



**AUDIT REPORT
ON
THE ACCOUNTS OF
LOCAL GOVERNMENTS
DISTRICT BAJAUR**

AUDIT YEAR 2020-21

AUDITOR GENERAL OF PAKISTAN

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ABBREVIATIONS AND ACRONYMS

AIR	Audit and Inspection Report
APPM	Accounting Policies and Procedures Manual
AG	Accountant General
BHUs	Basic Health Units
CMD	Chief Minister Directive
CPWA Code	Central Public Works Accounts Code
CVT	Capital Value Tax
DAC	Departmental Accounts Committee
DAC	District Accounts Committee
DCA	District Comptroller of Accounts
DG	Director General
DEO	District Education Officer
DHO	District Health Officer
DO	District Officer
DPR	Disabled Person Rehabilitation
GHSS	Government Higher Secondary School
GFR	General Financial Rules
E& SE	Elementary & Secondary Education
FTR	Federal Treasury Rules
KPPRA	Khyber Pakhtunkhwa Public Procurement Rules Authority
LGE & RDD	Local Government, Election & Rural Development Department
LGA	Local Government Act
MCC	Medicine Coordination Cell
MFDAC	Memorandum for Departmental Accounts Committee
PAC	Public Accounts Committee
PAO	Principal Accounting Officer
PTC	Parents Teachers Council
TMA	Tehsil Municipal Administration

TMO	Tehsil Municipal Officer
TAC	Tehsil Accounts Committee
TDR	Term Deposit Receipt
TS	Technical Sanction

Preface

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

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

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

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

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

Islamabad
Dated:

(JavaidJehangir)
Auditor General of Pakistan

EXECUTIVE SUMMARY

The Directorate General Audit District Governments, Khyber Pakhtunkhwa carries out the audit of Local Governments in 35 districts of Khyber Pakhtunkhwa. Regional Directorate of Audit (RDA) Kohat on behalf of the DG Audit District Government, Khyber Pakhtunkhwa carried out the audit of audit of Local Government of three districts namely; Swat, Shangla, Dir Lower, Dir Upper, Chitral Lower, Chitral Upper and Bajaur.

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

Local Governments of District Bajaur consist of three tiers which perform their operations under Khyber Pakhtunkhwa Local Government Act 2013(amended in 2019).Financial provisions of the Act describe the Local Consolidated Fund and Public Account for which annual Budget Statement is approved by the respective councils in the form of budgetary grants. Top Tier-the District Government comprises one Principal Accounting Officer (PAO) i.e. Deputy Commissioner for the District Government, who is officer in charge (Administrator) of 09 devolved departments including AD Local Government Election & Rural Development Department. The second Tier- Tehsil Municipal Administrations have one PAO i.e. Tehsil Municipal Officer (Administrator) for each administration. There are three Tehsils administrations in district Bajaur. The third Tier-village and neighborhood Councils have AD LGE & RDD as Principal Accounting Officer (Administrator) for these councils. There are 02 VCs/NCs in district.

a. Scope of audit

This office is mandated to conduct audit of 11 formations working under - 3 no of PAOs. Total expenditure and receipts 1 of these formations were Rs.2,352.376 million and Rs.7.422 million respectively for the financial year 2019-20.

¹ District Government has no receipt

Audit coverage relating to expenditure for the current audit year comprises 07 no of formations of 03 no of PAOs having a total expenditure of Rs. 1529.044 million for the financial year 2019-20. In terms of percentage, the audit coverage for expenditure is 65 % of auditable expenditure.

Audit coverage relating to receipt for the current audit year comprises 02 formations of 02PAOs having a total receipt of Rs. 7.422 million for the financial year 2019-20. In terms of percentage, the audit coverage for receipt is 58% of auditable receipt.

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

b. Recoveries at the Instance of Audit

As a result of audit, a recovery of Rs 21.801 million was pointed out in this report. No recovery was affected till finalization of this reported.

c. Audit Methodology

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

Audit procedure employed to obtain evidence were inspections, analytical procedures, observations and computations.

d. Audit Impact

A recovery of Rs 90.017 million was pointed out by audit, however positive audit impact depends on the management's willingness to implement an internal control framework such as the COSO cube and the recommendations of audit.

e. Comments on Internal Control

Internal control is designed to address risks and to provide reasonable assurance that, pursuit of entity's mission, its objectives are being achieved.

Comments on the five components of internal control are given below.

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

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

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

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

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

f. Key Audit Findings of the Report

- i. Non compilation/consolidation of accounts of Local Governments- Rs 19.001 million²
- ii. Unauthorized payments to DDOs instead of crossed cheques to vendors - Rs 118.532 million³
- iii. Unverified payments on account of arrears of pay and allowances- Rs 12.776 million⁴
- iv. Reported cases of fraud, embezzlement and misappropriation amounting – Rs. 1.221 million was noticed in one case. ¹

² 1.2.1

³ 1.2.2

⁴ 1.2.3

- v. HR/Employees related irregularities were noticed in 13 no of cases amounting to Rs136.774 million.⁵
- vi. Procurement related irregularities were noticed in 03 no of cases amounting to Rs71.271million⁶.
- vii. Issues in management of accounts with commercial banks were noted in 03 no of cases amounting to Rs20.833 million.⁴
- viii. Value for money & Service delivery issues were noticed in 06 no of cases amounting to Rs 14.381 million.⁵
- ix. Others, including cases of accidents, negligence etc. were noticed in 16 no of cases amounting to Rs 379.118million.⁶

Minor irregularities/weaknesses pointed during the audit are being taken up separately with the authorities concerned, as detailed in Annex-1.

g. Recommendations

- i. TMAs accounts need to be consolidated at DAO.
- ii. Departments need to strengthen internal controls i.e. financial, managerial, operational, administrative and accounting controls etc. to ensure that lapses of the kind reported in this audit report are preempted and fair value for money is obtained from public spending.
- iii. Departments need to implement all the components of internal control for ensuring effective and efficient utilization of public money.

¹Para no. 3.5.1.1

⁵ Para no. 2.5.1.1 to 2.5.1.11, 3.5.2.1& 3.5.2.2

³ Para no. 2.5.1.12, 2.5.1.13& 4.5.1.1

⁴ Para no. 2.5.1.14, 2.5.1.15 & 2.5.3.2

⁵ Para no. 2.5.2.1 to 2.5.2.4, 4.5.2.1 & 4.5.2.2

⁶ Para no. 2.5.3.1 to 2.5.3.9, 3.5.3.1 to 3.5.3.3 & 4.5.3.1 to 4.5.3.4

- iv. Strenuous efforts need to be made by the departments to recover outstanding dues on account of rent of shops, revenue contracts and income tax.

CHAPTER-1

Public Financial Management

1.1 Sectoral Analysis

Introduction

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

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

In District Bajaur, funds amounting to Rs 2489.189 million were allocated to 11 formations working under 03 no of PAOs, out of which, expenditure of Rs. 2352.376 million was made resulting into saving of Rs. 136.814 million. Receipts of Rs. 7.422 million were collected through these formations during the financial year 2019-20. Audit coverage relating to expenditure for the current audit year comprises 07 no of formations of 03 no of PAOs having a total expenditure of Rs. 2352.376 million for the financial year 2019-20. In terms of percentage, the

audit coverage for expenditure is 65% of auditable expenditure. Similarly, audit coverage for receipts is 58%.

According to Section 36(3) of Local Government Act 2013, the District Accounts Officer was required to consolidate accounts of Local Government on quarterly and annual basis. However, District Accounts Officer, Bajaur did not reflect Rs. 18.443 million into the consolidated financial statement of Local Government, Bajaur.

District Government, Bajaur was found lagging behind in many areas envisioned as integral component of the Local Government in the Khyber Pakhtunkhwa Local Government Act 2013 (amended in 2019). The District Government could not establish & maintain Public Fund account as required under section 30 of LGA 2013 (amended in 2019). Similarly, it also failed to prepare, present and approve the budget estimates of receipts from district council for District Government, Bajaur as required under section 18 of LGA 2013. Most importantly, Finance Department, Khyber Pakhtunkhwa could not provide District Account Office, Bajaur with prescribed format and necessary trainings to compile the accounts of TMAs and Village/Neighborhood councils and then reflect the same in the consolidated financial statement of the district, which resulted in disclaimer of its accounts by the Auditor General of Pakistan. Moreover, Internal Audit function could not be established as provided in sub section 4 of section 37 of LGA 2013 (amended in 2019), as internal auditors were not posted in the District and Tehsil Councils. In addition, Asset management by District Government was yet another area it could not address as required under section 38 of the LGA 2013 (amended in 2019).

The Local government provided services in the following sectors.

Education

The education sector is one of the major sectors devolved at district level.

Statistics show that there are 250 primary, 35 middle, 06 higher secondary and 32 high schools including 02 model school in District Bajaur. The estimated Teacher Student Ratio is 1:46 at primary, 1:69 at middle, 1:30 at secondary and 1:27 at the level of higher secondary schools. District Bajaur literacy rate is 34.11% the Gross Enrollment Rate (GER) is 55%, and the Net Enrollment Rate (NER) is 42% at the primary level. On budgetary front, District Education office, Bajaur succeeded in spending 90.00% of District ADP and 97.5% of non-salary budgets.

District Education Offices in Bajaur were given target of enrolment of 50000 children for current year against which 37915 kids were enrolled; Similarly annual average of teacher's attendance rate and student attendance rate as per independent Monitoring Unit (IMU) data were approximately 81% & 69% respectively. Furthermore, 64% schools in district North Waziristan were provided with all basic facilities like classrooms, water supply, group latrine, boundary walls and electrification. However, administrative visits of DEO, DDEO and SDEO were only 31.77% against the assigned targets.

Health

Health is another important sector of District Bajaur, with a total of 68 health facilities spread across the district, among which 10 are urban while the rest are rural based. Their further break-up is 27 BHUs, 32 CDs, 6 MCHs, 4 type Ds and 1 RHC with the total catchment area population of approximately 274,651 as per survey carried out by Population censuses in 2017.

The Department of Health has established an "Independent Monitoring Unit" for continuous monitoring of the performance of health facilities through its field based Data Collection Assistants and District Monitoring Officers. Department twice examines data collected through various sources to improve efficiency and effectiveness in the business processes of service delivery.

On mother and child health care front, 3,650 babies were born with 1596 and 2048 in primary and secondary health facilities respectively. Out of them, 03 infant maternal deaths were recorded. Lab investigations and diagnostic facilities

were also fully utilized as 7215 lab tests, 1705 X-rays/ 64 ultrasounds and 81 ECGs were done in primary and secondary health facilities in district North Waziristan. Figures of immunization from EPI register were also both very impressive as 3789 pregnant women received TT-3 vaccines, 2488 kids under 12 months received full immunization, 2595 children under 12 months received 1st measles vaccines and 2998 kids under 12 received 3rd pentavalent vaccine. 1302 families were provided family planning services as evident from FP register. Human resource data from facility records revealed that these health facilities were amply provided with medical officers and paramedics as only very few positions were found vacant. As these facilities were frequently visited by patients so they also generated good revenue from OPD services, indoor patients' treatment and other lab investigations etc.

