	Jehangir Khan	Water carrier	290,627
06	Mohammad Hanan	Water carrier	285710
07	Aurangzeb Khan	Muslim Beldar	120,000
08	Expenditure on Electricity Charges		507,917
<b>Total</b>			<b>2,566,065</b>

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

The irregular payment was pointed out to the management in January 2017, management stated that reply will be submitted after scrutiny of records, but reply was not submitted. Request for convening DAC meeting was made in January 2017, 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.107 (2015-16)**



## **1.2.2 Internal Control Weaknesses**

### **1.2.2.1 Non Utilization of Developmental Funds–Rs 113.702 Million**

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

TMO, Kohat received Tehsil ADP fund for Rs 113,702,000 during 2015-16. The releases were made on 28-10-2015 and 18-11-2015 vide Finance department letters No. FD/BO(PFC-II)/3-3/ADP/14-15. The local office instead of utilizing the fund in the current year 2015-16, deposited in the PLA account of the TMA and was carried forward to the next financial year 2016-17.

Non utilization of funds occurred due to negligence, weak financial control and ill planning, which deprived the public of the timely benefit of the funds.

Non utilization of developmental funds was pointed out to the management in January 2017, management stated that reply will be submitted after scrutiny of records, but reply was not submitted. Request for convening DAC meeting was made in January 2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends timely utilization of developmental funds in current year besides action against the person(s) at fault.

**AIR Para No.118 (2015-16)**

### **1.2.2.2 Non imposition of penalty on incomplete developmental schemes-Rs17.323 million**

As per condition 06 of the work order forms dated 07-01-2015 the time allowed for the completion of work was 06 months. According to Clause 6 of the work order and Clause 2 of the Contract Agreement, penalty of 1% per day and up to maximum of 10% of the tender cost may be imposed for delay in completion of work.

TMO, Kohat awarded developmental works to various contractors worth Rs173,239,000 under special package, gas royalty and CMD during 2015-16. As per work orders all works were required to be completed within one year from the date of commencement of the work which were not completed till the date of audit in January 2017. The department failed to impose and collect penalty @ 10% amounting to Rs17,323,900 from the contractor for delay in completion of work as per detail given at annexure-3.

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

Non imposition of penalty was pointed out to the management in January 2017, management stated that reply will be submitted after scrutiny of records, but reply was not submitted. Request for convening DAC meeting was made in January 2017, 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.120 (2015-16)**

**1.2.2.3 Non-recovery of long outstanding government dues on account of Rent of municipal property-Rs 44.408 million**

Para 8 read with 26 of the General Financial Rules Volume I require each administrative department to see that the dues of the government are correctly and promptly assessed, collected and paid into Government Treasury. According to Rules 51(1) of the Revenue Receipts Management of the TMA Budget Rules 2016 the TO(R) shall ensure that all revenue dues is claimed, realized and credited immediately into Tehsil Fund under proper receipt head.

TMO, Kohat failed to recover long outstanding rent of shops worth Rs 44,408,161 for the year 2015-16 including arrears of previous years as per detail at annexure-4. This indicates not only the failure of department to recover previous outstanding dues but also shows the fruitless efforts to recover current charges.

Non recovery of rent occurred due to weak internal controls which resulted into loss to government.

Non recovery of rental receipts was pointed out to the management in January 2017, management stated that reply will be submitted after scrutiny of records, but reply was not submitted. Request for convening DAC meeting was made in January 2017, however meeting of DAC could not be convened till finalization of this report.

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

**AIR Para No.109 (2015-16)**

**1.2.2.4 Non-recovery of Long outstanding Government dues on account of water charges-Rs 17.744 million**

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

TMO Kohat did not recover long outstanding water user charges to tune of Rs 17,744,168 from 5336 water users connections during 2015-16.as per detail given below.

Recovery Outstanding as on 01-07-2015	Rs 15,764,188
Recoverable amount during 2015-16	Rs 9,736,800
Total Outstanding dues	Rs 25,500,988
Total recovery during 2015-16	Rs 7,756,820
<b>Total Outstanding Water charges as on 30-06-2016</b>	<b>Rs 17,744,168</b>

Non recovery of water charges occurred due to weak internal controls which resulted loss to government.

Non recovery of water charges receipts was pointed out to the management in January 2017, management stated that reply will be submitted after scrutiny of records, but reply was not submitted. Request for convening DAC meeting was made in January 2017, however meeting of DAC could not be convened till finalization of this report.

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

**AIR Para No.103 (2015-16)**

**1.2.2.5 Loss Due to Less Realization of Revenue-Rs 4.412 million**

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

According to the instruction issued to all TMOs vide letter No.AO-II/LCB/6-11/2014 dated 13-03-2014 a maximum increase not less than 20% overall in the existing revenue was required to be ensured by creating environment for competition.

