



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

**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: Irregularities pointed out.....	viii
V: Cost-Benefit .....	viii
CHAPTER-1 .....	1
1.1 Tehsil Municipal Administrations in District Swat.....	1
1.1.1 Introduction.....	1
1.1.2 Comments on Budget and Accounts (variance analysis).....	2
1.2 Audit Paras Tehsil Municipal Administration Babozai Mingora .....	5
1.2.1 Irregularity & Non compliance.....	5
1.2.2 Internal Control Weaknesses .....	16
1.3 Audit Paras Tehsil Municipal Administration Matta.....	20
1.3.2 Irregularity & Non compliance.....	19
1.4 Audit Paras Tehsil Municipal Administration Bahrain .....	24
TEHSIL MUNICIPAL ADMINISTRATION BARIKOT .....	29
1.5 Audit Para Tehsil Municipal Administration Barikot.....	30
1.5.2 Internal Control Weaknesses .....	31
TEHSIL MUNICIPAL ADMINISTRATION KABAL .....	32
1.6 Audit Paras Tehsil Municipal Administration Kabal .....	35
TEHSIL MUNICIPAL ADMINISTRATION CHARBAGH.....	39
1.7 Audit Paras Tehsil Municipal Administration Charbagh .....	40
TEHSIL MUNICIPAL ADMINISTRATION KHWAZA KHELA .....	42

1.8	Audit Paras Tehsil Municipal Administration Khwaza Khela .....	43
	ANNEXURES.....	47
	Annexure-1 Detail of MFDAC Paras.....	47
	Annexure-2 Detail of non deduction of income tax on consultancy services.....	48
	Annexure-3 Detail of Pre audit bills .....	49
	Annexure-4 DETAIL OF 7% Income Tax.....	50
	Annexure-5 Detail of 7% income tax.....	51
	Annexure-6 Non imposition of penalty.....	52
	Annexure-7 Detail of Non Imposition of 10% Penalty on Late Completion of Developmental Schemes .....	53
	Annexure-8 Statement showing detail of non forfeiture of 2% earnest money.....	54
	Annexure-9 Statement Showing Detail of Non Imposition of 2% Penalty on Late Deposit of Monthly Installment .....	55
	Annexure-10 Statement Showing Detail of Non Imposition of 10% Penalty on Late Completion of Developmental Schemes.....	56
	Annexure-11 Statement showing detail of non imposition of 10% penalty on late completion of developmental schemes .....	57

## ABBREVIATIONS AND ACRONYMS

AP	Advance Para
DAC	Departmental Accounts Committee
DDO	Drawing & Disbursing Officer
DP	Draft Para
DOR&E	District Officer Revenue & Estate
GBS	General Bus Stand
GFR	General Financial Rules
KPK	Khyber Pakhtunkhwa
KPPRA	Khyber Pakhtunkhwa Public Procurement Regulatory Authority
LCB	Local Council Board
LGE&RDD	Local Government Elections and Rural Development Department
MFDAC	Memorandum for Department Accounts Committee
MRS	Market Rate System
PAC	Public Accounts Committee
PAO	Principal Accounting Officer
PATA	Provincially Administered Tribal Areas
PLA	Personal Ledger Account
PLS	Profit & Loss Sharing
SH	Sub Head
TMA	Tehsil Municipal Administration
TMO	Tehsil Municipal Officer
RDA	Regional Directorate of Audit
RTA	Regional Transport Authority
UBL	United Bank Limited

## 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 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 Swat 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 finding. 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 could not be convened despite repeated requests.

The Audit Report is submitted to the Governor of Khyber Pakhtunkhwa in pursuance of Article 171 of the Constitution of the Islamic Republic of Pakistan, 1973 read with Section 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 Directorate General Audit, District Governments, Khyber Pakhtunkhwa carries out the audit of all Tehsil Municipal Administrations and Town Municipal Administrations. The Regional Directorate of Audit Swat, on behalf of the DG District Governments Audit, Khyber Pakhtunkhwa carries out the audit of five District Governments, TMAs and VCs/NCs of five Districts i.e. Swat, Shangla, Dir Lower, Dir Upper and Chitral respectively.

The Regional Directorate Swat has a human resource of 07 officers and staff, with a total of 1750 mandays. The annual budget amounting to Rs 11.745 million 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 programs and projects.

TMA Bozai, Barikot, Matta, Khwazakhela, Bahrain, Kabal & Charbagh in District Swat perform their functions under Khyber Pakhtunkhwa Local Government Act 2013. Each TMA has one Principal Accounting Officer (PAO) as provided in Rule 8(IP) 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 and Town Administration for which Annual Budget Statement is authorized by the Tehsil/Town Council in the form of budgetary grants.

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

The total of expenditures of TMAs Babozai, Barikot, Matta, Khwazakhela, Bahrain, Kabal and Charbagh in District Swat for the Financial Year 2015-16 was Rs 550.387 million. Out of this, RDA Swat audited an expenditure of Rs 385.271 million which, in terms of percentage, was 70% of auditable expenditure.

The total of receipts of TMA, Babozai, Barikot, Matta, Khwazakhela, Bahrain, Kabal and Charbagh in District Swat for the financial year 2015-16, was

Rs 321.029 million. Out of this, RDA Swat audited receipts of Rs 224.720 million which, in terms of percentage, was 70% of auditable receipts.

The total of expenditure and receipt of TMA Babozai, Barikot, Matta, Khwazakhela, Bahrain, Kabal and Charbagh in District Swat, for the Financial Year 2015-16 was Rs 871.416 million. Out of this, RDA Swat audited transactions of Rs 609.991 million which, in terms of percentage, was 62.69% of auditable amount.

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

Recovery of Rs 58.210 million was pointed out during the audit. However, no recovery was effected till finalization of this report. Out of the total recoveries, Rs 39.737 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 Swat, 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 field audit. Audit used desk audit techniques for analysis of compiled data and review of permanent files/record. Desk Audit greatly facilitated identification of high-risk areas for substantive testing in the field.

**d. Audit Impact**

**Audit pointed out various irregularities of serious nature. Cases related to weak internal were also pointed out to which management has been sensitized.** 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, and 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 201, is internal audit which was not found in place in the domain of TMAs.

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

- i. Non production of Record of Rs 9.0 million was noticed in one case<sup>1</sup>.
- ii. Irregularity & Non-compliance of Rs 109.583 million were noticed in nineteen cases<sup>2</sup>.
- iii. Internal Control of weakness amounting to Rs 25.568 million were noticed in eighteen cases<sup>3</sup>.

**g. Recommendations**

- i. Disciplinary action needs to be taken against the officers/officials responsible for non production of record.
- ii. Enquiries on urgent basis to be initiated against the responsible officers and officials.
- iii. All sectors of TMAs needs to strengthen internal control i.e. financial, managerial, operational, administrative and accounting controls etc to ensure that reported lapses are preempted and fair value for money is obtained from public spending.

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1 Para 1.3.1.1

2 Para 1.2.1.1 to 1.2.1.10, 1.3.2.1, 1.3.2.2, 1.4.1.1, 1.4.1.2, 1.5.1.1, 1.6.1.1, 1.6.1.2, 1.7.1.1 & 1.8.1.1

2 Para 1.2.2.1, 1.2.2.2, 1.2.2.3, 1.3.3.1, 1.3.3.2, 1.4.2.1, 1.4.2.2, 1.4.2.3, 1.5.2.1, 1.5.2.2, 1.5.2.3, 1.5.2.4, 1.5.2.1, 1.6.2.2, 1.7.2.1, 1.8.2.1, 1.8.2.2 & 1.8.2.3



## SUMMARY TABLES AND CHARTS

### I: Audit Work Statistics

(Rs in million)

S. No	Description	No.	Budget
1	Total Entities (PAO) in Audit Jurisdiction	07	1,399.03
2	Total formations in audit jurisdiction	07	1,399.03
3	Total Entities (PAO) Audited	07	609.991
4	Total formations Audited	07	609.991
5	Audit & Inspection Reports	07	609.991
6	Special Audit Reports	-	-
7	Performance Audit Reports	-	-
8	Other Reports	-	-

### II: Audit observations classified by Categories

(Rs in million)

S. No	Description	Amount placed under audit observation
1	Unsound asset management	0
2	Weak financial management	16.405
3	Weak internal controls relating to financial management	25.668
4	Violation of rules	93.078
5	Others	9.00
<b>Total</b>		<b>144.151</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	0	126.820	224.720	258.451	<b>609.991</b>	707.563
2	Amount Placed under Audit Observation /Irregularities of Audit	0	110.518	24.68	8.953	<b>144.151</b>	169.672
3	Recoveries Pointed Out at the instance of Audit	0	32.681	22.865	2.664	<b>58.21</b>	48.761
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: Irregularities pointed out

(Rs in million)

S. No	Description	Amount Placed under Audit Observation
1	Violation of Rules and regulations, principle of propriety and probity in public operation	96.885
2	Reported cases of fraud, embezzlement, thefts and misuse of public funds.	0
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.	12.598
4	Quantification of weaknesses of internal control systems.	25.668
5	Recoveries and overpayment, representing cases of established overpayment or misappropriations of public monies	0
6	Non-production of record	9
7	Others, including cases of accidents, negligence etc.	0
<b>Total</b>		<b>144.151</b>

#### V: Cost-Benefit

Sr. No	Description	Amount (Rs in million)
1	Outlays Audited (Items 1 of Table 3)	<b>609.991</b>
2	Expenditure on Audit	1.025
3	Recoveries realized at the instance of Audit	0
	<b>Cost-Benefit</b>	<b>1:0</b>

# CHAPTER-1

## 1.1 Tehsil Municipal Administrations District Swat

### 1.1.1 Introduction

District Swat has seven Tehsils i.e. Mingora, Barikot, Bahrain, Khawazakhela, Matta, Kabal and Charbagh. Each TMA is managed by a Tehsil Municipal Officer. Each TMA has its own Tehsil Officer (Finance), Tehsil Officer (Infrastructure) and Tehsil Officer (Regulation). The functions and powers of Tehsil municipal administration shall be to:

- (a) Monitor and supervise the performance of functionaries of Government offices located in the Tehsil and hold them accountable by making inquiries and reports to the district government or, as the case may be, Government for consideration and action;
- (b) Prepare spatial plans for the Tehsil including plans for land use and zoning and disseminate these plans for public enquiry;
- (c) Execute and manage development plans for improvement of municipal services and infrastructure;
- (d) Exercise control over land-use, land-subdivision, land development and zoning by public and private sectors for any purpose, including for agriculture, industry, commercial markets, shopping centers; residential, recreation, parks, entertainment, passenger and freight transport and transit stations;
- (e) Enforce municipal laws, rules and bye-laws;
- (f) Prevent and remove encroachments;
- (g) Regulate affixing of sign-boards and advertisements;
- (h) Provide, manage, operate, maintain and improve municipal services;
- (i) Prepare budget, long term and annual municipal development programmes;

- (j) Maintain 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;
- (k) Collect taxes, fines and penalties provided under this Act;
- (l) Organize sports, cultural, recreational events, fairs and shows;
- (m) Organize cattle fairs and cattle markets;
- (n) Co-ordinate and support municipal functions amongst village and neighborhood councils;
- (o) Regulate markets and services, issue licenses, permits, grant permissions and impose penalties for violation thereof;
- (p) Manage municipal properties, assets and funds;
- (q) Develop and manage schemes, including site development in collaboration with district government;
- (r) Authorize officers to issue notice, prosecute, sue and follow up criminal, civil and recovery proceedings against violators of municipal laws; and
- (s) Prepare financial statements and present them for audit.

#### 1.1.2 Comments on Budget and Accounts (variance analysis)

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

**(Rs in millions)**

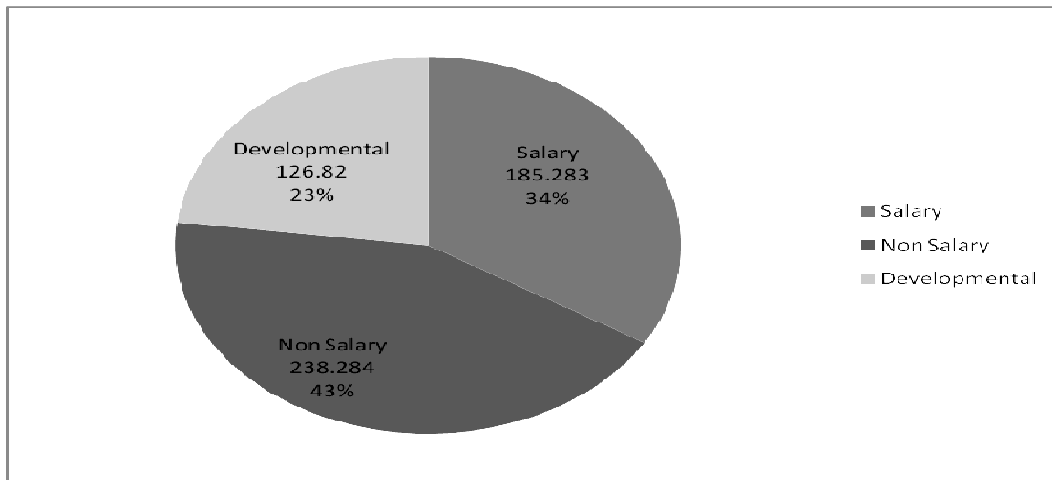
2015-16	Budget (Rs)	Expenditure (Rs)	Excess / Savings (Rs)	%age
Salary	240.617	185.283	55.334	22.99671
Non Salary	302.837	238.284	64.553	21.31609
Developmental	504.891	126.82	378.071	74.88171
<b>Total</b>	<b>1048.345</b>	<b>550.387</b>	<b>497.958</b>	<b>47.49944</b>

2015-16	Budgeted Receipts	Actual Receipts	Variation	%age
Receipts	350.666	321.029	29.637	8.451632

The savings of Rs 497.958 million indicates weakness in the capacity of these local institutions to utilize the allocated budget.

## Expenditure 2015-16

(Rs in million)



### 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 BABOZAI  
MINGORA SWAT**

## 1.2 Audit Paras TMA Babozai Mingora

### 1.2.1 Irregularity & Non compliance

#### 1.2.1.1 Non imposition of penalty and non deduction of income tax- Rs 16.222 million

According to 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.

According to Finance Department Khyber Pakhtunkhwa Notification NO.SO(Dev-II) FD/12-6/14-5 dated 21.04.2015, the Competent Authority has been pleased to direct that all Provincial Works Departments, while preparing Cost Estimates of developmental projects which fall in the tax exempted areas such as PATA, shall frame the same on Market Rate System-2015 (MRS-2015) but with 7% less cost to defray the amount added in the rate analysis of all works/construction/supply items to meet withholding tax.

Tehsil Municipal Officer, TMA Babozai Mingora Swat awarded two works with estimated cost of Rs 95,427,000 during financial year 2015-16. The works were not completed within the stipulated period of time and penalty of Rs 9,542,700 @ 10% of the estimated cost was not imposed as detailed below.

Moreover income tax @ 7% amounting to Rs 6,679,890 was neither excluded in the cost estimates nor deducted at the time of payment as detailed below:

S.No	Name of scheme	Due date of completion	Actual date of completion	Delay (months)	Estimated cost (Rs)	Penalty @ 10% of E. Cost (Rs)	Income tax @ 7% of E. Cost (Rs)
01	Up-gradation of Fiza Gat Park Swat	30.03.2016	Still in progress	07	42,997,000	4,299,700	3,009,790
02	Constructio	30.06.2016	Still in	07	52,430,00	5,243,00	3,670,10



	n of Slaughter House Mingora Swat		progress		0	0	0
<b>Total</b>					<b>95,427,000</b>	<b>9,542,700</b>	<b>6,679,890</b>

Audit observed that non imposition of penalty and non deduction of income tax occurred due to weak financial control which resulted in loss to the Government.

The irregularity was pointed out to the management in February 2017, but reply was not submitted. Request for convening DAC meeting was made on 5<sup>th</sup> April 2017, which was not convened till finalization of this Report.

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

**AIR Para No. 82 & 83 (2015-16)**

**1.2.1.2 Unauthorized execution of developmental schemes without open tender system – Rs 7.200 million**

According to Rule (c) (v) of chapter-III of KPPRA Rules 2014, subject to the conditions of contract, a procuring entity may, insure a variation order to a contractor to include works which were outside the original scope of works to ensure interests of Government and for reasons of economy, compatibility and efficiency provided that:

- (a) the original contract is still in force;
- (b) the procuring entity has satisfied itself for technical reasons that the placing of the variation order is cost effective;
- (c) the value of variation order is not more than fifteen percent of the original contract.

Tehsil Municipal Officer, Babozai Mingora advertised three developmental schemes of estimated cost of Rs 9,000,000 during 2014-15 and awarded to contractors. The schemes were revised during 2015-16 and enhanced

the estimated cost from Rs 9,000,000 to Rs 16,200,000 and executed by the same contractors instead of advertising the enhanced portion of the schemes amounting to Rs 7,200,000. Detail is as under:

S.No	Name of schemes	Original estimated cost (Rs)	Revised estimated cost (Rs)	Revision (Rs)
01	Construction of Janazgah at Babu, Langar, Chamtalai	2,500,000	5,700,000	3,200,000
02	Construction of Janazgah at Dakorak Bandai, kandarey	2,500,000	4,000,000	1,500,000
03	Improvement of Roads/Construction of Bridge at Neel Gut Dand	4,000,000	6,500,000	2,500,000
<b>Total</b>		<b>9,000,000</b>	<b>16,200,000</b>	<b>7,200,000</b>

Audit observed non-adopting of open tender system due to violation of rules which resulted in loss to the Government.

The irregularity was pointed out to the management in February 2017, but reply was not submitted. Request for convening DAC meeting was made on 5<sup>th</sup> April 2017, which was not convened till finalization of this Report.

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

**AIR Para No. 85 (2015-16)**

**1.2.1.3 Non forfeiture of call deposit due to less deposit of 5% security and 15% advance – Rs 6.00 million**

According to condition No. 2 of the terms and conditions and condition No. 14 of the Model terms and conditions for 2015-16, the successful bidder within seven days of the acceptance of his bid, will deposit 5% security and 15% advance. In case of failure, his earnest money will be forfeited in favour of the TMA.

Tehsil Municipal Officer, TMA Babozai Mingora awarded the contract of General Bus Stand Mingora to a contractor for the period of 19 months with

effect from 1<sup>st</sup> December 2015 to 30<sup>th</sup> June 2017 for Rs 155,100,000. As per terms and conditions, the successful bidder was bound to deposit Rs 31,020,000 on account of 5% security and 15% advance whereas Rs 16,887,500 was deposited and the remaining amount of Rs 14,132,500 was not deposited and even then the contract was awarded to him and call deposit of Rs 6,000,000 was not forfeited.

Audit observed that non forfeiture occurred due to violation of rules which resulted in loss to the entity.

The irregularity was pointed out to the management in February 2017, but reply was not submitted. Request for convening DAC meeting was made on 5<sup>th</sup> April 2017, which was not convened till finalization of this Report.

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

**AIR Para No. 79 (201516)**

**1.2.1.4 Less recovery from the contractor of General Bus Stand – Rs 4.962 million**

According to Para 26 of GFR Vol-I, it is the duty of departmental controlling officer to see that all sums due to Government are regularly and promptly assessed, realized and duly credited in the public account.