Social Welfare

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

There is one Dar-ul-Kafalasfor beggars in district Bajaur with the objective to rehabilitate them by imparting vocational training. During last year 140 beggars had from this facility. Rehabilitation center for drug addicts has 08 beds and it had treated 105 patients during the year. Furthermore, various vocational and industrial trainings were provided by the Social Welfare Department. However, keeping in view the spread of drug use and incidence of poverty, the efforts made by Social Welfare Officer are not likely to bring about any visible improvement in the short or long run unless more resources are delivered to his sector.

Municipal Services

Tehsil Municipal Administrations, District Bajaur did not fulfill some primary requirements envisioned as essential component of Local Government in the Khyber Pakhtunkhwa Local Government Act, 2013(amended in 2019). The Local Government could not establish & maintain Tehsil Public Fund Account as required under the section 30 of LGA. Similarly, Town Account Officers were not appointed in TMAs. The accounts of receipt and expenditure were also not maintained in such form as prescribed by Auditor General of Pakistan and required under section 36 of LGA. Financial Statements, Finance Account and Appropriation Accounts of the TMAs were not prepared accordingly. Most importantly, Finance Department, Khyber Pakhtunkhwa could not provide District Account Office, Bajaur with prescribed format and necessary trainings to compile the accounts of TMAs and then reflect the same in the consolidated financial statement of the district, which resulted in disclaimer of its accounts by the Auditor General of Pakistan. Moreover, Internal Audit function could not be established as provided in sub section 4 of section 37 of LGA, 2013, as internal auditors were not posted in the TMAs to support the Council. In addition, Asset management by tehsil councils was yet another area it could not address as required under section 38 of the LGA, 2013(amended in 2019).

1.2 AUDIT PARAS

1.2.1 Non compilation/consolidation of accounts of Local Governments- Rs19.001 million

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

During certification audit of the accounts of the DAO Bajaur for the financial year 2019-20, audit observed incompleteness and incorrect presentation of the financial statements as the DAO failed to consolidate into the quarterly and annual accounts of the district, the Government and local resources, as required under section-36(3) of the Local Government Act, 2013. Receipts and expenditure of Rs19.001 million and Rs13.823 million respectively, of the TMAs are not reflected in accounts.

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

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

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

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

1.2.2 Unauthorized payments to DDOs instead of crossed cheques to vendors - Rs118.532 million

According to 2.3.2.8 of APPM, the accounting system shall improve controls to minimize the risk of fraud and corruption. This objective shall be addressed by issue of payment through direct bank transfer and cheques (to employees/ vender concerned) instead of payment through DDOs.

According to Finance Department Letter No: BO (W&M) /6-5/2019-20 dated 19/02/2020 states that in order to streamline the management in public account and observe fiscal discipline, it has been decided to stop forthwith all payments through open cheques or cash payments.

District Accounts Officer Bajaur, paid Rs118,532,000 to various DDOs instead of issuance crossed cheques to Vender/Payees Accounts.

Unauthorized issuance of cheques to DDOs occurred due to weak internal control which leads to disclaimer of audit opinion.

The matter should be investigated and regularized by ensuring payments to the supplier/vendor instead of DDOs as per APPM.

1.2.3 Unverified payments on account of arrears of pay and allowances- Rs12.776million

According to Para 296 of CTR read with Para 75(2) of KP City & District Govt. Budget Rules 2016, the controlling officer shall be responsible for seeing that the expenditure included in the bills, are of obvious necessity and are at fair and reasonable rates. Sanction and the requisite vouchers are all received and in order. The calculation is correct and the grants have not been exceeded over allotment.

During certification Audit of Bajaur for the year 2019-20 while analyzing HR data it was noticed that arrears of pay and allowances of Rs12,776,000 was shown made which could not be verified.

Payments of arrears of pay and allowances without supporting documents led to unfair and un-true financial statements which lead to disclaimer of audit opinion.

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

CHAPTER-2

2.1 District Government

Introduction

Under the Khyber Pakhtunkhwa Local Government Act 2013, (amended in 2019) activities of District Government are managed through offices of Deputy Commissioner and District Officers. Each department of the Districts is headed by a District Officer (DO). According to the Rules of Business of District Government 2015, work of the district departments is distributed among the officers, branches, and/or sections in the district departments. Deputy Commissioner is the Principal Accounting Officer for all the devolved departments of the district which includes District Officers Agriculture, Education, Health, Fisheries, Population Welfare, LGE & RDD, Sports, Animal Husbandry, Soil Conservation, and Cooperative Society & Social Welfare.

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

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

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

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

Detail of audit planned formations expenditure and receipts

S. No	Description	Total Nos	Audited	Expenditure audited FY 2019-20 (Rs in million)	Revenue /Receipts audited FY 2019-20 (Rs in million)
1	Formations	08	04	1529.04	----

2.2 Comments on Budget and Accounts (Variance Analysis)

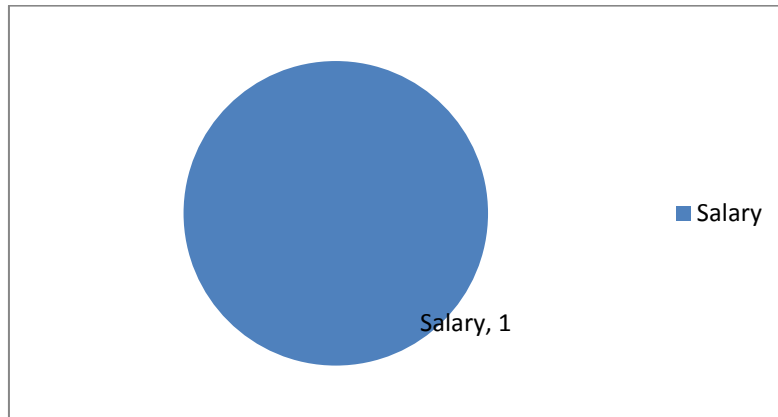
(Rs in million)

District Government Bajaur				
2019-20	Budget	Actual Expenditure/ Receipts	(Saving)/Excess	%age
Salary	2092.205	1976.789	115.416	5.51
Non- Salary	369.212	348.88	20.332	5.50
Developmental	0	0	0	
Total	2461.418	2325.87	135.548	
Receipts	----	-----		

The savings of Rs 135.548 million indicates inefficiency in the capacity of Local Government Departments to utilize the amount allocated.

EXPENDITURE 2019-20

(Rs in million)



2.3 Classified Summary of Audit observations

Audit observations amounting to Rs354.105million were raised as a result of this audit. Summary of the audit observations classified by nature is as under:

(Rs in million)

Sr. No.	Classification	Amount (Rs)
1	Irregularities	
A	HR/Employees related irregularities	125.428
B	Procurement related irregularities	19.518
C	Management of Accounts with commercial bank	7.565
2	Value for money and service delivery issues	8.536
3	Others, including cases of accidents, negligence etc.	193.058
	Total	354.105

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

It is the first audit of District Audit. Hence audit reports pertaining to previous years do not exist.

2.5 AUDIT PARAS

2.5.1 Irregularities

A. HR/Employees related irregularities

2.5.1.1 Irregular expenditure on installation of CCTV Cameras – Rs.20.280 million

According to Government of Khyber Pakhtunkhwa, Home and TA Department letter No. SO(Security-II)/IID/GE.2018/E dated 10.07.2018, the competent authority has been pleased to allow hire/purchase of the CCTVs/Surveillance Cameras for most sensitive polling stations in the premises outside the schools, through the normal mode of procurement allowed as per law.

Provided that any procuring entity desirous of using negotiated tendering as a method of procurement shall record its reasons and justifications in writing for resorting to negotiated tendering and shall place the same on record. 11.Method of advertisement.---(1) The procurement entity shall engage in open competitive bidding if the cost of the object to be procured is more than the financial limit which is applicable under rule 10 purchases up to Rs. 2.5 million, shall be posted on the procuring entity's website or public procurement regulatory authority (PPRA's) or both. These procurement opportunities may also be advertised in print media, if deemed necessary by the procuring entity.(ii) for District Governments, the procuring entity may route a justifiable case for exemption to the Government by the District Coordination Officer, through Secretary Local Government Department; (iii) Government may exempt the procurement of an object or a class of objects, in national/public interest, from some or all provisions of this Act, for which reasons shall be recorded in writing.

Deputy Commissioner, Bajaur received an amount of Rs. 20.280 from Commissioner Malakand Division vide cheque No.98353201 dated 28.08.2019 during the financial year 2019-20 on account of installation of CCTV 107 Nos cameras in 26 sensitive polling stations for holding of General Elections 2019.

The expenditure held irregular and uneconomical due to violation of above mentioned KPPRA Rule. Neither, inspection report of the installation of the cameras was not available on record nor where about of CCTV Cameras found available after Election 2019.

The irregularity occurred due to weak internal control resulting in misclassification of expenditure.

When pointed out in July, 2020 Management noted the observation for necessary compliance.

Audit recommends inquiry into the matter and fixing responsibility against the person(s) at fault.

AIR Para No. 1 (2019-20)

2.5.1.2 Irregular expenditure on account of hiring of vehicles for Election 2019 – Rs 12.180 million

According to Rule 74 (2) (a) of the Khyber Pakhtunkhwa District or City District Governments Budget Rules 2016, each head of offices is responsible for enforcing financial order and strict economy at every step. He is responsible for observance of all relevant financial rules and regulations both by his own office and by sub-ordinate disbursing officers.

Deputy Commissioner Bajaur during the financial year 2019-20 paid Rs.12,180,000 on account of hiring of Vehicles for election duty 2019. Audit observed that all the members of the committee comprising for hiring of contractor to arrange vehicles were below BPS-17 i.e. Tehsildar Khar, PS To DC, and Nazar DC.

All the quotations were by hand collected and in one and same hand written and KPPRA rule not followed which held the expenditure of Rs12180000/- irregular.

Moreover, handing taking or acknowledgement of Vehicles were also not found obtained on record nor produced to Audit.

The overpayment occurred due to weak financial control which resulted in loss of Rs. 2.869 million to the government.

When pointed out in July, 2020 Management noted the observation for necessary compliance

Audit recommends fixing responsibility against the person at fault.

AIR Para No. 3 (2019-20)

2.5.1.3 Unauthorized over payment of Honoraria - Rs.1.550 million

Rule 19 of Delegation of financial power rules 2018 requires that;

(A) It should be restricted up to one basic pay only.

(B) It should be subject to relevant rules prescribed regarding honoraria

(C) Sanction for honoraria must show specific detail of work done.

(D) Each Administrative Deptt. Shall send consolidated statement to the chief secretary and Finance Deptt. Showing names and amount

Deputy Commissioner, Bajaur paid an amount of Rs. 1,550,830 as honoraria during the year 2019-20 to different Officers/officials as per **Annexure-2** in contrary to above mentioned criteria. The local office being district administrator and custodian of district finance overpaid more than one basic pay to majority of the official of his own office and to the (unconcerned) officers of other departments.

Honorarium paid over and above one month basic pay and to the un-concerned is held to be irregular and unjustified.

Audit observed that overpayment of honoraria occurred due to lack of managerial control.

When pointed out in July, 2020 Management noted the observation for necessary compliance.

Audit recommends recovery of overpaid amount under intimation to Audit.