TMO, Kohat less collected and an amount of Rs 4,412,450 on account of various receipts contract awarded/ departmentally during the year 2015-16 detail given below. The local office failed to collect the receipts after adding 20% increase over the previous year's bids as per model terms and conditions detail given below:

<b>TMA Kohat Receipts</b>	<b>Actual Receipts 2014-15</b>	<b>Required Receipts after 20% increase for 2015-16</b>	<b>Actual Receipts during 2015-16</b>	<b>Loss due to less collection of receipts (Rs)</b>
Building Plan Fee	5,452,136	6,542,563	2,306,267	4,236,296
Slaughterhouse fee	489,420	587,304	469,150	118,154
Class D stand Gulshanabad	290,000	348,000	290,000	58,000
<b>Total loss to TMA due to less collection than previous years collection</b>				<b>4,412,450</b>

Less realization of revenue receipts occurred due to weak internal controls which resulted in loss to government.

Less realization of revenue was pointed out to the management in January 2017, management stated that reply will be submitted after scrutiny of records,

but reply was not submitted. Request for convening DAC meeting was made in January 2017, however meeting of DAC could not be convened till finalization of this report.

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

**AIR Para No.114 (2015-16)**

**1.2.2.6 Loss to the government due to on recovery of new taxes-Rs 3.456 million**

According to LCB letter No. AOII/LCB/ 9-9/2010 dated 28-6-2011, revised rates of various taxes were approved with effect from 1-7-2011. According to Rules 51(1) of the Revenue Receipts Management of the TMA Budget Rules 2016 the TO(R) shall ensure that all revenue dues is claimed, realized and credited immediately into Tehsil Fund under proper receipt head

TMO, Kohat failed to recover new taxes at revised rates amounting to Rs 3,456,000 imposed by Provincial Government of Khyber Pakhtunkhwa on various natures of businesses/trades under the jurisdiction of TMA Kohat during the financial year 2015-16 as per detail given at annexure-5.

Non recovery of new taxes occurred due to weak internal controls which resulted loss to government.

Non realization of revenue was pointed out to the management in January 2017, management stated that reply will be submitted after scrutiny of records, but reply was not submitted. Request for convening DAC meeting was made in January 2017, however meeting of DAC could not be convened till finalization of this report.

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

**AIR Para No.113 (2015-16)**

**1.2.2.7 Non-recovery of Long outstanding Government dues on account of Rent of Municipal Property-Rs 1.811 million**

Para 8 read with Para 26 of the General Financial Rules Volume I require each administrative department to see that the dues of the government are correctly and promptly assessed, collected and paid into Government Treasury. According to Rules 51(1) of the Revenue Receipts Management of the TMA Budget Rules 2016 the TO(R) shall ensure that all revenue dues is claimed, realized and credited immediately into Tehsil Fund under proper receipt head.

TMO Kohat failed to recover outstanding rent as per assessment statement of the rent inspector of TMA Kohat and thus an amount of Rs 1,811,147 was not collected as outstanding rent of shops and building occupied by police department and Post Office in Kohat City Main Bazaar sine long during the year 2015-16 as per detail given at annexure-6.

Non recovery of rent occurred due to weak internal controls which resulted loss to government.

Non realization of rental receipts was pointed out to the management in January 2017, management stated that reply will be submitted after scrutiny of records, but reply was not submitted. Request for convening DAC meeting was made in January 2017, however meeting of DAC could not be convened till finalization of this report.

Audit suggests recovery of rent from departments besides action against the person(s) at fault.

**AIR Para No.115 (2015-16)**

**1.2.2.8 Non-utilization of developmental fund Rs 243.472 million**

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

TMO Kohat during 2015-16 received an amount of Rs 243,472,000 from the office of Deputy Commissioner Kohat for the execution of developmental schemes in District Kohat. The local office failed to utilize the developmental fund for the benefit of local public and was carried forward to the next financial year without any approval from competent authority detail given at annexure-7. Public at large was deprived of the benefit of development funds. This also indicates capacity weaknesses of district government.

Non utilization of funds occurred due to negligence, weak financial control and ill planning, which deprived the public of the timely benefit of the funds.

Non utilization of funds was pointed out to the management in January 2017, management stated that reply will be submitted after scrutiny of records, but reply was not submitted. Request for convening DAC meeting was made in January 2017, however meeting of DAC could not be convened till finalization of this report.

Audit suggests timely utilization of developmental funds besides action against the person(s) at fault.