Tehsil Municipal Officer, TMA Babozai Mingora awarded the contract of General Bus Stand Mingora to a contractor for the period of 19 months with effect from 1<sup>st</sup> December 2015 to 30<sup>th</sup> June 2017 for Rs 155,100,000. Recoverable amount from December 2015 to 30<sup>th</sup> June 2016 was Rs 88,162,105 on account of 5% security, 15% advance and monthly installments whereas Rs 83,200,000 was actually recovered and the remaining amount of Rs 4,962,105 was not recovered. Detail is as under:

Period of contract in months 01.12.2015 to 30.06.2017	Recoverable amount up to 30 <sup>th</sup> June 2016 (Rs)					Recovered amount as per record (Rs)	Less recovery (Rs)
	5% security (Rs)	15% advance	Monthly installment	Monthly installments from 12.2015 to 30.06.2016 (Rs)	Total (Rs)		
19	7,755,000	23,265,000	8,163,157.89	57,142,105	88,162,105	83,200,000	4,962,105

Audit observed that less recovery occurred due to violation of agreement which resulted in loss to the entity.

The irregularity was pointed out to the management in February 2017, but reply was not submitted. Request for convening DAC meeting was made on 5<sup>th</sup> April 2017, which was not convened till finalization of this Report.

Audit recommends recovery of outstanding amount from the contractor and deposit in the account of TMA under intimation to audit.

**AIR Para No. 80 (2015-16)**

**1.2.1.5 Non deposit of profit into government treasury earned on deposit of government funds in designated bank account - Rs 4.057 million**

According to Government of Khyber Pakhtunkhwa Finance Department letter No.2/3(F/L)FD/2007-08/Vol-IX dated 10<sup>th</sup> February 2014 no funds shall be placed in any commercial bank from the PLAs or Assignment Accounts without prior approval of the Finance Department as contained in Para-6 & 7 of GFR Volume-I. Furthermore profit earned on Government fund shall be deposited into Government Treasury under relevant head of account immediately and not later than a week declared by the commercial bank.

According to Finance Department Khyber Pakhtunkhwa letter No.2/3-(F/L)/FD/2007-08/Vol-IX dated 10.02.2014; no funds shall be placed in any

commercial banks from the PLAs or Assignment Accounts without prior approval of the Finance Department.

Tehsil Municipal Officer, TMA Babozai Mingora withdrew Rs 60,000,000 from the PLA in the month of May 2012 and paid to District Officer Revenue and Estate Swat for procurement of land for solid waste dumping ground. The amount was returned by the DOR & E in the month of August 2014 due to cancellation of the selected site by the Secretary LGE&RDD. The returned amount was kept in the designated PLS bank account and earned profit of Rs 2,614,000. As per rule referred to above, the earned profit should have been deposited into Government treasury which was not done but the capital amount along with profit was re-deposited in the PLA which is lying in the PLA so far. Audit held that the Government funds were illegally retained in the designated bank account/ PLA and the profit was not deposited into Government treasury.

Similarly, a Cheque bearing No. 20571576 dated 16<sup>th</sup> October 2015 of Rs 43,603,150 received from the District Council Swat on account of developmental funds of thirty (30) schemes and deposited in the designated bank account No. 000214642302 of UBL Mingora instead of depositing in the PLA and Rs 1,443,466 was realized on account of profit which was treated as income of the TMA whereas the profit should have been deposited into Government treasury. Detail is as under:

S.No	Date	Amount (Rs)	S.No	Date	Amount (Rs)
01	01.08.2015	70,312	07	28.02.2016	155,228
02	09.2015	32,348	08	31.03.2016	157,157
03	31.10.2015	53,699	09	30.04.2016	148,168
04	30.11.2015	188,167	10	31.05.2016	148,620
05	31.12.2015	186,535	11	30.06.2016	125,695
06	31.01.2016	177,537	<b>Total</b>		<b>734,868</b>
<b>Total</b>		<b>708,598</b>	<b>Grand total</b>		<b>1,443,466</b>

Audit observed that non deposit of earned profit into Government treasury occurred due to violation of rules which resulted in loss to the government.

The irregularity was pointed out to the management in February 2017, but reply was not submitted. Request for convening DAC meeting was made on 5<sup>th</sup> April 2017, which was not convened till finalization of this Report.

Audit recommends depositing the profit into Government treasury besides surrender of the capital amount to the Provincial Government under intimation to audit.

**AIR Para No. 70 (2015-16)**

**1.2.1.6 Non deposit of RTA share in the gross receipts of transport Addas–Rs 2.622 million**

According to Rule 259 (3) (C) of the Motor Vehicle Rules 1969, the local Government department is bound to pay a sum not exceeding 3% of the gross receipts from the fees of the Transport addas running by it.

Tehsil Municipal Officer, TMA Babozai Mingora realized Rs 87,418,000 from the transport addas during financial year 2015-16 but did not deposit RTA share of Rs 2,622,540 @ 3% of the gross receipts from the said addas as required under the above referred rules. Detail of receipts is as under:

S.No	Name of adda	Actual receipts during 2015-16 (Rs)	3% RTA Share (Rs)
01	General Bus Stand Mingora	83,200,000	2,496,000
02	Canteen Larri Add Mardan Road	592,000	17,760
03	Latrin Larri Adda Mardan Road	2,798,000	83,940
04	Rant booking office Larri adda	700,000	21,000
05	Rent of service station Larri adda	128,000	3,840
<b>Total</b>		<b>87,418,000</b>	<b>2,622,540</b>

Audit observed that non deposit of RTA share occurred due to violation of rules which resulted in loss to the Government.

The irregularity was pointed out to the management in February 2017, but reply was not submitted. Request for convening DAC meeting was made on 5<sup>th</sup> April 2017, which was not convened till finalization of this Report.

Audit recommends depositing the amount under the head “B02804” under intimation to audit.

**AIR Para No. 69 (2015-16)**

**1.2.1.7 Loss due to excess payment of rent of Shahdara Adda - Rs 2.604 million**

According to Agreement vide No. 7185/MC Mingora dated 13<sup>th</sup> May 2015 duly approved by Provincial Government vide Deputy Secretary LCB No. AOII/LCB/6-14/2015/D dated 13<sup>th</sup> August 2015 and approval of the Council in meeting held on 7<sup>th</sup> December 2015, rent of Shahdara adda for Rs 2.700 million per year with effect from January 2014 to 30<sup>th</sup> June 2016 was approved.

Tehsil Municipal Officer, TMA Babozai Mingora paid Rs 9,804,480 to land owner of Shahdara Adda on account of rent of adda for thirty-two (32) months with effect from January 2014 to September 2016. Excess payment of Rs 2,604,480 was made as per detail given below:

Monthly rent as per agreement (Rs)	Monthly rent actually paid (Rs)	Excess monthly payment (Rs)	No of months	Total excess payment (Rs)
225,000	306,390	81,390	32	2,604,480

Audit observed that excess payment occurred due to undue favour to the landowner which resulted in loss to the TMA.

The irregularity was pointed out to the management in February 2017, but reply was not submitted. Request for convening DAC meeting was made on 5<sup>th</sup> April 2017, which was not convened till finalization of this Report.

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

**AIR Para No. 73 (2015-16)**

**1.2.1.8 Non deduction of income tax on consultancy services and non-deposit of income tax already deducted from salaries and contractors – Rs 1.655 million**

According to Section 153(1) (b) of the Income Tax Ordinance 2001, 8% income tax was liable on consultancy services with effect from 1<sup>st</sup> July 2015.

According to Para 26 of GFR Vol-I, it is the duty of departmental controlling officer to see that all sums due to Government are regularly and promptly assessed, realized and duly credited in the public account.

Tehsil Municipal Officer, Babozai Mingora paid Rs 7,726,961 to three companies on account of consultancy services during financial year 2015-16. The consultants were resident persons in terms of Income Tax Ordinance but income tax deduction of Rs 618,158 @ 8% was not made. Similarly, income tax of Rs 948,905 was deducted from the bills of two construction companies on salaries of the staff but was not deposited into Government treasury and income tax of Rs 88,273 was not deducted from the salaries. Detail is given at the annexure-2.

Audit observed that non deduction/non deposit of income tax occurred due to violation of rules which resulted in loss to the Government.

The irregularity was pointed out to the management in February 2017, but reply was not submitted. Request for convening DAC meeting was made on 5<sup>th</sup> April 2017, which was not convened till finalization of this Report.

Audit recommends recovery and deposit into Government Treasury under intimation to audit.

**AIR Para No. 68, 72 & 78 (2015-16)**

**1.2.1.9 Non deposit of audit fee – Rs 1.500 million**

According to Para 26 of GFR Vol-I, it is the duty of departmental controlling officer to see that all sums due to Government are regularly and promptly assessed, realized and duly credited in the public account.



Tehsil Municipal Officer, Babozai Mingora allocated on account of audit fee Rs 1,500,000 in the approved budget for the financial year 2015-16 but did not deposit till date of audit despite the fact that financial position of the TMA was quite strong and pre-audit functions were performed by the staff of the Local Fund Audit Department during the year.

Audit observed that non deposit of audit occurred due to violation of rules which resulted in loss to the Government.

The irregularity was pointed out to the management in February 2017, but reply was not submitted. Request for convening DAC meeting was made on 5<sup>th</sup> April 2017, which was not convened till finalization of this Report.

Audit recommends depositing the audit fee into Government Treasury under proper head of accounts.

**AIR Para No. 84 (2015-16)**

**1.2.1.10 Non recovery of outstanding pay & allowances from the contractor of General Bus Stand- Rs 0.971 million**

According to condition No. 28 of the Model Terms and conditions for the contracts of cattle fair, bus stand, 2% tax on transfer of immovable property and other taxes for the year 2015-16 read with clause 19 of the agreement, the contractor was liable to pay the amount of pay and allowances of the staff of TMA who were deployed in the adda before three days of the end of each month.