AIR Para No. 4 (2019-20)

2.5.1.4 Irregular and un-authorized drawl and payment of salaries - Rs 2.180 million

According to Para 04 of the Economy/Austerity Measures for the financial year 2018-19, circulated vide Government of Khyber Pakhtunkhwa Finance Department letter No. BO-I/FD/5-8/2018-19/Austerity Measures dated Peshawar the 29.10.2018, no appointment of contingent paid/fixed pay staff shall be made during the course of the financial year 2018-19.

According to LCB letter no. AO/LCB/General/2015 dated 14/12/15, appointment ate restricted banned on contract basis.

Deputy Commissioner Bajaur appointed 27 Nos of contingent paid staff on fixed pay without approval of Finance or the above mentioned committed above and incurred expenditure of Rs 4,620,000 on their pay during 2019-20. Detail of the staff as regard to place of duty and attendance was not provided, in absence of which appointment of fixed pay employees and expenditure there on was held irregular and unauthorized. Audit observed that out of the 27 staff the following four personnel were appointed on posts which have already been filled through regular recruitment and there was no need out services of the appointees

from ADF and this action was against the government recruitment policy and the government was put to loss as they have not performed their duties.

S#	Name	Designation
01	Mr.Ghulam Muhammad	Steno to DC
02	Mr Mustafa Kamal	Development Coordinator
03	Habibulhassan	NQ
04	Wazir	NQ

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

When pointed out in July, 2020 Management replied that necessary action will be taken accordingly.

Audit recommends early action / stoppage of their pay under intimation to Audit.

AIR Para No. 6 (2019-20)

2.5.1.5 Overpayment on account of Polio Campaign - Rs 2.44 million

According to Commissioner, Peshawar Division letter no.3/11/Accounts/SPC/Vol-1/3112 dated 22.03.2016, requested the Deputy Commissioner that the amount may be disbursed after fulfillment of codal formalities and on receipt of Actual payee receipt.

Further, According to Emergency Operations Center, Khyber Pakhtunkhwa dated 13th March 2015, the payment will be released subject to provision of certificate that the security payment has not been taken from any other donor, certificate showing no of personnel taken from the other district, certificate for nonpayment of food charges from any other source, total number of transport hired for security and rationalized rate.

Deputy Commissioner Bajaur released Rs 10,169,500/- to District Police Officer Bajaur on account of polio campaign during 2019-20 through cheque no. 344080 dated 26.09.2019 and disbursed by DPO Bajaur through bank account as per detailed;

S.No	No of deployed staff	Admissible Rate	Paid rate	Overpaid
1	2968	1000	1500	500*2968=1,484,000
2	958	1000	2000	958*1000=958000
Total				2,442,000

Furthermore, No Certificate was available that security payment has not been taken from any other donor, certificate showing no of personnel taken from the other district, certificate for nonpayment of food charges from any other source, total number of transport vehicles hired for security and rationalized rate.

The lapsed occurred due to weak internal control.

When pointed out in July, 2020 Management noted the observation for necessary compliance.

The matter needs justification and actions against persons at fault under intimation to audit.

AIR Para No. 7(2019-20)

2.5.1.6 Irregular expenditure on account of honorarium to lady health searchers during election 2019 - Rs 3.00 million

According to S.No 4.3.1.1 of the Accounting Policies and Procedures Manual, all expenditures will be made through cross cheque in the name of supplier/contractor.

Deputy Commissioner Bajaur drew Rs. 2,092,000 on account of lady searchers deployed for security in Provincial Election 2019 on polling stations. Audit observed that the whole amount drawn through DDO and the payment

made through cash violation of the above mentioned criteria. Duty Sheet, attendance list also not found obtained. Hence the expenditure of Rs 2,092,000 held irregular. Furthermore, an amount of Rs 910,000/- shown paid to DPO for 182 lady searchers but APR of the said amount not found produced to Audit.

Irregularity occurred due to weak internal control which resulted in irregular drawl.

When pointed out in July, 2020 Management noted the observation for necessary compliance.

Audit recommends justification in the matter under intimation to Audit.

AIR Para No. 12(2019-20)

2.5.1.7 Unauthorized Expenditure on account of Medical charges - Rs3.00 million

Rule-12(1)of Rules of Business provides that. No Division shall, without previous consultation with the Finance Division, authorize the issue of any orders, other than orders in pursuance of any general or special delegation made by the Finance Division, which will affect directly or indirectly the finances of the Federation.

The District Health Officer Bajaur incurred an expenditure of Rs. 3,000,000 under object head A01274- Medical charges and paid to the staff of DHO office posted in Bajaur during the financial year 2019-20.

Audit observed that the management allowed the said allowance to the staff without any authorization, Doctor reference, supporting documents and the whole amount distributed among the staff during the month of June, 2020 with a random serial nos. of cheques in one and same date i.e Cheque No 1891193 to 1891216 dated 17.06.2020.

Audit is of the views that rush manner payments during the month of June without supporting document held illegal and unauthorized.

The irregularity occurred due to weak internal control.

When pointed out in July,2020 it was replied by the management that detail reply will furnished later on.

The matter is reported for proper justification and corrective measures under intimation to audit.

AIR Para No. 5(2019-20)

2.5.1.8 Irregular expenditure on account purchase of equipment - Rs1.125 million

According to Director General Health Services Khyber Pakhtunkhwa Peshawar office order No. 1727-76/Proc-Cell/Dated 16-11-16 addressed to all DHOs in KPK, Clause-4 provides that the concerned DHO shall ensure availability of human resource, completion of infrastructure, availability of power(electricity) & there is no dumping of the said equipment. And Clause-4 upon receipt of supply, concerned office shall arrange inspection of the supplies. And Clause-6, payment should not be made without submission of contract execution certificate duly signed by DG Health. Clause-8, the successful bidders shall submit performance security @8% in the shape of bank guarantee of the amount of supply order.

According to Director General Health Services Khyber Pakhtunkhwa Peshawar office order No. 7465-7568/DD(Reg/Preq/Drugs) dated 08/10/2011: Clause-4) Supply of the Medical Equipment's/Instruments and other Misc: items be accepted on proper delivery challans, invoices, warranties and bills with written assurance from the suppliers/ importers / manufacturers on stamp papers that all the instruments / equipment's supplies are according to the required specifications, standard and are not refurbished. Clause-6) All payments to the

importers / manufacturers / suppliers are to be made after making it sure that all the items supplied are in working conditions and declared are of standard quality be the inspection committee.

Rules-148 of GFR provides that when material are received should be examined, counted, measured or weighed as the case may be, when delivery is taken and they should be taken in charge by a responsible Govt. officer who should see that the quantities are correct and their quality good, and record a certificate to that effect. The officer receiving the stores should also be required to give a certificate that he has actually received the materials and recorded them in the appropriate stock register.

During audit of District Health Officer Bajaur for the year 2019-20 it came to notice that expenditure of Rs 750,000 was incurred under the Head A O9601 "Purchase of Equipment and Rs 375,000 "Purchase of furniture. Audit observed the following irregularities:

1. Neither open tender system followed nor quotation obtained to obtain economical rates
2. Payment made in cash instead through vender
3. Machinery & equipments were purchased without obtaining the demand and actual requirements from the hospital and the newly purchased machinery was dumped in the main store of the DHO.
4. Payment was made but neither Inspection Committee was constituted nor was Inspection of the supplied items carried out by the local office.
5. Neither physical verification from the Competent Authority was carried out nor the Competent Authority properly signed the stock register.

The irregularity occurred due to weak internal control.

When pointed out in July, 2020 it was replied by the management that relevant record will produced to Audit but till last date of Audit the same was not produced.

The matter is brought into the notice of higher ups for appropriate action besides fixing responsibilities on person(s) at fault

AIR Para No. 13(2019-20)

2.5.1.9 Irregular drawl and disbursement of pay and allowances – Rs17.102 million

Para 4.6.3.1 of APPM requires that the normal method of payment of monthly salaries of all government employees shall be by credit transfer directly to a bank account nominated by the employee.

During financial year 2019-20, District Education Officer Male/Female Bajaur drew Rs17,101,999 from treasury on account of pay and allowances of staff through DDO in lump sum and disbursed in cash, which was irregular and needs justification. Audit holds that the pay and allowances were required to have been credited to the respective bank accounts of staff as required under the above rules, which was not done. Detail as **Annexure-3**.

Payment of salaries through DDO occurred due to weak internal controls, which caused irregular payment of salaries.

When pointed out in December, 2020, management stated that the payment of pay and allowances of the fresh appointments has been made through DDO as per verification and non open accounts by the Manager concerned banks. Now the all pay and allowances have been credited into bank account of the each and every employee through Source-II.

Audit recommends payment of employees' salaries through bank accounts besides action against the person(s) at fault.

AIR Para No. 12 (2019-20)

2.5.1.10 Overpayment on account of purchase of Furniture -Rs 12.471 million

Para 23 of GFR Vol-I states that Every government officer should realized fully and clearly that he will be held personally responsible for any loss sustained by government through fraud or negligence either on his part or on the part of his subordinate staff.

District Education Officer (Male/Female) Bajaur purchased furniture as Table Chair during financial year 2019-20. The local office overpaid an amount of Rs 12,471,240 for purchase table chairs @ 1945 each by ignoring the lowest rate without any proper justification as per following detail:

S. No	Supplier	Name of Item	Quantity	Lowest Rate Quoted	Rate Paid	Difference	Overpayment
1	M/S Danyal Trader	Table Chair	1543	1430	1945	515	794,645
2	M/S Danyal Trader	Table Chair	22673	1430	1945	515	11,676,595
		Total					12,471,240

When pointed out in December, 2020, management stated that the supplier refused that he not in a position to purchase and supply the furniture of the specified quality. The purchase committee accepted next lowest rate. The purchase has been made after fulfillments of the all coddle formalities accordingly.

Audit recommends justification and recovery of the overpaid amount besides action against the person at fault.

AIR Para No. 20 (2019-20)

2.5.1.11 Irregular purchase of furniture – Rs 50.100 million

According to GFR-148, all materials received should be examined, counted, measured or weighed as the case may be, when delivery is taken, and

they should be taken incharge by a responsible Government officer who should see that the quantities are correct and their quality good, and record a certificate to that effect. The officer receiving the stores should also be required to give a certificate that he has actually received the materials and recorded them in the appropriate stock register.

Government of Khyber Pakhtunkhwa Elementary and Secondary Education department letter No CPO/PO/E&SE/ADP/Furniture Project/2018-19 dated 30/3/2018 states that inspection may be carried out of the furniture supplied on prescribed proforma.

The District Education Officer (Male/Female), Bajaur drew an amount of Rs 47,169,000 vide cheque No. 1891943 dated 07.05.2020 for purchase of “School Furniture and supply order was placed to suppliers on account of purchase of furniture during the financial year 2018-19 as per detail below:

S.No	Supplier	Item	Supplier Order	Quantity	Rate	Amount
1	M/S Danyal Trader Timergarah	Table Chair	15074/15.05.2020	1543	1945	3,000,000
		Tablet Chair	202/25.06.2020	22673	1945	44,098,985
2		Teacher Chair	202/25.06.2020	1200	2500	3,001,015
					Total	50,100,000

Audit noticed the following irregularities: -

1. No supply of furniture was made as the delivery of furniture was not taken incharge by a responsible government officer to see that the quantities are correct and their quality is good.
2. Certificate to the effect by the officer that the stores/materials have actually been received and an entry of the stock has been recorded in the appropriate stock register.
3. According to the clause No.05 of the terms & conditions of the supply order, the supplier was bound to deposit 8% security which was not done.
4. No warranty of the furniture was obtained from the supplier as required under the terms and Conditions of the contract agreement.