**AIR Para No.121 (2015-16)**

**TEHSIL MUNICIPAL ADMINISTRATION LACHI**



### 1.3 Tehsil Municipal Administration Lachi

#### 1.3.1 Irregularity & Non Compliance

##### 1.3.1.1 Irregular execution of works and unauthorized payment of Rs 77.273 million without obtaining Technical Sanctions

According Rule 178 GFR Volume 1 read with para54 and 56 of CPWD Code requires that work may not be commenced or liability incurred unless the work is administratively and technically sanctioned by competent authority.

TMO, Lachi awarded developmental schemes worth Rs 85,960,000 to various contractors funded under Oil & Gas and Provincial ADP Fund during 2014-15. The local office spent Rs 77,273,000 out of developmental fund during the year 2015-16 without obtaining technical sanction from the competent authority detail given below.

Fund	Name of Scheme	Estimated cost (Rs)	Upto date expenditure (Rs)
Oil & Gas 2013-14	Supply and Installation of pumping machinery based on solar system	50,000,000	49,400,000
-do-	Repair and furnishing of Boundary wall at UC office shakardara	5,000,000	4,000,000
-do-	Construction of yadgar chowk and yaseenpakka chowk	9,460,000	7,810,000
DDI Special Package 2013-14	Const: of Mettled Road zarolokarapai	6,500,000	5,040,000
DDI ADP 2014-15	Const: of Maternity Centre at CH Shakardara	15,000,000	11,023,000
<b>Total expenditure without TS</b>		<b>85,960,000</b>	<b>77,273,000</b>

Irregular payment occurred due to non-compliance of rules.

Irregular payment was pointed out to the management in February 2017, management stated that reply will be submitted after scrutiny of records, but reply was not submitted. Request for convening DAC meeting was made in

February 2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends that schemes should be executed after obtaining Technical sanctions from the competent authority duly physically inspected by third party besides fixing the responsibility on the person(s) at fault.

**AIR Para No.141 (2015-16)**

### **1.3.2 Internal Control Weaknesses**

#### **1.3.2.1 Non Utilization of Developmental Funds–Rs 23.868 Million**

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

Tehsil Municipal Officer, Lachi received Tehsil ADP fund for Rs 23.868 million during 2015-16. The local office instead of utilizing the fund in best interest of the public during year 2015-16 deposited the fund into non lapsable PLA account of the TMA and was carried forward to the next financial year 2016-17 which clearly indicates capacity weaknesses of the administration.

Non utilization of funds occurred due to negligence, weak financial control and ill planning, which deprived the public of the timely benefit of the funds.

Non utilization of fund was pointed out to the management in February 2017, management stated that reply will be submitted after scrutiny of records, but reply was not submitted. Request for convening DAC meeting was made in February 2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends timely utilization of developmental funds in current year besides action against the person(s) at fault.

**AIR Para No.139 (2015-16)**

#### **1.3.2.2 Wasteful expenditure Rs 5.00 million due to on account of developmental scheme**

According to rule 290 of Treasury Rules Vol-I, no money shall be drawn from treasury unless it is required for immediate disbursement. It is not permissible to draw money from the treasury in anticipation of demand or to prevent, the lapse of budget grants.

TMO Lachi awarded developmental scheme “Rehabilitation of Karhapa Shakardara road” worth Rs 30,000,000 to a contractor during the year 2014-15. The local office incurred expenditure of Rs 5,000,000 on the execution of developmental scheme during the year 2015-16 (being 16.66% completed). Audit observed that physical work was executed upto execution of water bound macadam and rest of the items were not executed which resulted into wasteful expenditure and needs detail inquiry.

Fund	Name of Scheme	Allocation (Rs)	Expenditure Incurred (Rs)	Physical Progress
Oil & Gas 2014-15	Rehabilitation of Karapa Shakar Dara Premix Road	30,000,000	5,000,000	16.66%

Wasteful expenditure occurred due to weak internal control.

Irregular payment was pointed out to the management in February 2017, management stated that reply will be submitted after scrutiny of records, but reply was not submitted. Request for convening DAC meeting was made in February 2017, however meeting of DAC could not be convened till finalization of this report.

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

**AIR Para No.142 (2015-16)**

**1.3.2.3 Non imposition of penalty due to non-completion of developmental schemes-Rs23.146 million**

According to Clause 6 of the work order and Clause 2 of the Contract Agreement, penalty of 1% per day and up to maximum of 10% of the tender cost may be imposed for delay in completion of work.

TMO, Lachi, awarded various developmental works to contractors worth Rs231,460,000 under special package, gas royalty and CMD during 2013-14 and 2015-16. The local office spent Rs 74,641,000 out of the total allocated fund as

per progress report of January 2017. As per work order of the scheme the completion period was one year i.e. 30-06-2015 but the schemes were not completed within the stipulated time period i.e till the date of audit and the department failed to impose & collect penalty @ 10% of the estimated cost amounting to Rs 23,146,000 from the contractors for delay in completion of work as per detail given at annexure-8.