Tehsil Municipal Officer, Babozai Mingora awarded the contract of General Bus Stand Mingora to a contractor for the period of 19 months from 01.12.2015 to 30<sup>th</sup> June 2017 for Rs 155,100,000. Four officials of the TMA were posted in the GBS whose pay & allowances of Rs 971,495 for the period from December 2015 to 30<sup>th</sup> June 2016 were not recovered from the concerned contractor in compliance with terms & conditions of the agreement. Detail is as under:

S.No	Name of official	Designation	Monthly gross pay (Rs)	Months	Recoverable amount (Rs)
01	Fazal Muhammad	Tax Superintendent	42,267	07	295,869
02	Mehboob Alam	Terminal Inspector	46,806	07	327,642
03	Hayat Muhammad Khan	Rent Inspector	22,380	07	156,660
04	Shahzada	Naib Qasid	27,332	07	191,324
<b>Total</b>					<b>971,495</b>

Audit observed that non recovery of pay & allowances occurred due to violation of agreement which resulted in loss to the TMA.

The irregularity was pointed out to the management in February 2017, but reply was not submitted. Request for convening DAC meeting was made on 5<sup>th</sup> April 2017, which was not convened till finalization of this Report.

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

**AIR Para No. 77 (2015-16)**

## 1.2.2 Internal Control Weaknesses

### 1.2.2.1 Illegal cash payment of daily wages from the receipts of General Bus Stand – Rs 4.746 million

According to Para 26 of GFR Vol-I, it is the duty of departmental controlling officer to see that all sums due to Government are regularly and promptly assessed, realized and duly credited in the public account.

TMO Babozai Mingora realized Rs 58,403,955 from the General Bus Stand on account of departmental recovery for the period from July 2015 to 23<sup>rd</sup> February 2016 out of which Rs 4,745,800 was shown paid in cash directly to thirty-eight (38) daily wage staff from the gross receipts without any accounting record and the remaining amount of Rs 46,584,299 was deposited in the TMA account. The local office was required to deposit the gross collected amount in the account of TMA and then pay the amount to the daily wage staff according to the laid down procedure. Detail is as under:

S.No	Month	Total recovery (Rs)	Payment to daily wages (Rs)	Balance amount deposited (Rs)
01	07.2015	7,548,460	885,300	6,663,160
02	08.2015	8,261,325	589,000	7,672,325
03	09.2015	7,613,235	538,500	70,74,,735
04	10.2015	8,109,105	574,000	7,535,105
05	11.2015	7,229,935	570,000	6,659,935
06	12.2015	7,413,150	589,000	6,824,150
07	01.2016	7,232,890	574,500	6,658,390
08	02.2016	4,995,855	425,500	4,570,355
<b>Total</b>		<b>58,403,955</b>	<b>4,745,800</b>	<b>46,584,299</b>

Audit observed that illegal payment to daily wages staff occurred due to violation of rules.

The irregularity was pointed out to the management in February 2017, but reply was not submitted. Request for convening DAC meeting was made on 5<sup>th</sup> April 2017, which was not convened till finalization of this Report.

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

**AIR Para No. 81 (2015-16)**

**1.2.2.2 Non recovery of rent of shops – Rs 1.379 million**

According to Para 26 of GFR Vol-I, it is the duty of departmental controlling officer to see that all sums due to Government are regularly and promptly assessed, realized and duly credited in the public account.

Tehsil Municipal Officer, Babozai Mingora, Swat did not recover Rs 1,379,474 on account of outstanding rent of shops, located in four (04) General Bus Stands, during 2015-16. Detail is given below:

S.No	Name of adda	Shops/ Cabins	No of shops/Cabins	Outstanding amount as on 30 <sup>th</sup> June 2016
1	General Bus Stand	Cabins	37	599,730
2	General Bus Stand	Shops	11	374,040
3	Shah Dara Adda Stand	Shops	09	337,858
4	G.B.S Air port road	Shops	39	67,846
<b>Total</b>			<b>96</b>	<b>1,379,474</b>

Audit observed that non recovery of outstanding rent occurred due to weak financial management which resulted in loss to the TMA.

The irregularity was pointed out to the management in February 2017, but reply was not submitted. Request for convening DAC meeting was made on 5<sup>th</sup> April 2017, which was not convened till finalization of this Report.

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

**AIR Para No. 67 (2015-16)**

**1.2.2.3 Non recovery of house rent allowance from the occupants of TMA quarters – Rs 1.009 million**

According to Para 26 of GFR Vol-I, it is the duty of departmental controlling officer to see that all sums due to Government are regularly and promptly assessed, realized and duly credited in the public account.

Six (06) residential quarters of the TMA Babozai Mingora were occupied by the officials of other departments without depositing house rent allowance of Rs 1,009,644 into the TMA account. Abstract is as under and detail is as under:

S.No	Name of official	Designation	Department	Outstanding House rent allowance (Rs)
01	Musarat Maqbool	School Teacher	Education	235,080
02	Habibullah	Naib Qasid	Degree College Mingora	160,380
03	Wali Muhammad		Finance Department	160,380
04	Mushtaq Ahmad	Naib Qasid		160,380
05	Bakht Ali	Driver	Police Department	174,960
06	Habibullah	Sub Engineer	C&W Department	118,464
<b>Total</b>				<b>1,009,644</b>

Audit observed that non recovery of house rent allowance occurred due to weak internal control which resulted in loss to the TMA.

The irregularity was pointed out to the management in February 2017, but reply was not submitted. Request for convening DAC meeting was made on 5<sup>th</sup> April 2017, which was not convened till finalization of this Report.

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

**AIR Para No. 71 (2015-16)**

**TEHSIL MUNICIPAL ADMINISTRATION MATTA SWAT**

### **1.3 Audit Paras Tehsil Municipal Administration Matta**

#### **1.3.1. Non production of Record**

##### **1.3.1.1. Non production of auditable record – Rs9.00 Million**

Section 14(3) of Auditor General's Functions, Powers and Terms and Conditions of Service Ordinance, 2001 provides, that any person or authority hindering the auditorial functions of the Auditor General regarding inspection of accounts shall be subject to disciplinary action under relevant Efficiency and Discipline Rules, applicable to such person.

Tehsil Municipal officer Matta incurred expenditure of Rs 9,000,000 on account of installation of Solar System during 2015-16. However, no record regarding payment was shown to audit to verify the expenditure.

Audit observed that non production of record occurred due to weak administrative control, which resulted in unauthentic payments.

The irregularity was pointed out to the management in March 2017, management stated that the above mentioned file was sent to DC office swat for release of security. Reply was not convincing as no evidence was produced. Request for convening DAC meeting was made on 5<sup>th</sup> April 2017, which was not convened till finalization of this Report.

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

**AIR Para No. 21 (2015-16)**

### **1.3.2 Irregularity & Non compliance**

#### **1.3.2.1 Unauthorized expenditure without pre-audit - R 14.350 million**

According to Local Government Department Government of Khyber Pakhtunkhwa letter No.AO/LCB/4(I)06/ 2009-10 dated 4.9.2010 no payment shall be made by the local councils unless the bill is pre audit by the staff of Local Fund Audit Department.

Tehsil Municipal Officer Matta paid Rs 14350992 to the contractors for execution of various Developmental Schemes in 2015-16. However, it was observed that the payment was made to the contractors without pre audit from local fund audit which was contrary to the above order. Detail at Annexure-3.

Audit observed that irregularity occurred due to weak internal control.

The irregularity was pointed out to the management in March 2017, management did not respond the audit observation. Request for convening DAC meeting was made on 5<sup>th</sup> April 2017, which was not convened till finalization of this Report.

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

**AIR Para No. 22 (2015-16)**

#### **1.3.2.2. Irregular expenditure without Technical Sanction –Rs 7.832 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.

Tehsil Municipal Officer Matta incurred an expenditure of Rs 7832062 on various developmental schemes during 2015-16 without obtaining technical sanction from the competent authority. Detail is as under:



S. No.	Name of Scheme	Estimated Cost	Expenditure (Rs)
01	Pavement of street/ roads U/C Gwaleria	3,700,000	3,009,062
02	Pavement of street/ roads U/C Barthana	2,900,000	2,326,000
03	Construction of Kacha Road in Pk-84	4,000,000	2,497,000
		10,600,000	7,832,062

Audit observed that irregularity occurred due to weak internal control. Which resulted in violation of government rules/order.

The irregularity was pointed out to the management in March 2017, management replied that the Technical Sanction would be obtained from the competent authority. Reply was not convincing as irregularity was admitted. Request for convening DAC meeting was made on 5<sup>th</sup> April 2017, which was not convened till finalization of this Report.

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

**AIR Para No. 23 (2015-16)**

### 1.3.3 Weak Internal Control

#### 1.3.3.1 Non-imposition of 1 % penalty on account of late deposits of installments by contractors Rs 0.915 million

According to Sub Para IV (b) of part II of Government of KP Local Government Department memo No.AO-II/LCB/6-II/2009 dated 12-01-2014, and terms of the contract agreement, the contractor will have to deposit the monthly installment on the last day of the month failing which penalty of 1% of the installment per day for the late deposit will be imposed.

Tehsil Municipal Officer Matta awarded contracts of “Cattle Fair”, “property tax” with bid Cost of Rs 4,130,000 and 28,500,000 respectively during 2015-16. Demand & Collection Register revealed that the contractors had not deposited their monthly installments on due dates and the local office had not imposed 1% penalty on contractors for late deposits as per above criteria due to which the TMA was deprived of Rs.915,280 as extra receipts as per detail given below.

S.No	Particular	Due date of Deposit	Actual date of Deposit date	Amount of installment	1% Penalty per day on installment	Delay	Total amount of penalty
1	Cattle fair (2015-16)	1-10-15	7-10-2015	459,000	4590	7 days	32,130
2	Cattle fair (2015-16)	1-11-15	18-11-2015	459,000	4590	18 days	82,620
3	Cattle fair (2015-16)	1-1-2016	15-1-2015	459,000	4590	15 days	68,850
4	Cattle fair (2015-16)	1-4-2016	14-4-2016	137,000	1370	14 days	19,180
5	2% Property Tax-do-	1-11-2015	20-11-2015	3,562,500	35625	20 days	712,500
							<b>915,280</b>

Audit observed that non-imposition of penalty occurred due to weak financial control which resulted in loss to government.

The irregularity was pointed out to the management in March 2017, management stated that reply would be furnished after verification of record. However, no reply was furnished till finalization of this report. Request for convening DAC meeting was made on 5<sup>th</sup> April 2017, which was not convened till finalization of this Report.