5. Two present penalty of was not imposed on late supply as neither inspection of the purchase committee was available on record nor was supply taken on stock till date of audit, therefore, audit is of the view that no supply has been made till date.
6. Amount has been drawn in anticipation.
7. No stock entry was made in the stock register
8. No record was available regarding further distribution
9. Income Tax was not deducted
10. Sales Tax @ 1/5th was not deducted/retained at source.
11. Re-advertisement was made for the same items.

The irregularity occurred due to weak internal controls.

When pointed out in December, 2020, management stated that the supply of furniture has been already been taken by the responsible incharge officer and also recorded, a certificate to this effect that the quantities are correct and quality is good as required under the rules.

Audit recommends supply of the furniture & recovery of the Govt taxes less deducted & imposition & recovery of penalty for non-supply & inquiry and fixing responsibility against the person(s) at fault.

AIR Para No. 23 (2019-20)

B. Procurement related irregularities

2.5.1.12 Irregular retention of fund Rs 6.033 million & Improper maintenance of cashbook

According to rule 290 of Treasury Rules, “no money should be drawn from Treasury unless required for immediate disbursement. It is not permissible to draw money from treasury in anticipation of demand or to prevent lapse of budget grant”.

According to rule 77(ii) of CTR, every officer receiving money on behalf of the Government should maintain a cash book in Form TR 4 and all monetary transactions should be entered in the cashbook as soon as they occur and attested by the head of the office in token of check. The cash book should be closed regularly and completely checked.

During scrutiny of record of DHO Bajaur it was observed that in the designated bank account (A/c No: 4097454998 NBP) of District Health Officer Bajaur an amount of Rs 6,033,194 laying unspent as on 30.06.2020. Neither reconciliation with bank was available on record or cash book showing any closing balance to justify the balance lying in bank.

The irregularity occurred due to weak internal control.

When pointed out in July, 2020 it was replied by the management that the amount retained in bank are for salary purpose and hence no irregularity occurred.

Audit recommends for taking up the case with Finance Department through the Secretary Health to sort out the possible solution for depositing the amount in the government treasury.

AIR Para No. 14(2019-20)

**2.5.1.13 Irregular and un-economical procurement of various Items-
Rs.13.485 million**

Para 12 (2) of PPRA states that ‘All procurement opportunities over two million rupees should be advertised on the Authority’s website as well as in other print media or newspapers having wide circulation. The advertisement in the newspapers shall principally appear in at least two national dailies, one in English and the other in Urdu’.

The Director District Agriculture Bajaur incurred an expenditure of Rs.13,485,608 on the purchase various items during the financial years 2019-20. Details are as under.

Cheque No.	Date	Supplier	Details	Amount
1890912	28/2/2020	Zarin Fruit nursery	plants	184,860
1890913	28/2/2020	Zarin Fruit nursery	olive Plants	815,502
1890918	28/2/2020	Pakhtunkhwa Fruit	plants	206,976
1890914	28/2/2020	Ahmad zaiWazir	vegetable seeds	3,439,800
1890919	28/2/2020	Marwat Brother	toolkit	4,497,870
1891890	27/4/2020	Bilal Brother	vertical material	2,811,600
1890922	28/2/2020	Farm service centre	wheat seeds, DAP Urea	1,529,000
Total				13,485,608

Audit observed that procurements were not properly advertised in newspapers.

Audit is of the view that purchases were required to be made through open competition by floating tender to ensure transparent and economical purchase of goods which was not done and un-economical purchase was made, therefore the whole expenditure was held irregular.

When pointed out management replies in this connection that the Directorate of Agriculture (Extension) Merged Areas Peshawar have published Tender Notice/Tender notice in Dially Newspaper Technical committee, redressal committee all tender process complete in all respect have been observed by the Tender committee(photo copies of all relevant documents are attached for ready reference) The expenditure of Rs. 13,485,608were incurred on account of cost of the different items to the contractors according to the lowest tender approved rates. All the codal and accounts formalities have been observed. It is therefore requested that the para may please be settled.

The matter is reported for justification.

AIR Para No. 4&5 (2019-20)

C. Management of accounts with commercial banks

2.5.1.14 Loss to Government Rs 1.179 million due to non conversion of current bank account into PLS Mode

Finance department letter No. 2/3(F/L) FD 20017-18/Vol. ix dated Peshawar the 10th February 2014 provides that Finance Department has from time to time allowed/sanctioned Bank accounts in commercial Bank for various Departments/ Autonomous Bodies/Corporations in KP for particular and specific purposes. Now it has been decided that such accounts may be converted to PLS mode and the profit so earned be deposited in Govt. Treasury under relevant head and not later than a week when declared by the concerned bank.

Deputy Commissioner Bajaur operating current Account for transfer of cash from treasury to DDO account instead of PLS mode resulted in violation of Government's instructions and loss to Government.

S/No.	Account No. Bank	Account title	Amount as 30.06.20
1	4097454934 NBP- Khar Branch Bajaur	DC Bajaur	143,178,264

The mean balance for the whole year remained 23,574,873/- with a minimum rate of interest 5% put Govt into a loss of Rs 1,178,743/-. The irregularity occurred due to violation of rules resulted in loss to Government.

When pointed out in July, 2020 Management noted the observation for necessary compliance.

Audit recommends transfer of funds to PLS mode and fixing responsibilities against the persons at fault besides recovery to the tune of mark up for the period under report.

AIR Para No. 5 (2019-20)

2.5.1.15 Doubtful expenditure / Misappropriation of -Rs 6.477 million

According to Rule-157 of Treasury Rules Vol-I the cheques for more than Rs 200/- drawn in favor of local bodies, firms, private persons or Government servants (in respect of their personal Claims) shall be crossed "Payees A/C only". This Rule will however not apply to Federal Govt. Servants in r/o pay and allowances up to Rs. 2000/- per month. In this regard the Accountant General Office and all other concerned have also issued instructions for payment of pay and allowances to Govt. employees through their bank accounts only.

District Health Officer Bajaur drew an amount of Rs 6477420/- on account of "Death Salary / Encashment LPR vide cheque No. 1891967 dated 06.05.2020 during financial year 2019-20.

Audit noticed that the whole amount drawn through cash instead of through bank account furthermore, Actual Payee Receipt found obtained on record which leads that the amounts have been misappropriated by the dealing hands.

The irregularity occurred due to weak internal control.

When pointed out in July, 2020 it was replied by the management that record of the observed amount will produced to Audit but till last date of Audit the same was not produced.

Audit recommends justification /investigation under intimation to Audit.

AIR Para No. 7(2019-20)

2.5.2 Value for money and service delivery issues

2.5.2.1 Loss to government of Rs.-Rs.2.636 million

Para 2 (ix) of KPPRA states that ‘the bid found to be the lowest evaluated bid shall be accepted.

According to Para 23 of the GFR Volume I. 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.

The District Director Agriculture Bajaur incurred an expenditure of Rs.5,753,040 on the purchase various items during the financial years 2019-20. Details are as under:

Cheque No.	Date	Supplier	Details	Quantity	Rate accepted	Amount	lowest rate offered	difference	Excess Amount
1890919	28/2/2020	Marwat Brother	toolkit	607	7410	4,497,870	4100	3310	2,009,170
1891900	14/5/2020	Marwat Brother	toolkit	87	7410	644,670	4100	3310	287,970
1891105	8/6/2020	Ahmad zaiWazir	Fit hole digger	308	780	240,000	218	562	172,923
190211198	26/6/2020	Marwat Brother	toolkit	50	7410	370,500	4100	3310	165,500
Total						5,753,040			2,635,563

Audit observed that lowest bidders were rejected by the procurement committee without any justification, which the put the government into loss.

Audit is of the view that bids were accepted from the lowest bidders.

When pointed out management replies that In this connection it is mentioned here that the expenditure incurred amounting to Rs. 5,753,040 on account of different items shown in the para No. 6 have been made to the Govt contractors through cross cheque/vendors according to the lowest tender approved rates, which clarified in the comparative statement by the tender committee during the year 2019-20. It is further explained that the lowest rate

mentioned in the comparative statement were rejected by the Tender Technical Committee due to Non-reasonable and not and not workable rates for the supply of sub-standard which was most disadvantage for the formers community. The lowest tender approved rates are authenticated which are justified for payment to the contractors. It is therefore requested that the para may please be dropped.

The matter is reported for justification.

AIR Para No. 6 (2019-20)

2.5.2.2 Huge loss to government due to non-monitoring and suspected recovery of House Rent deduction from 214 allottees of quarters/ bungalows of civil colony.

Para 8 of GFR Vol-I provides that subject to such general or specific instructions as may be issued by Government in this behalf, it is the duty of the Revenue or Administrative Department concerned to see that the dues of Government are correctly and promptly assessed collected and "paid into the treasury.

Para 23 of GFR Vol-I provides 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 it may be shown that he contributed to the loss by his own action or negligence.

The management of Deputy Commissioner Bajaur Khyber Pakhtunkhwa have 42 bungalows and 172 quarters under their administrative control government quarters/houses in the civil colony Bajaur. These quarters/houses have been allotted to various government servants residing within the premises of the colony.

Audit observed that there was no mechanism/monitoring and watching the recovery of 5% deduction of pay from the monthly salaries of these allottees of quarters/houses besides stopping payment of 45% house rent allowance.

Audit is of the view that in the absence of proper monitoring of deduction of 5% house rent and stopping of 45% house rent allowance from the allottees, there are vivid chances of oversight with the result of loss to government.

Audit holds that the matter may be investigated to ensure proper monitoring of deduction of 5% house rent and stopping payment of 45% house rent allowance from the allottees. It is further stressed to the past recovery if any accrued/concealed may also be recovered.

The irregularity occurred due to weak internal control.

When pointed out in July, 2020 Management noted the observation for necessary compliance

Matter is reported for further necessary action by the management.

AIR Para No. 9 (2019-20)

2.5.2.3 Illegal/unauthorized drawl of Pay and Allowances –Rs 5.90 Million

According to Rule-157 of Treasury Rules Vol-I the cheques for more than Rs 200/- drawn in favor of local bodies, firms, private persons or Government servants (in respect of their personal Claims) shall be crossed "Payees A/C only". This Rule will however not apply to Federal Govt. Servants in r/o pay and allowances up to Rs. 2000/- per month. In this regard the Accountant General Office and all other concerned have also issued instructions for payment of pay and allowances to Govt. employees through their bank accounts only.

District Health Officer Bajaur during the financial year 2019-20 withdrew Rs.5.90 million from the Government Treasury and made cash payments to the employees on account of pay & allowances, violating government instructions. Details are as under.

S.No	Description/Project	Item	Amount
1.	Mobile Hospital Prog	Staff Salaries	2.25
2.	Strengthening of EPI Prog.	Staff Salaries	1.70
3.	Aids Control Prog.	Staff Salaries	0.79
4.	Hepatitis Control Prog	Staff Salaries	0.37
5.	TB Control Prog.	Staff Salaries	0.79
Total			5.90

Audit held cash payment of salaries irregular which needs regulation under intimation to Audit.