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

Non recovery of penalty was pointed out to the management in February 2017, management stated that reply will be submitted after scrutiny of records, but reply was not submitted. Request for convening DAC meeting was made in February 2017, however meeting of DAC could not be convened till finalization of this report.

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

**AIR Para No.140 (2015-16)**

**1.3.2.4 Non-recovery of long outstanding Government dues on account of water charges-Rs 11.213 million**

According to Para 8 read is required with 26 of the General Financial Rules Volume I each administrative department to see that the dues of the Government are correctly and promptly assessed, collected and paid into Government Treasury. According to Rules 51(1) of the Revenue Receipts Management of the TMA Budget Rules 2016 the TO(R) shall be to ensure that all revenue dues is claimed, realized and credited immediately into Tehsil Fund under proper receipt head.

TMO Lachi did not recover long out standing water user charges to the tune of Rs 11,213,480 from 2284 water users connections accumulated as on 30-06-2016 as per detail given below.

<b>Scheme</b>	<b>Connection</b>	<b>Total Arrear including fresh demand (Rs)</b>	<b>Recovery (Rs)</b>	<b>Net Outstanding Arrears 30-06-2016 (Rs)</b>
Lachi Bala	1321	7,219,950	504,940	6,715,010
Lachi Payan	963	4,947,360	448,890	4,498,470
<b>Total outstanding Arrears 2015-16</b>			<b>953,830</b>	<b>11,213,480</b>

Non recovery of water charges was due to weak internal controls which resulted loss to government.

Non recovery of outstanding water charges was pointed out to the management in February 2017, management stated that reply will be submitted after scrutiny of records, but reply was not submitted. Request for convening DAC meeting was made in February 2017, however meeting of DAC could not be convened till finalization of this report.

Audit suggests recovery of government receipts besides action against the person(s) at fault.

**AIR Para No.127 (2015-16)**

**1.3.2.5 Loss to government due to non-collection of Cess Fee-Rs 4.500 million**

Para 8 read with 26 of the General Financial Rules Volume I each administrative department to see that the dues of the government are correctly and promptly assessed collected and paid into Government Treasury. According to approval of Cess Fee by Secretary Local Council Board KPK vide letter no. AOII/LCB/9-2014 dated 29-08-2014 Cess fee at the rate of Rs 500 for 10 wheeler tanker were required to be collected by the TMO Lachi during the year 2015-16.

TMO, Lachi failed to collect Rs 5,400,000 on account of receipts from Cess Fee on oil production during the year 2015-16 as per detail given below.

S.No	Month	Nos of Oil Tanker 10 wheelers (Minimum of 30 vehicles per day )	Rate per Tanker	Total Non-Recovery of Cess Fee (Rs)
1	Jul-15	900	500	450,000
2	Aug-15	-do-	-do-	450,000
3	Sep-15	-do-	-do-	450,000
4	Oct-15	-do-	-do-	450,000
5	Nov-15	-do-	-do-	450,000
6	Dec-15	-do-	-do-	450,000
7	Jan-16	-do-	-do-	450,000
8	Feb-16	-do-	-do-	450,000
9	Mar-16	-do-	-do-	450,000
10	Apr-16	-do-	-do-	450,000
11	May-16	-do-	-do-	450,000
12	Jun-16	-do-	-do-	450,000
<b>Total Non-recovery of Production CESS Fee</b>				<b>5,400,000</b>

Non recovery of Cess fee occurred due to weak internal controls which resulted loss the government.

Non realization of cess fee was pointed out to the management in February 2017, management stated that reply will be submitted after scrutiny of records, but reply was not submitted. Request for convening DAC meeting was made in February 2017, 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.137 (2015-16)**

#### **1.3.2.6 Overpayment of Rs 2.513 million by accepting higher bid**

According to KPPRA rules 2014 method of procurement “save as otherwise provided hereinafter and subject to the provisions of rule 10, 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). Para 23 of GFR Vol-I requires that every Government

Officer should realize fully and clearly that he will be held personally responsible for any loss sustained by government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other government officer to the extent to which he contributed.

TMO Lachi overpaid an amount of Rs 2,513,044 to various contractors by accepting higher bids during the year 2015-16. Estimates and BOQ of the works were prepared for 15 number of items of work to be executed by the contractors while actually only three sub items of work were carried out in the whole work and were claimed in the bills. While comparing the rates claimed in these bills with rates offered by another contractor named Mr. Mutlib Khan for these three items of work, the above referred amount was found to be overpaid to contractors which needs recovery. Detail given at annexure-8.