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

**AIR Para No.20 (2015-16)**

**1.3.3.2 Loss to Government due to non deduction of income tax in developmental Schemes- Rs 1.02 million**

According to Finance Department Government of Khyber Pakhtunkhwa Notification NO. SO(Dev-II) FD/12-6/14-15 dated 21-4.201. Provincial Works Departments, while preparing cost estimates of development projects which fall in the tax exempted areas such as PATA, shall frame the same on Market Rate System (MRS2015) but with 7% less cost to defray the amount added in rate analysis of all work/ construction/supply items to meet withholding tax.

Tehsil Municipal Officer Matta executed developmental schemes with estimated cost of Rs 14,697,610 through various contractors during 2015-16 the payment was made according to Market Rates (MRS 2015)), which include 7% income tax. Deduction of such tax was required from the bills of the contractors which was not done, thus an extra amount of Rs 1,028,829 was paid to the contractors. Detail at Annexure-4

Audit observed non deduction of income tax occurred due to weak financial control, which resulted in loss to public exchequer.

The irregularity was pointed out to the management in March 2017, management stated that the schemes are tendered on items rate. Reply was not convincing as no evidence regarding deduction was shown to audit. Request for convening DAC meeting was made on 5<sup>th</sup> April 2017, which was not convened till finalization of this Report.

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

**AIR Para No. 24 (2015-16)**

**TEHSIL MUNICIPAL ADMINISTRATION BAHRAIN**

## **1.4 Audit Paras Tehsil Municipal Administration Bahrain**

### **1.4.1 Irregularity/Non compliance**

#### **1.4.1.1 Irregular expenditure without Technical Sanction –Rs 19.481 million**

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

Para 178 of GFR read with Para 56 of CPWD Code provides that no work should be commenced or liability incurred in connection with in until administrative approval and sanction has been obtained from the competent authority, a properly detailed design and estimate has been sanctioned and funds to cover the charge have been provided by the competent authority.

Tehsil Municipal Officer Bahrain incurred an expenditure of Rs 19,481,920 on various developmental schemes during 2015-16 without obtaining technical sanction from the competent authority. Detail is as under:

<b>S.No</b>	<b>Name of Schemes</b>	<b>Expenditure (Rs)</b>
1	Improvement of road and construction of bridge	5,829,700
3	Improvement of road at mankiyal	6,753,395
4	DWSS at Shiktat U/C Kalam	2,258,425
5	Pavement of street at Shahoo	4,640,400
	<b>Total</b>	<b>19,481,920</b>

Audit observed that irregularity occurred due to weak internal control which resulted in violation of government rules/orders.

The irregularity was pointed out to the management in March 2017, management stated that the Technical Sanction were sent to the competent authority. Reply was not convincing as technical sanction was not produced to audit. Request for convening DAC meeting was made on 5<sup>th</sup> April 2017, which was not convened till finalization of this Report.

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

**AIR Para No. 54 (2015-16)**

**1.4.1.2. Irregular execution of works without adopting open tender system –Rs 1.2 million**

According to Public Procurement Rules 2014 (Rule 20), the procuring agencies shall use open competitive bidding as the principal method of procurement for the procurement of goods, services and works when the enhancement increase from 15%.

Tehsil Municipal officer Bahrain incurred expenditure of Rs 2,700,000 on account of Const: of Shingle road at Bela Beshgram U/C Beshgram in 2015-16. It was observed that the original AA of the work was Rs 1.5 million. The Scheme was enhanced to Rs 2.7 million as per revised AA. The enhancement was Rs 1.2 million which was required to be re advertised but the local office failed to do so.

Audit observed that irregular payment was occurred due to weak internal controls, which resulted in violation of rules

The irregularity was pointed out to the management in March 2017, management stated that detail reply would be given after scrutiny of record. No progress was intimated till finalization of the report. Request for convening DAC meeting was made on 5<sup>th</sup> April 2017, which was not convened till finalization of this Report.

Audit suggests probe into the matter and action against the person (s) at fault.

**AIR Para No. 55 (2015-16)**

## **1.4.2 Weak Internal Control**

### **1.4.2.1 Non deduction of income tax in developmental Schemes Rs 1.046 million**

According to Finance Department Khyber Pakhtunkhwa Notification NO.SO(Dev-II) FD/12-6/14-15 dated 21-4.201, all the provincial works Departments, while preparing Cost Estimates of development projects which fall in the tax exempted areas such as PATA, Shall frame the same on Market rate system 2015 but with 7% less cost to defray the amount added in rate analysis of all work/ construction/supply items to meet withholding tax.

Tehsil Municipal Officer Bahrain executed developmental schemes with estimated cost of Rs14,596,000 through various contractors during 2015-16 and paid Market Rates (MRS), which include 7% income tax. Deduction of such tax was required which was not done, thus an extra amount of Rs1,046,500 was paid to the contractors. Detail at Annexure-5.

Audit observed that Non adjustment of income tax occurred due to weak financial control which resulted in loss to government.

The irregularity was pointed out to the management in March 2017, management stated that the income tax @ 7% of the capital cost has been adjusted. Reply was not convincing as no adjustment was made. Request for convening DAC meeting was made on 5<sup>th</sup> April 2017, which was not convened till finalization of this Report.

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

**AIR Para No. 51 (2015-16)**

### **1.4.2.2. Non Imposition of Penalty for Incomplete Schemes- Rs2.220 million**



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

Tehsil Municipal Officer Bahrain failed to impose penalty of Rs 2,220,282 @ 10% of the estimated cost of Rs 22,202,846 of seven (07) schemes which were not completed in stipulated time period. Detail at Annexure-6

Audit observed that non imposition of penalty occurred due to weak internal control which resulted in loss to government.

The irregularity was pointed out to the management in March 2017, management stated that the scheme have been delayed due to non feasible weather and due to Local Body Election and non release of fund. Reply was not convincing as there is no problem of weather and the contractor were not concerned to the Local Body Election. Request for convening DAC meeting was made on 5<sup>th</sup> April 2017, which was not convened till finalization of this Report.

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

**AIR Para No. 52 (2015-16)**

**1.4.2.3 Non recovery of outstanding amount of 2 % property Tax Rs 2.185 million**

According to Sub Para IV (b) of part II of Government of KP Local Government Department memo No.AO-II/LCB/6-II/2009 dated 12-01-2014, and terms of the contract agreement, the contractor will have to deposit the monthly installment on the last day of the month failing which penalty of 1% of the installment per day for the late deposit will be imposed.

Tehsil Municipal Officer Bahrain awarded contracts of 2% property tax in 2014-15. The contractors had not deposited Rs 2,185,000 till the closing of the financial year i.e. 30-6-2016. The local office was required to initiate strict legal

action against the defaulter for the recovery of outstanding amount. But the local office failed to do so.

Audit observed that Non recovery of outstanding amount was accrued due to weak financial control which resulted in loss to public exchequer.

The irregularity was pointed out to the management in March 2017, management stated that the recovery was pending till decision of court. Reply was not satisfactory as no evidence was produce to audit. Request for convening DAC meeting was made on 5<sup>th</sup> April 2017, which was not convened till finalization of this Report.

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

**AIR Para No. 58 (2015-16)**

**TEHSIL MUNICIPAL ADMINISTRATION BARIKOT**

## 1.5 Audit Para Tehsil Municipal Administration Barikot

### 1.5.1 Irregularity & Non compliance

#### 1.5.1.1 Irregular expenditure without Technical Sanction – Rs 4.708 million

According to Para 54 read with Para 56 of CPWD Code, no work shall be executed without Administrative Approval/Technical Sanction and Budget allotment. Further, if subsequent to the grant of technical sanction, material structural alterations are contemplated, orders of the original sanctioning authority should be obtained, even though no additional expenditure may be involved by the alterations.

TMO Barikot incurred an expenditure of Rs 4,708,961 on account of various developmental schemes during 2015-16. Technical Sanction was not obtained from the competent authority before commencement of work. Thus, the expenditure made was held irregular. Detail is given below:

S. No.	Name of scheme	Estimated Cost (Rs)	Expenditure (Rs)
1	Improvement of road at Aboha	1,000,000	610,407
2	Street pavement at Naway Kally UC Kota	1,000,000	618,840
3	Street Pavement near Barikot Bridge	1,000,000	312,020
4	Street pavement/road from Sadu Khan to Talang	2,000,000	741,330
5	Construction of ddrains at Bazar Barikot	2,456,000	2,426,364
<b>Total</b>			<b>4,708,961</b>

Audit observed that the irregular expenditure occurred due to weak financial control, which resulted in violation of Government Rules.

The irregularity was pointed out to the management in January 2017, management stated that the Technical Sanctions would be obtained from the competent authority. Reply was not convincing as Technical Sanctions were not produced. Request for convening DAC meeting was made on 5<sup>th</sup> April 2017, which was not convened till finalization of this Report.

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

**AIR Para No. 41(2015-16)**

## **1.5.2 Internal Control Weaknesses**

### **1.5.2.1 Non imposition of penalty on late completion of schemes - Rs 0.90 million**

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

TMO Barikot did not impose 10% penalty of Rs 900,000 during 2015-16 on various contractors for late completion of developmental schemes. Detail at Annexure-7.

Audit observed that non recovery of penalty occurred due to lack of internal control which resulted in loss to Government.

The irregularity was pointed out to the management in January 2017, management stated that time extension has been approved by the Tehsil Council. Reply was not convincing as the schemes were not completed within stipulated period. Request for convening DAC meeting was made in April 2017, which was not convened till finalization of this Report.

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

**AIR Para No. 40 (2015-16)**

### **1.5.2.2 Non forfeiture of 2% earnest money – Rs 1.000 million**

According to Finance Department letter No. SOFR/FD/9-7/2011 VOL-II dated 5-11-2014, the contractor/firm will deposit Additional Security equal to the below rate quoted by the contractor/firm within seven (07) days, otherwise his 2% Call Deposit will be forfeited towards Government.