The irregularity occurred due to weak internal control.

When pointed out in July,2020 it was replied by the management that the observation noted for future compliance.

Audit recommends immediate transfer of salaries from DDO to bank accounts and inquiry into the matter for fixing responsibility on the person(s) at fault.

AIR Para No. 9(2019-20)

2.5.3 Others, including cases of accidents, negligence etc.

2.5.3.1 Doubtful expenditure on account of Lungi Allowance - Rs.5.101 million

Rule 283(i) of FTR states that the head of an office is personally responsible for the amount drawn on a bill signed by him on his behalf until he has paid it to the persona entitled to receive it, and obtained a legally valid acquaintance on the office copy of the bill. If, in any case, owing to the large size of an establishment or for any other reason, it is not found feasible or convenient to obtain the receipts of the payees on the office copy of the bill, the head of the office may maintain a separate acquaintance roll in Form T. R. 28.

The office of the Deputy Commissioner, Bajaur, Khyber Pakhtunkhwa shown disbursed a total amount of Rs.5,101,168 to the local maliks as Lungai Allowance in the financial year 2019-20. Audit observed that the distribution in absence of a formal Distribution programme, acknowledgement without ID card number and the whole amount drawn on the name of DDO make the disbursement doubtful and unjustified.

Audit is of the view that in the absence of formal distribution programme with date and venue and proper acknowledgement, audit could not ascertain the authenticity and validity of expenditure whether it was bonfide or not.

The irregularity occurred due to weak internal control.

When pointed out in July, 2020 Management noted the observation for necessary compliance

The matter is reported for justification under intimation to Audit.

AIR Para No. 14(2019-20)

2.5.3.2 Irregular Expenditure on account of Exhibition Fair and other National Day Celebration - Rs 7.905 million

According to KPPRA Para 2(a) the procuring entity shall use open competitive bidding as the principle method of procurement for the procurement of goods over the value of Rs. 100,000.

According to Rule-157 of Treasury Rules Vol-I the cheques for more than Rs 200/- drawn in favor of local bodies, firms, private persons or Government servants (in respect of their personal Claims) shall be crossed "Payees A/C only".

Deputy Commissioner Bajaur drew and shown paid Rs. 7,904,700 under the Head A03918 during 2019-20 "for Exhibition Fair and other National Day Celebration.

S.No	Event	Particular	Amount
1	Kashmir Day	FlagsBachesetc	1,719,000
2	Indinpendace Day	FlagsBachesetc	1,678,000
3	Defence Day	Flags Batches etc	1,332,000
4	3 days Kashmir day	Hiring of Vehicles foe rally	1,176,000
5	Kashmir day	Hiring of Vehicles foe rally	784,000
6	National Day	-----	498,450
7	Iqbal Day	-----	497,000
8	----	-----	220,250
Total			7,904,700

It was observed that the purchased was made without adopting open tender system. Proper inventory on prescribed format showing the number received, the number disposed of and the balance in hand for each kind of article were neither recoded in the stock register nor produced to Audit. Moreover, All the Payment made in cash and no APR found obtained on record hence the expenditure of Rs 7,904,700 held irregular.

Irregularity occurred due to lack of internal control which resulted in loss to government.

When pointed out in July, 2020 Management noted the observation for necessary compliance.

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

AIR Para No. 17(2019-20)

2.5.3.3 Irregular Expenditure of Rs 33.471 million on account of “Unforeseen Expenditure / Special Fund of Newly Merged Districts in KPK”

According to Home & TA Department KPK letter No SO (Budget) / HD/ Misc/ 2018 dated 29.01.2020 NMDs Special Fund provided as the Principal laid down by Supreme Court

- i. Contingent Register and Cash Book shall be maintained
- ii. Proper Account shall be maintained

During review of record of NMDs Special Fund at Deputy Commissioner Bajaur it was revealed that an amount of Rs 25.508 Million drawn on simple receipt and place in the Designated Account of DC Bajaur vide Cheque No. 1891975 dated 04.05.2020 and deposited in the Designated Account of DC Bajaur. Audit observed that all the amount shown incurred during the month of June in rush manner without observing codal formalities i.e Neither Cash book was not maintained nor Separate account for the said fund maintained.

Furthermore, except a few cases all the amount shown disbursed in cash violated the above mentioned rule, hence the expenditure of Rs held irregular

The irregularity occurred due to weak internal control.

When pointed out in July, 2020 Management noted the observation for necessary compliance.

Matter is brought into notice for justification / corrective action under intimation to Audit.

AIR Para No. 20(2019-20)

2.5.3.4 Unjustified expenditure of -Rs 4.925 million

According to KPPRA Procurement rules 2014, all purchases above Rs 100,000 shall be undertaken through open tendering. Such procurements shall be advertised in print media, appearing in at least in one National English and one Urdu newspaper with nationwide circulation along with advertising the same either on the procuring entity or PPRA's website.

District Health Officer Bajaur incurred expenditure of Rs 1,125,000/- and 3,800,000/- under the Head "Other 6002 A 3942 and "other store A 03970 respectively on account of Photostat, Misc Purchase during financial year 2019-20.

Audit noticed that the purchases were irregular due to the following observations/short comings.

1. The open tender system was not adopted nor quotation obtained to achieve economical rates. Instead the expenditure was incurred by splitting the amount.
2. All the items were purchased without any specification and inspection of the purchase committee.
3. Demand and issuance register was not maintained.
4. Stock register was neither maintained nor shown to audit.
5. All the payment made in cash instead of vendor.
6. APR not found obtained

In the light of the above the expenditure become doubtful which lead the amount been misappropriated by dealing hands.

The irregular purchase of furniture occurred due to weak internal controls which resulted in violation of KPPRA Rules and uneconomic and unauthentic purchases.

The irregularity occurred due to weak internal control.

When pointed out in July,2020 it was replied by the management that vouchers of the same amount will produced to Audit but till last date of Audit the same was not produced.

Audit recommends justification /investigation under intimation to Audit.

AIR Para No. 12(2019-20)

2.5.3.5 Unauthentic Expenditure of Rs88.800 million on constructions and rising of Boundary Walls

Para 72 of CPWA code states that Vouchers setting forth full and clear particulars of the claim and all information necessary for its proper classification and identification in the accounts must support every payment for whatever purpose.

Rule 28 (2) of FTR Vol-I lays down that Govt: officer supplied with funds for expenditure shall be responsible for such funds until an account of them has been rendered to the satisfaction of the concerned controlling officer.

While examining the record of District Education Officer Male/Female Bajaur for the year 2019-20, it came to notice that funds to the tune of Rs.888,00,000were drawn through Ch# 1891467 dated 18.05.2020 and transferred to the PTC accounts of targeted schools for construction and raising of Boundary Walls in Primary, middle and high schools. The following irregularities were noticed:

- (a) No verification/confirmation certificate/proof was produced to audit to confirm whether the amount actually reached to the concerned schools accounts.
- (b) The vouchers/invoices were not produced to audit to ascertain the expenditures of the disbursed amount.
- (c) Administrative inspection of the work was not carried out. Thus, repair work could not be ascertained as the actual position of the work was not known to audit.

Keeping in view the above facts audit cannot verify the accounts of District Education Officer Male/Female Bajaur under the head cost of boundary walls.

Unauthentic expenditure occurred due to weak internal controls which resulted in deprivation of children of the nation from getting benefits of the public funds.

When pointed out in December, 2020, management stated that verification / confirmation certificates of each and every schools in charge have been obtained and kept in safe custody and available in the record of this office will be shown to next audit party. All connected vouchers are also available in the record of this office. The work done inspection has already been carried out by the ADEO Male and Female and certificates are available in the record

Audit recommends enquiry at higher level to investigate the irregular/doubtful/poor utilization of government funds.

AIR Para No. 14 (2019-20)

2.5.3.6 Unverified expenditures of PTC fund- Rs 44.70 million

According to PTC guidelines, PTC shall maintain complete record of receipts and payments and shall also submit copies thereof to the DEO concerned at the close of financial year.

District Education Officer Male/Female Bajaur drew an amount of Rs44,700,000 on account of Repair of class rooms and play area in the targeted schools in District Bajaur and transferred to various schools during financial year 2019-20. However, administrative inspection of the utilization of fund was not carried out by the officers/committee concerned. Moreover, accounts record i.e. vouchers and other supporting documents were not available on record. Detail is given below:

S/No	Particular	Check No	Date	Amount
01	Repair of Rooms	1890650	12.02.2020	29,100,000
02	Play Areas	1890865	04.03.2020	7800,000
03	Play Areas	1891945	07.05.2020	7800,000
	Total			44,700,000

The Irregularity occurred due to lack of internal controls and coordination which marred transparency in the utilization of funds.

When pointed out in December, 2020, management stated that the necessary inspection of each & every target school fund provide for the purpose, has already been carried out by the both Male & Female ADEO concerned and certificate in this respect obtained and kept in safe custody for record. All relevant vouchers have already been obtained from concerned nominated committee of the schools and available in the record

Audit suggests verification of expenditure incurred on repair of rooms and play area under the head of PTC.

AIR Para No. 16 (2019-20)

2.5.3.7 Non deduction of Sales Tax at source -Rs 2.243 million

District Education Officer (Male/Female) Bajaur purchased School Bags during financial year 2019-20. The local office failed to deduct/retained 1/5th of Sales Tax at source amounting to Rs 2,243,128 in violation of the above rules from the supplier as per following detail:

S. No	Name of Items	Supplier	Amount Paid	Sales Tax Deducted	Amount of 1/5 th sales tax
1	School Bags	Chand Engineering Works	77190000	11215641	2,243,128
		Total			2,243,128

Non-retaining of 1/5th of sales tax at source was occurred due to weak internal control.

When pointed out in December, 2020, management stated that the due to acute shortage of time, the concerned supplier had not attached the last invoice with demand bill. He promised to produce the same later on.

Audit recommends justification and action against the person at fault.

AIR Para No. 21 (2019-20)

2.5.3.8 Non-deduction of Income Tax -Rs 2.984 million

According to Federal Board of Revenue letter No.ACR/Unit-48/WHZ/2018-2019/60, withholding tax @ 4% will be charged for supplies.

District Education Officer (Male/Female) Bajaur purchased School Bags during financial year 2019-20. The local office failed to deduct Income Tax amounting to Rs 2,984,099 from the supplier at Peshawar on re-advertisement as per following detail:

S. No	Name of Items	Supplier	Quantity	Rate	Amount including 17% sales tax	Income Tax 3.5%
1	School Bags 6 th to 10 th	Chand Engineering Works, Sikandar Town, Peshawar	21499	965	20,746,535	726,128
2	School Bags KG to 5 th		72364	780	56,443,465	1,975,521
3	School Bags 6 th to 10 th		4181	965	4,035,000	141,225
4	School Bags KG to 5 th		5173	780	4,035,000	141,225
		Total			85,260,000	2,984,099

Non-deduction of income tax was occurred due to weak internal control.

When pointed out in December, 2020, management stated that the due to acute shortage of time, the concerned supplier had not attached the last invoice with demand bill. He promised to produce the same later on.