Overpayment occurred due to weak internal control, which resulted in loss to Government.

Overpayment was pointed out to the management in February 2017, management stated that reply will be submitted after scrutiny of records, but reply was not submitted. Request for convening DAC meeting was made in February 2017, 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.146 (2015-16)**

**1.3.2.7 Loss Due to Less realization of Revenue-Rs 1.850 Million**

According to Para 8 read with para 26 of the General Financial Rules Volume-I, each administrative department is required to see that the dues of the government are correctly and promptly assessed, collected and paid into Government Treasury. According to the instruction issued to all TMOs vide letter No.AO-II/LCB/6-11/2014 dated 13-03-2014 a maximum increase not less than 20% overall in the existing revenue was required to be ensured by creating environment for competition.



TMO Lachi awarded the receipts contracts for the year 2015-16 without calculating 20% increase over the last year approved bids thus the Municipal authority's local funds sustained a loss of Rs 1,850,365 detail given below.

S. No	Name of Contract	Auction Value for 2013-14 (Rs)	Required Auction Values for 2015-16 after adding 20% on previous bids (Rs)	Auction Amount of receipts collected 2015-16 (Rs)	Total Loss (Rs)
1	Weekly cattle fair Lachi	3,258,000	4,561,200	4,213,510	347,690
2	Weekly cattle fair S.K	904,500	1,266,300	1,185,710	80,590
3	License fee	151,000	211,400	73,300	138,100
4	General bus stand S.Dara (Deptt:)	2,277,500	3,188,500	2,071,515	1,116,985
5	Ferry MakadShareef	—	287,000	120,000	167,000
<b>Total</b>		<b>6,591,000</b>	<b>9,514,400</b>	<b>7,664,035</b>	<b>1,850,365</b>

Less realization of revenue receipts occurred due to weak internal controls which resulted into loss to the government.

Less realization of revenue was pointed out to the management in February 2017, management stated that reply will be submitted after scrutiny of records, but reply was not submitted. Request for convening DAC meeting was made in February 2017, 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.126 (2015-16)**

### **1.3.2.8 Irregular and unauthorized expenditure of Rs. 1.00 million under head electricity charges**

According to Para 10 (i) of GFR Vol-I provides that every public officer is expected to exercise the same vigilance in respect of expenditure incurred from

public moneys, as a person of ordinary prudence would exercise in respect of expenditure of his own money.

TMO Lachi paid Rs. 1,000,000 on account of electricity charges of water supply schemes to PESCO during the year 2015-16. The electricity bills were addressed to SDO PHE Kohat Division and the same were required to be paid out of PHE Kohat budget and not out of TMA Lachi. Thus payment was irregular and unauthorized.

Unauthorized payment occurred due to weak internal control, which resulted in loss to the TMA.

Unauthorized payment was pointed out to the management in February 2017, management stated that reply will be submitted after scrutiny of records, but reply was not submitted. Request for convening DAC meeting was made in February 2017, 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. 145(2015-16)**

## ANNEXURES

### Annexure-1

#### Statement showing detail of MFDAC Paras

(Rs in million)

S.No	AIR No	Caption	Amount (Rs)
<b>TMA KOHAT</b>			
1	104	Non-recovery of electricity connection charges	0.667
2	105	Non recovery of Income Tax from contractors-	0.164
3	106	Non deposit of 3% RTAs share from income of bus stand	0.246
4	108	Wasteful Expenditure on account of Pay and Allowances of staff –	0.157
5	110	Non recovery of Malba Fee from the newly constructed houses	0.510
6	111	Non recovery from BOT Contractors of Kotal Shopping Arcade	0.4873
7	112	Non recovery of Fine from the Housing Society	0.433
8	117	Non deduction of sales tax on Taxable Items	0.042
9	122	Overpayment to contractor by allowing higher rates	0.163
10	123	Irregular advance payment	0.794
11	124	Irregular expenditure on account of Pay & allowances and pension payments through DDO	0.166
12	125	Irregular and doubtful expenditure under head repair of transport	0.817
<b>TMA LACHI</b>			
13	130	Doubtful payment of on sub item of works not provided in PC-1	0.4685
14	133	Loss to government due to non-completion of schemes & non-imposition of 10% penalty-	3.00
15	134	Doubtful payment on sub item of work not provided in PC-1	0.952
16	128	Non recovery of Conservancy charges	0.097

17	138	Non recovery of taxes-	0.604
18	136	Loss to government due to non-collection of Tehbazari Fee/ Encroachment fee-	0.584
19	144	Loss to government by non-recovery of loan	0.200
20	143	Loss to government by non-recovery of advances	0.139