Tehsil Municipal Officer Barikot did not forfeit 2% earnest money amounting to Rs 1,000,000 from various contractors during the financial year

2015-16. The date of tender was 21-04-2016 but the contractors deposited the additional securities during the period from 15-08-2016 to 21-09-2016 and failed to deposit the Additional Securities within Seven (07) days after date of tender i.e. up to 28-04-2016. Detail at Annexure-8.

Audit observed that the irregularity was occurred due to weak financial control, which resulted in loss to Government.

The irregularity was pointed out to the management in January 2017, management did not respond to the observation. Request for convening DAC meeting was made in April 2017, which was not convened till finalization of this Report.

Audit recommends to recover the amount from the contractors and deposited into Government Treasury.

**AIR Para No. 47 (2015-16)**

### **1.5.2.3 Blockage of Government money - Rs 2.600 million**

According to Para 23 of GFR Volume-I, every controlling officer will personally be responsible for the loss sustained by Government through negligence or fraud on his part or on the part of his subordinate.

Scrutiny of record of TMO Barikot for the financial year 2015-16 revealed that Rs 2,600,000 were allocated for purchase of Suzuki Dumper for waste management. Administrative Approval was issued on 31-03-2016. However, it was observed that the scheme was not tendered and the amount was not utilized for such long period resulted in blockage of Government money.

Audit observed that irregularity occurred due to weak financial control, which resulted in violation of rules.

The irregularity was pointed out to the management in January 2017, management stated that the scheme has been cancelled and the revised PC-I for 01 No. Suzuki Dumper and 15 Containers would be submitted to Planning Department. Reply was not convincing as the amount was not utilized for long period. Request for convening DAC meeting was made on 5<sup>th</sup> April 2017, which was not convened till finalization of this Report.

Audit suggests to justify non utilization of available funds besides fixing responsibility.

**AIR Para No. 46 (2015-16)**

**1.5.2.4 Non imposition of 2% penalty – Rs 0.605 million**

According to S. No. 06 of Model Terms and Conditions circulated vide letter No. AO-II/LCB/6-11/2015 dated 01-06-2015, 2% penalty will be liable on Contractor/Firm for late deposit of monthly installment.

TMO Barikot did not recover Rs 605,394 on account of 2% penalty on late deposit of monthly installment of Bus Stand Barikot during the financial year 2015-16. Detail at Annexure-9.

Audit observed that non imposition of penalty occurred due to weak financial control, which resulted in loss to Government.

The irregularity was pointed out to the management in January 2017, management stated that the contractual amount was deposited in the contractual period. Reply was not valid as the documentary proof could not substantiate their assertion. Request for convening DAC meeting was made in April 2017, which was not convened till finalization of this Report.

Audit suggests to recover the amount, deposit into Government treasury and action the person(s) at fault.

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

**TEHSIL MUNICIPAL ADMINISTRATION KABAL**



## 1.6 Audit Paras Tehsil Municipal Administration Kabal

### 1.6.1 Irregularity & Non compliance

#### 1.6.1.1 Irregular expenditure without Technical Sanction – Rs 1.457 million

According to Para 54 read with 56 of CPWD Code, no work shall be executed without Administrative Approval/Technical Sanction and Budget allotment. Further, if subsequent to the grant of technical sanction, material structural alterations are contemplated, orders of the original sanctioning authority should be obtained, even though no additional expenditure may be involved by the alterations.

TMO Kabal incurred an expenditure of Rs 1,457,639 on account of various developmental schemes during 2015-16. However, Technical Sanction was not obtained from the competent authority before commencement of work. Thus, the expenditure made was held irregular. Detail is given below:

S. No.	Name of Scheme	Estimated Cost (Rs)	Expenditure (Rs)
01	Tube Well Bores/Installation of Hand Pumps	900,000	216,062
02	Improvement of Road at Damghar	600,000	499,787
03	Improvement of Road at Ganshak VC Dherai	720,000	370,110
04	Improvement of Road at Dherai Baba UC Kanju	500,000	371,680
<b>Total</b>		<b>2,720,000</b>	<b>1,457,639</b>

Audit observed that the irregular expenditure occurred due to weak financial control, which resulted in violation of Government rules.

The irregularity was pointed out to the management in January 2017, management stated that the schemes were technically sanctioned and would be produced to audit. Reply was not convincing as Technical Sanctions were not provided for verification. Request for convening DAC meeting was made in April 2017, which was not convened till finalization of this report.

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

**AIR Para No. 27 (2015-16)**

**1.6.1.2 Irregular award of works - Rs 1.400 million**

According to S. No. 7 of NIT conditions, the contractor/firm will offer rate in words and figure clearly. Further, according to S. No. 8 of NIT conditions, any type of overwriting will be liable to rejection.

TMO Kabal awarded two (02) works with an estimated cost of Rs 1,400,000 during the financial year 2015-16. The award of work was held irregular as there was a difference in the words and figure of rates in the Tender Form. The local office was required to reject the bids of the contractors according to the above mentioned conditions of NIT. Detail is given below:

S. No.	Name of Work	Estimated Cost (Rs)
01	Tube Well Bores/ Installation of Hand Pumps Nusrat UC Deolai	600,000
02	Tube Well Bores/ Installation of Hand Pumps at Lower Deolai	800,000
<b>Total</b>		<b>1,400,000</b>

Audit observed that the irregular award occurred due to weak financial control, which resulted in violation of rules.

The irregularity was pointed out to the management in January 2017, management stated that detailed reply would be given after scrutiny of record. No progress was intimated till finalization of this report. Request for convening DAC meeting was made in April 2017, which was not convened till finalization of this report.

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

**AIR Para No. 28 (2015-16)**

## **1.6.2 Internal Control Weaknesses**

### **1.6.2.1 Non imposition of penalty on late completion of schemes - Rs 0.550 million**

According to 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 Kabal did not impose 10% penalty of Rs 550,000 during 2015-16 on various contractors for late completion of developmental schemes. Detail at Annexure-10.

Audit observed that non recovery of penalty occurred due to lack of internal control which resulted in loss to Government.

The irregularity was pointed out to the management in January 2017, management stated that the extension has been granted by the competent authority and would be shown to audit. Reply was not convincing as no record was provided regarding extension in time. Request for convening DAC meeting was made in April 2017, which was not convened till finalization of this report.

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

**AIR Para No. 29 (2015-16)**

### **1.6.2.2 Non imposition of 2% penalty – Rs 0.703 million**

According to S. No. 06 of Model Terms and Conditions circulated vide letter No. AO-II/LCB/6-11/2015 dated 01-06-2015, 2% penalty will be liable on Contractor/Firm for late deposit of monthly installment

TMO Kabal did not recover Rs 703,171 on account of 2% penalty on late deposit of monthly installment of Property tax during the financial year 2015-16. Detail is given below:

<b>S. No.</b>	<b>Month</b>	<b>Due Date of payment</b>	<b>Actual date of payment</b>	<b>Delay in deposit of Installment (Days) (1)</b>	<b>Installment per month (Rs)</b>	<b>2% penalty (Rs) (2)</b>	<b>Total Amount (Rs) (1 x 2)</b>
01	August 2015	10-08-2016	27-08-2015	17	2,068,181	41,363	703,171
<b>Total</b>							<b>703,171</b>

Audit observed that non imposition of penalty occurred due to weak financial control, which resulted in loss to Government.

The irregularity was pointed out to the management in January 2017, management stated that detailed reply would be given after scrutiny of record. No progress was intimated till finalization of the report. Request for convening DAC meeting was made in April 2017, which was not convened till finalization of this report.

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

**AIR Para No. 32 (2015-16)**

**TEHSIL MUNICIPAL ADMINISTRATION CHARBAGH**

## 1.7 Audit Paras Tehsil Municipal Administration Charbagh

### 1.7.1 Irregularity & Non compliance

#### 1.7.1.1 Irregular award of works - Rs 2.668 million

According to S. No. 7 of NIT conditions, the contractor/firm will offer rate in words and figure clearly. Further, according to S. No. 14 of NIT conditions, any type of overwriting will liable to rejection.

TMO Charbagh awarded two (02) works with an estimated cost of Rs 2,668,000 during the financial year 2015-16. The award of work was held irregular as there was a difference in the words and figure of rates in the Tender Form and BOQ. The local office was required to reject the bids of the contractors according to the above mentioned conditions of NIT. Detail is given below:

S. No.	Name of Work	Estimated Cost (Rs)
01	Construction of PCC Road for Kolam UC Aka Maroof Bamikhel	333,000
02	Construction of Road/Street Darako, Alamganj, Wali Abad, at Gulibagh	2,335,000
<b>Total</b>		<b>2,668,000</b>

Audit observed that the irregular award occurred due to weak financial control, which resulted in violation of rules.

The irregularity was pointed out to the management in March 2017, management stated that detailed reply would be given after scrutiny of record. No progress was intimated till finalization of the report. Request for convening DAC meeting was made in April 2017, which was not convened till finalization of this report.

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

**AIR Para No. 34 (2015-16)**

## 1.7.2 Internal Control Weaknesses

### 1.7.2.1 Non imposition of 2% penalty – Rs 0.409 million

According to S. No. 06 of Model Terms and Conditions circulated vide letter No. AO-II/LCB/6-11/2015 dated 01-06-2015, 2% penalty will be liable on Contractor/Firm for late deposit of monthly installment

TMO Charbagh did not recover Rs 409,100 on account of 2% penalty on late deposit of monthly installment Property Tax during the financial year 2015-16. Detail is given below:

S. No.	Month	Due Date of payment	Actual date of payment	Delay in deposit of Installment (Days) (1)	Installment per month (Rs)	2% penalty (Rs) (2)	Total Amount (Rs) (1 x 2)
01	September 2015	10-09-2015	14-09-2015	4	818,181	16,364	65,456
02	November 2015	10-11-2015	31-11-2015	21	818,181	16,364	343,644
<b>Total</b>							<b>409,100</b>

Audit observed that non imposition of penalty occurred due to weak financial control, which resulted in loss to Government.