Audit recommends justification of re-advertisement and recovery of income tax under intimation to this office.

AIR Para No. 22 (2019-20)

CHAPTER-3

Tehsil Municipal Administration

3.1 Introduction

District Bajaur has two tehsils i.e. Khar&Nawagai . The office of a Tehsil Municipal Administration is managed by the Tehsil Municipal Officer. He is assisted by a Tehsil Officer (Finance), a Tehsil Officer (Regulation) and a Tehsil Officer (Infrastructure).

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

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

Detail of audit planned formations expenditure and receipts

Sr No	Description	Total Nos	Audited	Expenditure audited FY 2019-20 (Rs in million)	Revenue /Receipts audited FY 2019-20 (Rs in million)
1	Formations	02	02		

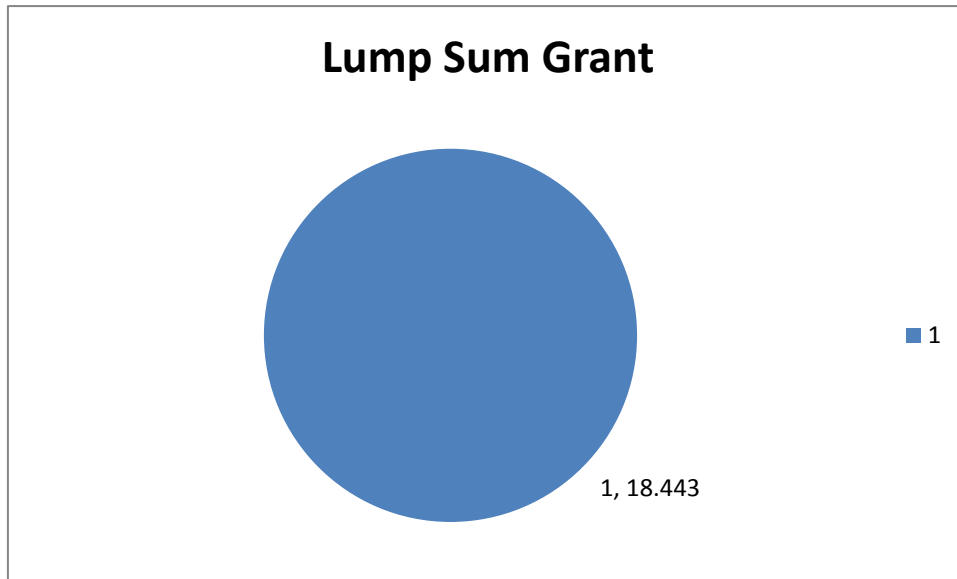
3.2 Comments on Budget and Accounts (Variance Analysis)

(Rs in million)

TMAs				
2019-20	Budget	Actual Expenditure/ Receipts	(Saving)/Excess	%age
Lump Sum Grant	18.445	18.443	-0.002	-0.01084305
Total	18.445	18.443	-0.002	-0.01084305
Receipts	13.347	7.421	-5.926	-44.3994905

EXPENDITURE 2019-20

(Rs in million)



3.3 Classified Summary of Audit Observations

Audit observations amounting to Rs67.869 million were raised as a result of this audit. This amount also includes recoverable of Rs. 21.801 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

Sr. No.	Classification	Amount (Rs)
1	Reported cases of fraud, embezzlement and misappropriation	1.221
2	Irregularities	0
A	HR/Employees related irregularities	11.346
B	Management of Accounts with commercial bank	13.268
3	Others, including cases of accidents, negligence etc.	42.034
Total		67.869

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

It is the first audit of District Audit. Hence audit reports pertaining to previous years do not exist.

3.5 AUDIT PARAS

3.5.1 Fraud, embezzlement and misappropriation

3.5.1.1 Fraudulent award of tender on account of Public Latrines- Rs1.221 million Non recovery of outstanding dues-Rs 698,540 and income tax- Rs0.122 million

According to Section 153(1) (b) of the Income Tax Ordinance 2001, 10% income tax was liable on auctions with effect from 1st 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.

TMO Khar, Bajaur awarded a revenue receipt contract of “Public Latrines” to a contractor Mr. Fazal Kabir for Rs 1,221,575 during the year 2019-20.

Audit observed the following:

1. The contract was 1st awarded to Mr. Haji LalBadshah& Sons and then fraudulently awarded to Mr.FazalKabir while he had deposited pay orders instead of call deposits and the signature of the contractor was totally different as on CNIC and application etc.
2. The local office recovered a sum of Rs 523,035 and failed to recover Rs.698,540.
3. Approval from LCB was neither taken in this case nor in other revenue receipts contracts.
4. Income tax @10% amounting to Rs 122,157 was also not recovered.
5. The contract was neither re-advertised nor awarded to the 2nd lowest.
6. Bank drafts, envelopes, attendance of contractors/auction committee and DCR register was not available in record.
7. The said contractor was not black listed.
8. The contractor was not enlisted with PEC and LCB/AD LGE&RDD.

Audit observed that fraudulent award of contract and non recovery occurred due to weak administrative and internal control, which resulted in loss to the Government.

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

AIR Para No. 05 (2019-20)

3.5.2 IRREGULARITIES

A. HR/Employees related irregularities

3.5.2.1 Unauthorized expenditure without pre-audit-Rs8.616 million

According to Section 36 (2) (b) (e) of the Khyber Pakhtunkhwa, Local Government Act 2013, the Tehsil Accounts Officer shall maintain the accounts of Tehsil Municipal Administration and the Accounts Officer mentioned in clause (b) shall perform pre-audit of all payments from the respective fund before approving disbursement of monies.

According to para 19 (i & ii) of GFR Vol.-I, terms of contract must be precise and definite and there must be no room for ambiguity and misconstruction therein. Legal and financial advice may be taken in drafting of contract before they are finally entered into.

TMO Khar, Bajaur incurred an expenditure of Rs8,616,677 on account of pay & allowances and local fund expenditure during the financial year 2019-20 without pre-audit, which is held irregular and unauthorized.

Audit observed that unauthorized expenditure occurred due to violation of rules, which resulted in unauthentic payments.

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

AIR Para No. 02 (2019-20)

3.5.2.2 Unauthorized purchase of vehicle-Rs 1.865 million Loss to Government-Rs 0.865 million and non deduction of sales tax-Rs3,410

According to Government of Khyber Pakhtunkhwa Administration department (Transport Section) minutes of the transport committee meeting circulated vide No. SOT(AD)/TCR/2015/KC dated 20-10-2019, the provincial

Government has imposed complete ban on purchase of vehicle, which can be relaxed by the Chief Minister on case to case basis. However, the case of purchase of vehicle may be moved after obtaining non-availability certificate from Administration Department. Further, the case for purchase of vehicle should be moved only after obtaining condemnation certificate as per procedure laid down S. No 9 of delegation of powers Rules-2001.

According to Finance Department letter No. BO-1/FD/5-8/2018-19/Austerity dated 29.10.2019, Provincial Government has imposed complete ban on purchase of new vehicles.

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

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

Tehsil Municipal Officer Nawagai, Bajaur incurred an expenditure of Rs 1,865,000 on account of purchase of Suzuki Cultus motor car 1000CC for TMO during 2019-20.

The following irregularities were noticed:

1. TMO was entitled for 800CC vehicle being grade 17 officer whereas, TMO purchased 1300CC vehicle. Thus Government was put into loss of Rs 865,000 as detailed below.
2. NOC/ Ban relaxation was not obtained from Chief Minister as per above criteria.
3. Sales tax @ 1/5th amounting to Rs 63,410 was not deducted from supplier.
4. Certificate from Deputy Commissioner for non availability of transport was not available.

5. Non-availability of vehicles certificate was also not obtained from Administration Department.
6. Condemnation certificate from the motor vehicle examiner was also not available.
7. Payment was made in February, 2020 in advance without any authority.
8. No official driver was available, in absence of driver purchase of vehicle is irregular according to staff car rules.

S#	Vehicle Purchased/ Engine Capacity	Amount (Rs)	Required 800CC Purchase Amount	Difference (Rs)
1	Suzuki Cultus 1000CC	1,865,000	1,000,000	865,000
Total				865,000

Unauthorized expenditure occurred in violation of Government instructions, which resulted in loss to Government.

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

AIR Para No. 08 (2019-20)

B. Management of Accounts with commercial bank

3.5.2.3 Irregular cash withdrawal from bank accounts-Rs7.89 million and unnecessary retention-Rs5.378 million

According to S.No 4.3.1.1 of the Accounting Policies and Procedures Manual, all expenditures will be made through cross cheque in the name of supplier/contractor.

According to Rule 290 of Treasury Rules, “no money should be drawn from Treasury unless required for immediate disbursement. It is not permissible to draw money from treasury in anticipation of demand or to prevent lapse of budget grant”.

TMONawagai and Khar, Bajaur during 2019-20 withdrew a sum of Rs7,890,797as cash withdrawals from bank account No.02509-00-4 & 02508-00-9. The Bank of Khyber instead of cross cheques in contrary to the above mentioned criteria. Thus chances of misappropriation could not be ruled out.

Moreover, a sum of Rs. 5,378,524was unnecessarily retained by the local office in the bank account as no detail/record of retained amount was provided. No entry was made in the cash book. Thus chances of misappropriation could not be ruled out.

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

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

AIR Para No. 07&10 (2019-20)

3.5.3 Others, including cases of accidents, negligence etc

3.5.3.1 Unauthorized purchase of vehicle-Rs 1.995 million Loss to Government-Rs 995,000 and non deduction of sales tax-Rs67,830

According to Government of Khyber Pakhtunkhwa Administration department (Transport Section) minutes of the transport committee meeting circulated vide No. SOT(AD)/TCR/2015/KC dated 20-10-2019, the provincial Government has imposed complete ban on purchase of vehicle, which can be relaxed by the Chief Minister on case to case basis. However, the case of purchase of vehicle may be moved after obtaining non-availability certificate from Administration Department. Further, the case for purchase of vehicle should be moved only after obtaining condemnation certificate as per procedure laid down S. No 9 of delegation of powers Rules-2001.

According to Finance Department letter No. BO-1/FD/5-8/2018-19/Austerity dated 29.10.2019, Provincial Government has imposed complete ban on purchase of new vehicles.

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

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

Tehsil Municipal Officer Khar, Bajur incurred an expenditure of Rs 1,995,000 on account of purchase of Suzuki Swift motor car 1300CC for TMO during 2019-20. The following irregularities were noticed:

9. TMO was entitled for 800CC vehicle being grade 17 officer whereas, TMO purchased 1300CC vehicle. Thus Government was put into loss of Rs 995,000 as detailed below.
10. NOC/ Ban relaxation was not obtained from Chief Minister as per above criteria.
11. Sales tax @ 1/5th amounting to Rs 67,830 was not deducted from supplier.
12. Certificate from Deputy Commissioner for non availability of transport was not available.
13. Non-availability of vehicles certificate was also not obtained from Administration Department.
14. Condemnation certificate from the motor vehicle examiner was also not available.
15. Payment was made in February, 2020 in advance without any authority.
16. No official driver was available, in absence of driver purchase of vehicle is irregular according to staff car rules.