**Annexure-2**  
**(Para No.1.2.1.1)**

**Detail of schemes executed without obtaining Technical Sanctions 2015-16**

<b>S.No</b>	<b>Name of Scheme</b>	<b>ADP No</b>	<b>Estimated Cost in million</b>	<b>Expenditure in million</b>
01	Construction of Grave Yard Boundrywall, Etry Gate Jangle Khel, BahadarKot, ToghBala	-	31.787	16.256
02	Footpath Drain Peshawar Chowkto Hangu Chowk, Gahmkol Sharif to KDA, Peshawar chowk to old sui gas office, Kohat Bazar, Pindi Road from Cadet College	-	43.156	11.821
03	Construction of Centre Median Chowk, bus Stop, waiting shed at different chowk, police canopies, Signboards	-	30.297	1.094
04	Construction of 03 Nos Gates Kust, Hangu Pattak and Pindi Road and 02 Nos Gate renovation	-	26.294	12.620
05	Establishment of Company Bagh Park Kohat	-	41.705	12.092
<b>Total Expenditure without TS</b>			<b>173.239</b>	<b>53.883</b>

**Annexure-3**  
**(Para No.1.2.2.2)**

**Detail of non-imposition of penalty due to non-completion**

<b>S.No</b>	<b>Name of Scheme</b>	<b>Estimated Cost in million</b>	<b>Up-to-date Expenditure in million</b>	<b>10% Penalty Amount in million</b>
01	Construction of Grave Yard Boundrywall, Etry Gate Jangle Khel, BahadarKot, ToghBala	31.787	16.256	3.1787
02	Footpath Drain Peshawar Chowkto Hangu Chowk, Gahmkol Sharif to KDA, Peshawar chowk to old sui gas office, Kohat Bazar, Pindi Road from Cadet College	43.156	11.821	4.3156
03	Construction of Centre Median Chowk, bus Stop, waiting shed at different chowk, police canopies, Signboards	30.297	1.094	3.0297
04	Construction of 03 Nos Gates Kust, Hangu Pattak and Pindi Road and 02 Nos Gate renovation	26.294	12.620	2.6294
05	Establishment of Company Bagh Park Kohat	41.705	12.092	4.1705
<b>Total Expenditure and non-imposition of penalty</b>		<b>173.239</b>	<b>53.883</b>	<b>17.3239</b>

**Annexure-4**  
**(Para No.1.2.2.3)**

**Detail of non recovery of outstanding rent from tenants of TMA**  
**shops/markets during 2015-16**

S#	Property	No of Shops	Rent to be recovered during 2015-16 (Rs)	Rent recovered 2015-16 (Rs)	Previous rent outstanding on 30.6.15 (Rs)	Net outstanding rent as on 30-06-2016 (Rs)
1	Jinnah Plaza	28	1,750,272	-	-	1,750,272
2	Annual rent	225	33,249,195	3,829,526	4,997,815	34,417,484
3	Municipal Plaza	25	1,008,270	521,215	361,245	487,055
4	Municipal Office Annual	18	1,163,790	440,800	457,590	722,990
5	GhallaMandi	08	903,867	233,332	603,607	670,480
6	RDD office market	18	1,140,212	638,765	596,057	501,417
7	TMA Market	08	320,025	189,625	93,055	130,400
8	Sabzimandi new	79	2,433,200	1,211,280	-	1,498,000
9	New Bus stand	41	2,762,779	172,500	2,264,309	2,590,279
10	Sheen Ghar Plaza	18	1,438,091	259,340	1,023,255	1,178,751
11	Kotal Shopping Arcade	103	1,639,122	1,178,089	-	461,033
<b>Total</b>						<b>44,408,161</b>

**Annexure-5**  
**(Para No.1.2.2.6)**

**Detail of non-collection of New Taxes during the year 2015-16**

<b>Nature of business</b>	<b>Numbers</b>	<b>Tax rate (Rs)</b>	<b>Amount to be recovered (Rs)</b>	<b>Amount recovered</b>	<b>Outstanding amount (Rs)</b>
Motor car bargain	10	25,000	250,000	NIL	250,000
Motor cycle bargain	5	10,000	50,000	NIL	50,000
Guest houses	4	5,000	20,000	NIL	20,000
Crokery	15	3,000	45,000	NIL	45,000
Cement block factory	6	20,000	120,000	NIL	120,000
Property Dealer	55	5,000	275,000	NIL	275,000
Petrol Diesel CNG station	40	50,000	2,000,000	NIL	2,000,000
Private School & College	57	3,000	171,000	NIL	171,000
Marriage Lawn	4	120,000	480,000	NIL	480,000
Rent A Car	3	15,000	45,000	NIL	45,000
<b>Total</b>					<b>3,456,000</b>