The irregularity was pointed out to the management in March 2017, management stated that principal amount has been transferred to TMA Charbagh account. Reply was not convincing as no penalty was imposed on contractor. Request for convening DAC meeting was made in April 2017, which was not convened till finalization of this report.

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

**AIR Para No. 38 (2015-16)**

**TEHSIL MUNICIPAL ADMINISTRATION KHWAZA  
KHELA**



## 1.8 Audit Paras Tehsil Municipal Administration Khwaza Khela

### 1.8.1 Irregularity & Non compliance

#### 1.8.1.1 Irregular execution of works without Technical Sanction – Rs 8.693 million

According to Para 54 read with 56 of CPWD Code, no work shall be executed without Administrative Approval/Technical Sanction and Budget allotment. Further, if subsequent to the grant of technical sanction, material structural alterations are contemplated, orders of the original sanctioning authority should be obtained, even though no additional expenditure may be involved by the alterations.

TMO Khwaza Khela incurred expenditure of Rs 8,693,665 on developmental works during the financial year 2015-16. However Technical Sanctions were not obtained from the competent authority to regularize the expenditure. Detail is given below:

S#	Name of work	Expenditure (Rs)
01	Improvement of Road/DWSS at Mashigai UC Fatehpur	3,000,000
02	Improvement of Road at Lakhar UC Shin	5,693,665
<b>Total</b>		<b>8,693,665</b>

Audit observed that the irregular expenditure occurred due to weak financial control, which resulted in violation of Government rules.

The irregularity was pointed out to the management in March 2017, management stated that the Technical Sanction has been obtained and would be produced to audit. Reply was not convincing as no TS was provided for verification. Request for convening DAC meeting was made in April 2017, which was not convened till finalization of this report.

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

**AIR Para No. 59 (2015-16)**

## **1.8.2 Internal Control Weaknesses**

### **1.8.2.1 Non imposition of penalty on late completion of schemes - Rs 1.800 million**

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

TMO Khwaza Khela did not impose 10% penalty of Rs 1,800,000 during the financial year 2015-16 on various contractors for late completion of developmental schemes. Detail at Annexure-11.

Audit observed that non recovery of penalty occurred due to lack of internal control which resulted in loss to Government.

The irregularity was pointed out to the management in March 2017, management stated that due to terrorism and weather condition, the schemes could not be completed within stipulated time and resolution has been passed by the Council for time extension. Reply was not convincing as the schemes were not been completed within stipulated time. Request for convening DAC meeting was made in April 2017, which was not convened till finalization of this report.

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

**AIR Para No. 60 (2015-16)**

### **1.8.2.2 Non imposition of 2% penalty on late deposit of monthly installment – Rs 0.876 million**

According to S. No. 06 of Model Terms and Conditions circulated vide letter No. AO-II/LCB/6-11/2015 dated 01-06-2015, 2% penalty will be liable on Contractor/Firm for late deposit of monthly installment

TMO Khwaza Khela did not recover Rs 876,000 on account of 2% penalty on late deposit of monthly installment Property Tax during the financial year 2015-16. Detail is given below:

S. No.	Month	Due Date of payment	Actual date of payment	Delay in deposit of Installment (Days) (1)	Installment per month (Rs)	2% penalty (Rs) (2)	Total Amount (Rs) (1 x 2)
01	January 2016	10-02-2016	20-02-2016	10	2,920,000	58,400	584,000
02	March 2016	10-04-2016	15-04-2016	05	2,920,000	58,400	292,000
<b>Total</b>							<b>876,000</b>

Audit observed that non imposition of penalty occurred due to weak financial control, which resulted in loss to Government.

The irregularity was pointed out to the management in March 2017, management stated that TMA Khwaza Khela was newly established and it was very difficult to impose tax due to law and order situation, weather condition, and the contractor also faced many difficulties to collect the tax, due to which the contractor failed to deposit the monthly installment well in time. Reply was not convincing as the contractor did not deposit the monthly installment well in time. Request for convening DAC meeting was made in April 2017, which was not convened till finalization of this report.

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

**AIR Para No. 64 (2015-16)**

### **1.8.2.3 Non deposit of 2% property tax - Rs 1.605 million**

According to Para 8 read with 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.

TMO Khwaza Khela awarded contract of 2% property tax to Mr. Faramosh Khan during the financial year 2015-16. The contract was awarded for Rs 29,200,000 to the contractor but he deposited Rs 27,594,171. Hence, Rs 1,605,829 were not deposited by the contractor.

Audit observed that irregularity occurred due to weak financial control, which resulted in loss to Government.

The irregularity was pointed out to the management in March 2017, management stated that TMA Khwaza Khela was newly established and it was difficult to collect taxes. Several notices have also been issued to the contractor and the case has also been taken up with the District Administration for recovery of said amount. Reply was not convincing as the amount was not recovered from the contractor. Request for convening DAC meeting was made in April 2017, which was not convened till finalization of this report.

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

**AIR Para No. 65 (2015-16)**

## ANNEXURES

### Annexure-1

#### Detail of MFDAC Paras

(Rs in million)				
Name of Office	A P N o	Caption	Amou nt	Remarks
TMA Mingora	74	Illegal payment of technical sanction charges to Local Council Board	0.070	
	75	Excess payment than bid cost	0.653	
	76	Non deduction of income tax from the contractor of taxable area	0.115	
TMA Barikot	42	Non deduction of income tax from developmental work.	0.218	
	48	Non forfeiture of 2% earnest money.	0.317	
	43	Blockage of Government money.	1.000	The funds were not utilized due to dispute and would be started shortly
	44	Irregular drawl of pay and allowance.	4.970	The pay & allowances would be converted to the banks accounts
TMA Kabal	30	Non deduction of income tax from developmental work.	0.446	
	31	Irregular drawl of pay and allowances.	6.917	The pay & allowances would be converted to the banks accounts

	33	Irregular expenditure on purchase of furniture.	0.366	
TMA Charbagh	35	Non imposition of penalty on late completion of schemes.	0.300	
	36	Non deduction of income tax from developmental work.	0.294	
	37	Irregular drawl of pay and allowances.	3.069	The pay & allowances would be converted to the banks accounts
	39	Loss to Government due to ignoring lowest bid rates.	0.390	
TMA Khwaza Khela	61	Non deduction of income tax from developmental work.	0.120	
	62	Irregular drawl of pay and allowances.	5.284	The pay & allowances would be converted to the banks accounts
	63	Irregular release of additional security.	1.997	Would be discussed in DAC
	66	Non deduction of professional tax.	0.816	
TMA Bahrain	49	Non deposit of stamp duty	0.111	
	50	Non deduction of DPR	0.088	
	53	Non deduction of Professional tax	0.182	
	56	Non deposit of income tax	0.414	
	57	Irregular execution of work without adopting open tender system	0.761	
TMA Matta	19	Non deposit of stamp duty	0.103	
	22	Non deduction of Professional tax	0.477	
	25	Non deduction of income tax	0.289	
<b>Total</b>			<b>25.78</b>	
			<b>2</b>	

**Annexure-2**  
**(Para 1.2.1.9)**

**Detail of non deduction of income tax on consultancy services**

S.No	Name of firm	Name of work	Amount (Rs)	Income tax @ 8% (Rs)
01	Allied Engineering Consultants Peshawar	Uplift & Beautification of Divisional Headquarters	3,694,225	295,538
02	Mak Consultant Peshawar	Construction of Slaughter House	2,477,828	198,227
03	MAK Engineering Services Peshawar	Establishment of Play Land at Fizagat Park	1,554,908	124,393
<b>Total</b>			<b>7,726,961</b>	<b>618,158</b>

**Detail of non deposit of deducted income tax**

Description	5 <sup>th</sup> running bill (Rs)	6 <sup>th</sup> running bill (Rs)	Total (Rs)
Estimated cost	26,387,000	26,300,000	
Work done	12,915,758	15,944,283	
Less: paid bill	13,949,018	17,273,825	
Net amount	3,338,183	13,949,018	
<b>7% income tax</b>	<b>233,672</b>	<b>3,324,807</b>	<b>466,408</b>
Net	3,104,510	232,736	
Less: 8% security	248,360	3,092,070	
Net payable	2,856,150	2,844,704	
Income tax deducted from M/S State Engineers in Slaughter House in 1 <sup>st</sup> running bill	0	0	397,976
<b>Total</b>			<b>864,384</b>

**Detail of non deduction and non deposit of income tax from salaries**

S.No	Name of officer/official	Designation	BPS	Deducted income tax (Rs)	Non deduction of income tax (Rs)	Total (Rs)
01	Mr. Bakht Rawan	PA to Nazim	16	25,816	0	25,816
02	Mr. Muhammad Yousaf	Office Superintendent	17	21,474	0	21,474
03	Mr. Akhtar Ayub	Administrative Officer	17	14,544	0	14,544
04	Mr. Iqbal Muhammad	Assistant	11	1,188	0	1,188
05	Mr. Bahadar Khan	ATO (I & S)	17	7,866	0	7,866
06	Mr. Kishwar Ali	Water Rate Incharge	14	5,760	0	5,760



07	Mr. Muhammad Siraj	Chief Sanitary Inspector	14	2,574	0	2,574
08	Mr. Nisar Khan	Chief Municipal Officer	17	5299	0	5,299
09	Mr. Khizer Hayat Shah	TMO	19	0	43,046	43,046
10	Mr. Ayub Khan	TOF	17	0	45,227	45,227
<b>Total</b>				<b>84,521</b>	<b>88,273</b>	<b>172,794</b>