S#	Vehicle Purchased/ Engine Capacity	Amount (Rs)	Required 800CC Purchase Amount	Difference (Rs)
1	Suzuki Swift 1300CC	1,995,000	1,000,000	995,000
Total				995,000

Unauthorized expenditure occurred in violation of Government instructions, which resulted in loss to Government.

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

AIR Para No. 01 (2019-20)

3.5.3.2 Non recovery of outstanding dues on account of revenue receipt contracts-Rs 5.801 million and income tax-Rs 0.672 million

According to Section 153(1) (b) of the Income Tax Ordinance 2001, 10% income tax was liable on auctions with effect from 1st 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.

TMO Khar, Bajaur awarded the following revenue receipt contracts amounting to Rs6,723,573 to the below mentioned contractors during 2019-20 but a sum of Rs 6,474,023 as detailed below was not recovered till date.

Audit also observed the following:

1. Approval from LCB was neither taken in this case nor in other revenue receipts contracts.
2. The contract was neither re-advertised nor awarded to the 2nd lowest.
3. The contractors were not enlisted with PEC and LCB/AD LGE&RDD.
4. Bank drafts, envelopes, attendance of contractors/auction committee and DCR register was not available in record.
5. The said contractor was not black listed.
6. The agreement was executed without incorporation of total contractual amount.

S#	Name of Contract	Name of Contractor	Contractual Amount	Amount Recovered	Income Tax Due	Total Outstanding Recovery
1	Cattle fair Sadeeq Abad Phatak	Aftab-ur-Rahman	5,000,000		500,000	4,500,000
2	Slaughter House	Lal Badshah	351,000	70,200	35,100	315,900
3	Sign Boards	M. Arshad	166,000	120,000	16,600	62,600
4	Local bus stand Charmang	M. Zubair	1,206,573	404,064	120,657	923,166
Total			6,723,573		672,357	5,801,666

Audit observed that non recovery occurred due to weak internal control, which resulted in loss to the Government.

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

AIR Para No. 03&04 (2019-20)

**3.5.3.3 Irregular award of tender on account of Jinnah Bus Terminal-
Rs 18.010 million
Non recovery of outstanding dues-Rs 12.760 million and
income tax-Rs 1.801 million**

According to Section 153(1) (b) of the Income Tax Ordinance 2001, 10% income tax was liable on auctions with effect from 1st 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.

TMO Khar, Bajaur awarded a revenue receipt contract of “Jinnah Bus Terminal” to a contractor Mr. Ittehad& Co. for Rs 18,010,000 during the year 2019-20.

Audit observed the following:

1. The local office recovered a sum of Rs 5,239,272 and failed to recover Rs 12,760,728.
2. Approval from LCB was neither taken in this case nor in other revenue receipts contracts.
3. Income tax @10% amounting to Rs 1,801,000 was also not recovered.
4. The contract was neither re-advertised nor awarded to the 2nd lowest.
5. Bank drafts, envelopes, attendance of contractors/auction committee, CNIC and DCR register was not available in record.
6. The said contractor was not black listed.
7. The contractor was not enlisted with PEC and LCB/AD LGE&RDD.

Audit observed that irregular award of contract and non recovery occurred due to weak administrative and internal control, which resulted in loss to the Government.

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

AIR Para No. 06 (2019-20)

CHAPTER-4

AD LGE&RDD

4.1 Introduction

Assistant Director Local Government Election & Rural Development Department Bajaur is Drawing and Disbursing Officer (DDO) for his office and PAO for VCs/NCs of the District.

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

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

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

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

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

- xvii. Facilitating formation of voluntary organizations for assistance in functions assigned to it;
- xviii. Facilitating the formation of co-operatives for improving economic returns and reduction of poverty;
- xix. Electing an Accounts Committee and review its recommendations on the annual statement of accounts and audit reports; and
- xx. Reporting cases of handicapped, destitute and of extreme poverty to district government.

Detail of audit planned formations expenditure and receipts

Sr No	Description	Total Nos	Audited	Expenditure audited FY 2019-20 (Rs in million)	Revenue /Receipts audited FY 2019-20 (Rs in million)
1	Formations	01	01		

4.2 Comments on Budget and Accounts (Variance Analysis)

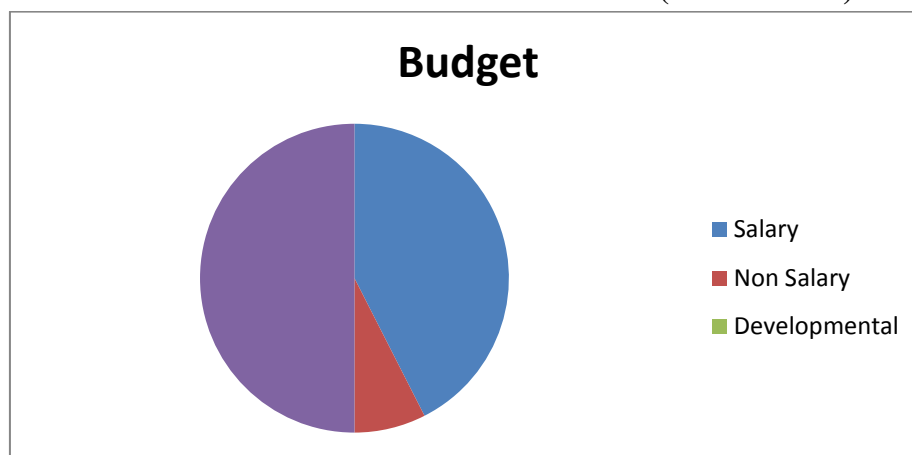
(Rs in million)

AD LGE&RDD				
2019-20	Budget	Actual Expenditure/ Receipts	(Saving)/Excess	%age
Salary	7.927	6.844	-1.083	- 13.6621673
Non Salary	1.398	1.207	-0.191	- 13.6623748
Developmental			0	
Total	9.326	8.052	-1.274	

The savings of Rs 1.274 indicates inefficiency in the capacity of Local Government Departments to utilize the allocated budget.

EXPENDITURE 2019-20

(Rs in million)



4.3 Classified Summary of Audit Observations

Audit observations amounting to Rs201.624 million were raised in this audit report. Summary of the audit observations classified by nature is as under:

Sr. No.	Classification	Amount (Rs in million)
1	Irregularities	
A	Procurement related irregularities	51.753
2	Value for money and service delivery issues	5.845
3	Others, including cases of accidents, negligence etc.	144.026
Total		201.624

4.4 Comments on the status of compliance with DistrictAccounts Committee Directives

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

S. No.	Audit Year	DAC meeting
1.	2018-19	Not Convened
2.	2019-20	Not Convened

4.5 AUDIT PARAS

4.5.1 IRREGULARITIES

A. Procurement related irregularities

4.5.1.1 Irregular tender process Rs 51.753 million

According to Administrative approval of DC Bajaur dated 03/6/19, the sanctioning authority shall allow appropriate rates after observing all codal formalities/standing instructions regarding schedule of rates and financial regularities as per rules. The work order shall be issued after release of funds and proper technical sanction of the cost estimate.

Assistant Director Local Government & Rural Development Department Bajaur tendered 10 no of schemes during financial year 2019-20 detail at **Annexure-4**.

During audit the following irregularities were noticed:

1. Tender register was not maintained, and the number of contractors participated and their rates could not be verified.
2. Tender evaluation committee was not constituted
3. The bids of the contractor were not received through registered mail, diary number, post office stamp and date on quotation was not mentioned and simple hand written envelopes were received without proper specification of the articles violating KPPRA rules.
4. Neither newspaper cutting nor payment of advertisement bill was available on record.
5. Opening date of bid was not mentioned in violation of KAPPRA rule 37.
6. Pre and Post qualification of contractors process was not carried out as required under KPPRA Rules 2014.

7. The contractor offered rates in between 28.90 % to 43.25% below on estimated cost which was not workable rates which shows that quality of the works were compromised.
8. Inspection of the works was not carried out.
9. Additional security as required on below rate before issuance of work order was not obtained.

When pointed out in November, 2020, management stated that all codal formalities/ standing Instruction regarding schedule of rates have been strictly observed. All tenders were conducted fairly, transparent and approved by competent authority.

Matter is reported for justification and corrective action.

AIR Para No. 6 (2019-20)

4.5.2 Value for money and service delivery issues

4.5.2.1 Non deduction of income tax -Rs 1.846 million

According to Section 153(1)(c) income tax 2001, 7.5%(in the case of personal other than companies) income tax shall be deducted on execution of works of contract.

Assistant Director Local Government & Rural Development Department Bajaur awarded various contracts of local fund receipts during financial year 2019-20 but income tax amounting to Rs1,846,875 was not deduction from the contractors extended undue favor to contractors and loss to Government as per detail at **Annexure-5**.

Non deduction of income tax was occurred due to negligence and weak administrative and financial control.

When pointed out in November, 2020, management stated that the tribal District Bajaur is situated in Malakand division till now the imposition of income tax is not being extended to Malakand division.

It is recommended that income tax be deducted/recovered and deposited into Government treasury besides appropriate action taken against the person(s) at fault.

AIR Para No. 10 (2019-20)

4.5.2.2 Non imposition of penalty -Rs 3.999 million

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

Assistant Director Local Government and Rural Development Department, Bajaur awarded seven developmental schemes with the estimated cost of Rs. 39.997 million to various contractors. The contractors failed to complete the works within stipulated period mentioned in the work orders. Neither time extension was granted nor penalty @ 10% amounting to Rs 3.999 million was imposed. Detail at **Annexure-6**.

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

When pointed out in November, 2020, management stated that the schemes have been physically completed within stipulated period of time. However due to less release form finance department payment has not made.

Audit recommends recovery of penalty under intimation to audit.

AIR Para No. 7 (2019-20)

4.5.3 Others, including cases of accidents, negligence etc.

4.5.3.1 Unauthentic/unverified expenditure on account of developmental fund-Rs122.668 million

Para 23 of GFR Vol I provides that every public officer is personally responsible for any loss sustained by government through fraud or negligence on his own part or on the part of subordinate disbursing officers.

During scrutiny of the record of Assistant Director Local Government & Rural Development Department Bajaur it was observed that secretary LGE&RDD vide letter No.PO(LG)/ADP/DDWP/2018-19 dated 03.06.2019 endorsed administrative approval of 10 schemes amounting to Rs122.668 million during the financial year 2019-20, however relevant record in support of the expenditure i.e Administrative approval, PC-I/Detail cost estimate, Technical sanction, Measurement books, PC-IV, contract agreement, tender process and progress report were not produced by the local office and therefore the veracity of the expenditure remained unverified. Detail at **Annexure-7**.

Non availability of relevant record of the above schemes was occurred due to negligence and weak administrative and financial control.

When pointed out in November, 2020, management stated that all necessary vouchers, their photocopier of MB's are attached and also submitted to audit party during Audit.

It is recommended that relevant record be produced to audit for verification and authenticity of the expenditure and action be taken against the person at fault.

AIR Para No. 5,12&15 (2019-20)

4.5.3.2 Non surrender of savings of developmental schemes Rs18.258 million

Para 95 of General Financial Rules Volume I provides that all anticipated savings should be surrendered well before close of financial year.