**Annexure-6**  
**(Para No.1.2.2.7)**

**Detail of Outstanding Rent against Government Departments 2015-16**

S.No	Years	Amount of Rent (Rs)
<b>Police Department Kohat</b>		
1	2004-05	19,270
2	2005-06	21,190
3	2006-07	23,330
4	2007-08	25,647
5	2008-09	28,215
6	2009-10	31,036
7	2010-11	134,400
8	2011-12	147,840
9	2012-13	162,624
10	2013-14	178,887
11	2014-15	196,780
12	2015-16	216,458
Sub Total a) Rent of shops		1,185,677
13	2008-09	38,590
14	2009-10	42,450
15	2010-11	70,560
16	2011-12	77,618
17	2012-13	85,382
18	2013-14	93,925
19	2014-15	103,320
20	2015-16	113,625
Subtotal b) Rent of Building		625,470
<b>Grand Total Non-recovery Rent</b>		<b>1,811,147</b>

**Annexure-7**  
**(Para No.1.2.2.8)**

**Detail of Non-utilization of developmental fund 2015-16**

**(Rs in Million)**

<b>S#</b>	<b>Name of Fund</b>	<b>Amount Allocated (million)</b>	<b>Expenditure upto date 2015-16 (million)</b>	<b>Unspent Amount (million)</b>
1	Provincial ADP No.703 2015-16	38.00	-	38.00
2	PAK MDG PSDP 2015- 16	7.250	-	7.250
3	70% DADP 2013-14 &2014-15	18.705	-	18.705
4	ADP No.762	13.700	-	13.700
5	10% OIL & GAS 2013- 14& 2014-15	110.845	-	110.845
6	ADP	44.729	-	44.729
7	ADP 757	10.243	-	10.243
<b>Total</b>		<b>243.472</b>	<b>-</b>	<b>243.472</b>

**Annexure-8**  
**(Para No.1.3.2.3)**

**Detail of Non imposition of penalty for non-completion of developmental schemes**

<b>Fund</b>	<b>Name of Scheme</b>	<b>Estimated cost (Rs)</b>	<b>Up to date expenditure 01/ 2017 (Rs)</b>	<b>Penalty Amount (Rs)</b>
Oil & Gas 2013-14	Water supply scheme Ziarat Sheikh	3,500,000	1,540,000	350,000
-do-	WSS sumari payanwaddankwarh	6,200,000	4,060,000	620,000
-do-	Repair and furnishing of boundary wall at UC office	5,000,000	4,000,000	500,000
-do-	Construction of Yadgar Chowk and yaseenpakka	9,460,000	7,810,000	946,000
DDI Special Package 2013-14	Const: of Mettled Road zarolokarapai	6,500,000	5,040,000	650,000
-do-	const: of PCC SaghriBori	2,500,000	1,390,000	250,000
DDI ADP 713 2014-15	Const: of Maternity Centre at CH Shakardara	15,000,000	11,023,000	1,500,000
DDI ADP 713 2014-15	Const: of Chorlaki Kala Bagh Road	5,000,000	1,146,000	500,000
DDI ADP 713 2014-15	Const: of PCC road at kawarkandao	3,000,000	1,510,000	300,000
DDI ADP 713 2014-15	Street pavement & PCC at Nari Banda	2,000,000	950,000	200,000
DDI ADP 713 2014-15	Const: of PCC road Band Banda	2,000,000	1,000,000	200,000
Oil & Gas 2014-15	Rehabilitation of KarapaShakar Dara Premix	30,000,000	5,000,000	3,000,000
Oil & Gas 2014-15	Construction of Library & Furniture etc	5,000,000	NIL	500,000
Oil & Gas 2014-15	Const: of BTR from Shakardara to BoriSaghri	10,000,000	2,200,000	1,000,000
Oil & Gas 2014-15	Reh: of Shakardarachorlaki road	5,000,000	1,130,000	500,000
Oil & Gas 2014-15	Street pavement at village chorlaki	4,000,000	2,041,000	400,000
Oil & Gas 2014-15	Construction of Mettled Road chapri	10,000,000	5,380,000	1,000,000
Oil & Gas 2014-15	Const: of Quresh Atta Abad road	10,000,000	2,400,000	1,000,000