**Annexure-3**  
**(Para 1.3.2.1)**

**Detail of Pre audit bills**

<b>S.No</b>	<b>Name of Schemes</b>	<b>Expenditure (Rs)</b>
1	Pavement of Streets/Roads at village baidara	576,830
2	Pavement of Streets/Roads at village totkay	443,392
3	Construction of protection wall	750,720
4	Pavement of Streets/Roads at village Baidara	876,299
5	Pavement of Streets/Roads at village in pk84	2,487,286
6	Pavement of Streets/Roads at village sambat	1,761,486
7	Pavement of Streets/Roads at village Mano Patay	907,979
8	Boring and installation of pressure pump Balawo islampur	343,048
9	Pavement of Streets/Roads at village baidara	853,499
10	Pavement of Streets/Roads at village Barthana	2,495,678
11	Pavement of Streets/Roads at village Dagai	1,475,157
12	PCC Road /Street New Colony matta	832,137
13	Improvement and Rehabilitation of street new colony	150,632
14	PCC Road tengala	396,849
	<b>Total</b>	<b>14,350,992</b>

**Annexure-4**  
**(Para 1.3.3.2)**

**Detail OF 7% Income Tax**

S.No	Name of Schemes	Name of Contractors	Bid Cost	7% income tax
1	Pavement of Streets/Roads at village Gwalaria	Saifullah Umar Khal	2,000,000	140,000
2	Pavement of Streets/Roads at village Rahat Kot	Izahr ullah	1,300,000	91,000
3	Pavement of Streets/Road's at village baidara	Saifullah umar khail	3,700,000	259,000
4	Pavement of Streets/Roads at village Gwaleria	Rasool Ahmad	1,400,000	98,000
5	Pavement of Streets/Roads at village Mano Patay	Muzaferulmulk	1,600,000	112,000
6	Construction of protection Wall at Bara Bamahela (local fund)	Rafiullah	393,009	27,510
7	Construction of Hand Pump and open well at sumbat(local fund)	Rafiullah	188,999	13,229
8	Construction of protection Wall at fire station(local fund)	Rafiullah	264,000	18,480
9	Pavement of Street and R/Wall sinpora (local fund)	Mian Sayed Ali	1,173,189	82,123
10	Construction of PCC road and Gate for Army(local fund)	Rafiullah	864,000	60,480
11	Construction of Water Tank at baidara	M/s Javed &Brother	1,179,211	82,544
12	Rehabilitation of MC office Matta	Fazli Khaliq	194,461	13,612
13	Const:and improvement of Road village Adam shah	Zahoor Ali	249,921	17,494
14	Povement of road at village Baro Shah Khan	Udyana Engi neerig	190,820	13,357
	<b>Total</b>		<b>14,697,610</b>	<b>1,028,829</b>

**Annexure-5**  
**(Para 1.4.2.1)**

**Detail of 7% income tax**

<b>S.No</b>	<b>Name of Schemes</b>	<b>Estimated cost</b>	<b>7% income tax</b>
1	Pvt: of Street at shahoo U/C Kalam	5,156,000	360,500
2	DWSS at Utoror U/C Utror	1,000,000	70,000
3	Const: of irrigation Channal at Mankyal	1,000,000	70,000
4	Improvement of road U/C Balakot	2,500,000	175,000
5	Improvement of road U/C Bashgram	2,500,000	175,000
6	DWSS Satal U/C Bahrain	1,000,000	70,000
7	Drinking Water Supply Scheme at Kalam	40,000	28,000
8	Shingle Road at khwar Shagram	1,000,000	70,000
9	Shingle road Branvi to bedag	400,000	28,000
<b>Total</b>		<b>14,596,000</b>	<b>1,046,500</b>

**Annexure-6**  
**(Para 1.4.2.2)**

**Non imposition of penalty**

<b>S.No</b>	<b>Name of Work</b>	<b>Date of Commencement</b>	<b>Period</b>	<b>Bid Cost</b>	<b>10% Penalty</b>	<b>Remarks</b>
1	Improvement of road Shagram	9-6-2015	9 month	2,896,009	289,600	Still in progress
2	Improvement of road and const: of Bridge at Basi Banr U/C Bashigram	9-6-2015	12 month	5,829,700	582,970	Still in progress
3	DWSS Balakot U/C Balakot	4-6-2015	3 month	428,739	42,873	Still in progress
4	Improvement of road /floor at kalam.rest house	3-8-2015	3 month	751,998	75,199	Still in progress
5	Pavement of street at shahoo U/C alam	30-5-2014	1 month	4,640,400	464,040	Still in progress
6	Improvement of road U/C Balakot			2,500,000	250,000	Still in progress
7	Pvt of streets at Shahoo U/C Kalam	30-5-2015	1 month	5,156,000	515,600	25-8-2016
<b>Total</b>				<b>22,202,846</b>	<b>2,220,282</b>	

**Annexure-7**  
**(Para 1.5.2.1)**

**Statement Showing Detail of Non Imposition of 10% Penalty on Late  
Completion of Developmental Schemes**

S. No.	Scheme	W/order date	Due date of Completion	Actual date of completion	Delay in days	Cost (Rs)	10%Penalty (Rs)
1	Improvement of Road at Aboha	29-6-15	29-9-15	28-7-16	298	1,000,000	100,000
2	Street Pavement at Naway kallay UC Kota	29-6-15	29-9-15	12-4-16	222	1,000,000	100,000
3	Street Pavement near Barikot Bridge	29-6-15	29-9-15	12-4-16	222	1,000,000	100,000
4	Street Pavement/Road from Sadu Khan to Talang	29-6-15	29-12-15	8-5-16	248	2,000,000	200,000
5	Improvement of Road at Shinkay UC Shamozaï	15-1-15	30-6-15	1-8-15	61	3,000,000	300,000
6	Pavement of Streets at Ghaligay UC Ghalugay	29-6-15	29-9-15	On going		1,000,000	100,000
<b>Total</b>							<b>900,000</b>

**Annexure-8**  
**(Para 1.5.2.2 )**

**Statement showing detail of non-forfeiture of 2% earnest money**

S. No.	Name of Scheme	Estimated Cost (Rs)	Date of Tender	Date of deposit of Additional Security	Amount of 2% Earnest Money
01	Improvement of Road at Shaga Barikot	5,000,000	21-04-2016	15-08-2016	100,000
02	Improvement of Road at Shangorai	5,000,000	21-04-2016	17-08-2016	100,000
03	Improvement of Road at Bathor	5,000,000	21-04-2016	21-09-2016	100,000
04	Improvement of Road at Serai	5,000,000	21-04-2016	7-08-2016	100,000
05	Improvement of Road Muhammad Baig	5,000,000	21-04-2016	15-08-2016	100,000
06	Improvement of Road Pinda Shah Mlanga	5,000,000	21-04-2016	26-08-2016	100,000
07	Improvement of Road at Segalai Kallay	5,000,000	21-04-2016	26-08-2016	100,000
08	Improvement of Road at Chalera	5,000,000	21-04-2016	14-10-2016	100,000
09	Improvement of Road at Merata	2,500,000	21-04-2016	17-08-2016	50,000
10	Improvement of Road at Serai	2,500,000	21-04-2016	15-08-2016	50,000
11	Improvement of Road at Bela	5,000,000	21-04-2016	15-08-2016	100,000
<b>Total</b>		<b>50,000,000</b>			<b>1,000,000</b>

**Annexure-9**  
**(Para 1.5.2.4 )**

**Statement Showing Detail of Non Imposition of 2% Penalty on Late Deposit of Monthly Installment**

S. No.	Month	Due Date of payment	Actual date of payment	Delay in deposit of Installment (Days)	Installment per month (Rs)	2% penalty (Rs)	Total Amount (Rs)
01	August 2015	10-08-2016	22-09-2015	42	45,454	909	38,178
02	September 2015	10-09-2016	23-2-2016	163	45,454	909	148,167
03	October 2015	10-10-2016	24-02-2016	134	45,454	909	121,806
04	November 2015	10-11-2016	24-02-2016	104	45,454	909	94,536
05	December 2015	10-12-2016	24-02-2016	74	45,454	909	67,266
06	January 2016	10-01-2016	24-02-2016	44	45,454	909	39,996
07	February 2016	10-02-2016	15-03-2016	34	45,454	909	30,906
08	May 2016	10-05-2016	13-06-2016	33	45,454	909	29,997
09	June 2016	10-06-2016	18-7-2016	38	45,454	909	34,542
<b>Total</b>							<b>605,394</b>



**Annexure-10**  
**(Para 1.6.2.1)**

**Statement Showing Detail of Non Imposition of 10% Penalty on Late  
Completion of Developmental Schemes**

S. No.	Scheme	W/order date	Due date of Completion	Actual date of completion	Delay in days	Cost (Rs)	10%Penalty (Rs)
1	Improvement of Streets at Tang Banr UC Qalagay	15-7-15	15-10-15	13-11-15	28	1,000,000	100,000
2	Pavement of Streets from Rasheed to Usman Ghani House UC Kuz Aba Khail	14-7-15	14-10-15	02-12-15	48	1,000,000	100,000
3	Street Pavement at Khanjar UC Qalagay	15-7-15	15-10-15	01-06-16	76	1,000,000	100,000
4	DWSS at Nusrat UC Kala Kalay	09-06-15	09-09-15	02-11-15	53	1,500,000	150,000
5	Pavement of Streets at Dherai UC Kanju	29-06-15	29-09-15	01-12-15	62	1,000,000	100,000
<b>Total</b>							<b>550,000</b>

**Annexure-11**  
**(Para 1.8.2.1)**

**Statement showing detail of non-imposition of 10% penalty on late completion of developmental schemes**

S. No.	Scheme	W/order date	Due date of Completion	Actual date of completion	Delay in days	Cost (Rs)	10%Penalty (Rs)
1	Construction of Bridge and Protection Wall at Chamtalai UC Janu Chamtalai	25-6-15	25-6-16	30-6-16	05	7,000,000	700,000
2	Improvement of Road to Miadam Rest House	15-1-15	30-6-15	In Progress		2,000,000	200,000
3	Pavement of Streets at Mashkomai	14-7-15	14-10-15	In Progress		1,000,000	100,000
4	Improvement of Road at Lakhar UC Shin	09-6-15	09-6-16	In Progress		8,000,000	800,000
<b>Total</b>							<b>1,800,000</b>