Oil & Gas 2014-15	Const: of Mettled road at Hassan Banda	5,000,000	3,280,000	500,000
Oil & Gas 2014-15	Reh: & Improvement of Summari Road	6,000,000	4,120,000	600,000
Oil & Gas 2014-15	Reh: of Sudal Road	5,000,000	4,030,000	500,000
Oil & Gas 2014-15	Reh: & Improvement of Shahpur Road	10,000,000	6,510,000	1,000,000
Oil & Gas 2014-15	Const: of causeway at jabbi	4,000,000	1,960,000	400,000
Oil & Gas 2014-15	Installation of Pressure Pumps at PK39	10,000,000	4,620,000	1,000,000
Oil & Gas 2014-15	Installation of Hand Pumps at PK39	7,300,000	3,340,000	730,000
Oil & Gas 2014-15	Supply & laying of pipeline at chorlaki, band banda	20,000,000	13,480,000	2,000,000
Oil & Gas 2014-15	Distribution of pipe line at shakardara urban	30,000,000	20,150,000	3,000,000
<b>Total penalty not recovered from contractor due to late/non completion</b>		<b>231,460,000</b>	<b>74,641,000</b>	<b>23,146,000</b>

**Annexure-9**  
**(Para No.1.3.2.6)**

**Detail of Overpayment due to acceptance of higher rates during 2015-16**

S. No.	Item of Work	Rate paid	Rate offered by other contractor	Difference	Qty paid	Overpayment (Rs)
Const; of PCC Road at Raza Khan Charlaki, Contractor- Rafi Ullah						
1	Leveling and Dressing	5	100	(95)	508.55	(48,312)
2	PCC (1:4:8)	7,550	5,300	2,250	62.71	141,098
3	PCC (1:2:4)	10,100	7,000	3,100	45.83	142,073
Const; of PCC Road Ismail Korona Shakardara, Contractor- Muhammad Zakaria						
4	Leveling and Dressing	5	50	(45)	481.39	(21,663)
5	PCC (1:4:8)	7,500	5,500	2,000	126.13	252,260
6	PCC (1:2:4)	8,500	7,500	1,000	118.42	118,420
7	Shingle Filling	25	400	(375)	87.00	(32,625)
Const; of PCC Road at Braghzai Khurd, Contractor- Rafi Ullah						
8	Leveling and Dressing	5	100	(95)	669.14	(63,568)
9	PCC (1:4:8)	6,980	5,600	1,380	101.92	140,650
10	PCC (1:2:4)	9,780	7,300	2,480	67.27	166,830
Const; of PCC Road at Javid Korona Braghzai Khurd, Contractor- Rafi Ullah						
11	Leveling and Dressing	5	100	(95)	733.73	(69,704)
12	PCC (1:4:8)	6,980	5,600	1,380	97.81	134,978
13	PCC (1:2:4)	9,780	7,300	2,480	71.03	176,154
Const; of PCC Road at MuhallaIshaqCharlaki, Contractor- Latif Ullah						
14	Leveling and Dressing	20	100	(80)	487.41	(38,993)

15	PCC (1:4:8)	6,300	5,300	1,000	74.24	74,240
16	PCC (1:2:4)	8,000	7,000	1,000	49.00	49,000
Const; of PCC Road at Shir Ali BraghzaiKhurd, Contractor- Latif Ullah						
17	Leveling and Dressing	20	100	(80)	829.83	(66,386)
18	PCC (1:4:8)	6,100	5,300	800	121.71	97,368
19	PCC (1:2:4)	7,800	7,000	800	81.22	64,976
Const; of PCC Road Jameel Abad Shakardara, Contractor- Muhammad Zakaria						-
20	PCC (1:4:8)	7,500	5,500	2,000	123.09	246,180
21	PCC (1:2:4)	8,500	7,500	1,000	105.64	105,640
Const; of PCC Road MuhallaHaider Khel Shakardara, Contractor- M. Zakaria						-
22	PCC (1:4:8)	7,500	5,500	2,000	123.09	246,180
23	PCC (1:2:4)	8,500	7,500	1,000	105.64	105,640
24	S/L of RCC Pipe 9" dia	1,800	1,000	800	12.80	10,240
Const; of PCC Road SaifullahKoronaBraghzaiKhurd, Contractor- Rafi Ullah						
25	Leveling and Dressing	5	100	(95)	929.36	(88,289)
26	PCC (1:4:8)	7,550	5,400	2,150	117.95	253,593
27	PCC (1:2:4)	9,000	7,300	1,700	93.43	158,831
Const; of PCC Road Ismail KoronaBraghzaiKhurd, Contractor- Rafi Ullah						
25	Leveling and Dressing	5	50	(45)	845.00	(38,025)
26	PCC (1:4:8)	7,500	5,500	2,000	105.63	211,260
27	PCC (1:2:4)	8,500	7,500	1,000	85.00	85,000
	<b>Total</b>					<b>2,513,044</b>