Assistant Director Local Government & Rural Development Department Bajaur received development funds of Rs51.753 million for 10 developmental schemes. Against the developmental schemes expenditure of Rs 33.495million was incurred during 2019-20, resulted into savings of Rs18.258 million. The savings were required to be surrendered to Government as per detail at **Annexure-8**.

None surrendering of saving well in time into Govt. Treasury occurred due to weak internal control, which resulted in loss to Government.

When pointed out in November, 2020, management stated that the finance department has not yet released the approved estimated cost of schemes. Releases are made on quarterly basis. Therefore at instant it is not possible for this office to surrender saving.

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

AIR Para No. 8 (2019-20)

4.5.3.3 Unauthorized of payment of Cost Factor Rs 3.10 million

According to Par-10(i) of GFR Vol-I, every public officer is expected to exercise the same vigilance in respect of expenditure incurred from public moneys as a person of ordinary prudence would exercise in respect of expenditure of his own money.

Para 220 and 221 of CPWA Code states that the Sub Divisional Officer, before making payments to the contractors is required to compare the quantities in the bills and see that all the rates are correctly entered and that all the calculations have been checked arithmetically.

Assistant Director Local Government & Rural Development Department Bajaur awarded the work of 10 No DWSS to various contractors and paid an amount of Rs 3,010,000 as factor cost. Audit observed that unauthorized payment of was made to contractors as per **Annexure-9**.

Unauthorized payment was occurred due to weak internal control, which resulted in loss to Government.

When pointed out in November, 2020, management stated that the cost factor has been notified by finance department and amount paid accordingly in light of said notification.

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

AIR Para No. 13 (2019-20)

4.5.3.4 Overpayment due to allowing excess rate – Rs 0.916 million

Para 220 and 221 of CPWA Code states that the Sub Divisional Officer, before making payments to the contractors is required to compare the quantities in the bills and see that all the rates are correctly entered and that all the calculations have been checked arithmetically.

During audit of Assistant Director Local Government & Rural Development Department Bajaur for the year 2019-20, it was observed that Rs 916,555 was overpaid due to allowing excess rate on item of work “ PCC 1:4:8” than approved in CSR 2017. The excess payment resulted in loss to public exchequer as per detail at **Annexure-10**.

The overpayment occurred due to weak internal controls.

When pointed out in November, 2020, management stated that all payment has been made accordingly to approve PC-I estimated by the competent authority accordingly to approve MRS-2017.

The matter is reported to management for inquiry and recovery under intimation to audit.

AIR Para No. 14 (2019-20)

ANNEXURES

Annexure -01

(Detail of MFDAC Paras)

S#	AIR Para No	Department	Subject	Amount
Deputy Commissioner				
1.	19	DC	Irregular expenditure on account of POL and repair of vehicles	37.490
2.	21	-do-	Irregular expenditure on account of "others for services rendered" -	1.00
3.	2	-do-	Irregular expenditure on account of POL and repair of vehicles	2.022
4.	1	-do-	Irregular Drawl of Un-attractive Area Allowance	55.95
5.	4	-do-	Unauthorized expenditure	0.075
6.	16	-do-	Irregular and Un-authorized Drawl of Conveyance Allowance	0.770
7.	10	-do-	Unauthentic expenditure in the absence of Actual Payee Receipts	0.354
8.	8	-do-	Non deposit of domicile fee	0.869
9.	11	-do-	Illegal retention of funds on account of land acquisition	74.40
10.	15	-do-	Un authentic Receipts	2.929
11.	18	-do-	Unjustified expenditure	13.615
Health				
12.	15	DHO	Unauthorized payment on account of Unattractive Area Allowance	1.593
13.	1	-do-	Illegal expenditure on Purchase of medicine	36.575
14.	4	-do-	Unauthentic expenditure without reconciliation with DAO	62.03
Education				
15.	11	Education	Irregular expenditure on account of TA/DA	0.926
16.	4	-do-	Irregular Drawl of Compensatory Allowance	0.072
17.	2	-do-	Irregular Drawl of Adhoc Relief Allowance	0.153
18.	3	-do-	Irregular Drawl of Computer Allowance	0.246
19.		-do-	Physical Verification	-
20.		-do-	Internal check against irregularities waste and fraud	-
21.	13	-do-	Non reconciliation of closing balances	294.07
22.	19	-do-	Overpayment on account of transportation charges	0.744
23.	6	-do-	Irregular Drawl of Adjustment under the head Pay and	39.45

			Allowance	
24.	7	-do-	Irregular expenditure on account of Electricity	1.591
25.	10	-do-	Irregular purchases Costing	1.695
26.	18	-do-	Irregular expenditure on account of transportation charges	1.302
27.	9	-do-	Non conversion of current bank accounts into saving account	294.069
28.	25	-do-	Irregular disbursement	14.021
29.	24	-do-	Unauthorized re-appropriation and disbursement without revival of funds	98.53
30.	5	-do-	Un-authentic payment on account of Family Assistance Package	2.70
31.	8	-do-	Improper maintenance of Cash Book, closing balance	294.07
32.	15	-do-	Unauthentic Expenditure on Water Supply Schemes	54.200
33.	17	-do-	Unverified expenditures of PTC fund	30.08
Agriculture				
34.		DO Agriculture	Non conducting of Physical Verification	-
35.	8	-do-	Non maintenance of records of receipts	0.658
36.	3	-do-	Loss due to non-deduction of income tax	0.217
37.	2	-do-	Loss to government due to non conversion of current account into PLS	-
38.	7	-do-	Non maintenance of distribution of records	11.379
39.	10	-do-	Illegal appointments of staff and pay	1.199
40.	1	-do-	Un authentic drawl of Pay and Allowances	2.424
TMA				
41.	9	TMA Nawagai	Unauthorized expenditure without pre-audit	6.685
42.	11	-do-	Huge Expenditure against zero performance on establishment of TMA Nawagai	6.685
AD LG&RDD				
43.	1	AD LG&RDD	Irregular Drawl of Un-attractive Area Allowance	0.301
44.	3	-do-	Irregular Drawl of Adjustment under head Pay and Allowance	0.258
45.	9	-do-	Non deduction of stamp duty	0.125
46.	2		Non conversion of current bank accounts into saving account	-
47.	4	-do-	Non reconciliation of closing balances	5.141

Annexure-02**2.5.1.3****List of Honorarium**

S.No	Name & Designation	Amount
1.	MhammadUsman ,DC	67050*2
2.	Maqsood Jan, DAO	101020*2
3.	GulBadshah ,Asstt Supervisor	75215*2
4.	Muhammad Riaz, Steno To DC	28030*2
5.	Zainullah Programmer	55670*3
6.	Mutabar Khan, DC Nazar	29220*3
7.	AlamZeb ,J/C	20490*3
8.	Zamin Khan ADC	52700*2
9.	Muhammad Sohail Aziz ADC	52700*2
10.	Miftaullah Planning Officer	64870*2
11.	Muhammad Rafiq DAO	95270
12.	FazalurRehman AC Khar	41870
13.	HabibUllah AC Nawagai	39570
14.	Muhammad Ilyas AC	37270
15.	Tariq Aziz Supdt	51070

Annexure-03**2.5.1.9****Detail of irregular drawl and disbursement of pay and allowances**

S. No	Date	Cheque No	Amount
1	30.07.2019	K390328	116247
2	30.08.2019	K390329	1497789
3	02.09.2019	B884990	654137
4	02.09.2019	B884987	1393348
5	02.09.2019	B884988	54854
6	02.09.2019	B884989	29874
7	02.09.2019	B884925	117833
8	01.10.2019	B885018	114833
9	01.10.2019	B885014	542335
10	01.10.2019	B885013	1829885
11	01.11.2019	B885280	1734688
12	01.11.2019	B885262	184570
13	01.11.2019	B885261	133269
14	01.11.2019	B885267	114833
15	02.12.2019	1890177	156647
16	02.12.2019	1890176	1614838
17	02.12.2019	1890172	114833
18	03.12.2019	1890202	246000
19	02.01.2020	1890344	1071157
20	02.01.2020	1890344	22475
21	02.01.2020	1890347	97156
22	28.01.2020	1890567	97156
23	28.01.2020	1890565	961858
24	28.01.2020	1890566	22475
25	27.02.2020	1890938	1080348
26	27.02.2020	1890937	54521
27	27.02.2020	1890936	29703
28	27.02.2020	1890933	22475
29	27.02.2020	1890934	97156
30	29.03.2020	1891636	871155
31	29.03.2020	1891637	54552
32	29.03.2020	1891638	29703
33	29.03.2020	1891640	22475
34	29.03.2020	1891641	97156
35	20.04.2020	1891993	97156
36	20.04.2020	1891991	22475
37	20.04.2020	1891994	79961

38	18.05.2020	1891923	97156
39	18.05.2020	1891925	22475
40	18.05.2020	1891926	782253
41	25.06.2020	1891380	598558
42	25.06.2020	1891382	97156
43	25.06.2020	1891381	22475
	Total		17,101,999

Annexure-04**4.5.1.1****Detail of irregular tend process**

S.No	Name of Scheme	Amount
1	Construction of PCC road from Khar Village to Pashto Village Sheikh Baba	4.969
2	Construction of PCC road Rehman Abad at InayatKilli	5.690
3	Construction of PCC road from PattakChowk to Sheikh Meno	4.211
4	Construction of PCC road BaredarShaheedKhuga China and Construction of Drain in PCC road muhallahNazir haji near Bypass road Khar	4.327
5	Construction of PCC road/culvert ZorKilliBadan	6.644
6	Construction of PCC road Kalpani and MusafarkoronakasKrawand	6.997
7	Construction of PCC road MunirKilliShinkotai	2.477
8	Construction of PCC road BathoShahi Tangi	5.005
9	Construction of PCC road Matta Shah RehankoronaSalazai	1.855
10	Construction of PCC road Dag Nawagai	9.578
	Total	51.753

Annexure-05

4.5.2.1

Detail of non-deduction of income tax

S.No	Name of Scheme	Expenditure Incurred	Income Tax 7.5 %
1	Construction of PCC road from Khar Village to Pashto Village Sheikh Baba	2.549	0.191175
2	Construction of PCC road Rehman Abad at InayatKilli	3.556	0.2667
3	Construction of PCC road from PattakChowk to Sheikh Meno	2.389	0.179175
4	Construction of PCC road BaredarShaheedKhuga China and Construction of Drain in PCC road muhallahNazir haji near Bypass road Khar	1.700	0.1275
5	Construction of PCC road/culvert ZorKilliBadan	1.585	0.118875
6	Construction of PCC road Kalpani and MusafarkoronakasKrawand	2.294	0.17205
7	Construction of PCC road MunirKilliShinkotai	1.528	0.1146
8	Construction of PCC road BathoShahi Tangi	3.183	0.238725
9	Construction of PCC road Matta Shah RehankoronaSalazai	1.150	0.08625
10	Construction of PCC road Dag Nawagai	4.691	0.351825
	Total	24.625	1.846875

Annexure-06

4.5.2.2

Detail of non-imposition of penalty

S.No	Name of Scheme	E. Cost	C.F Rate	Total Amount	Amount Paid
1	Construction of PCC road from Khar Village to Pashto Village Sheikh Baba	4.969	1.06	5.267	0.298
2	Construction of PCC road Rehman Abad at InayatKilli	5.690	1.06	6.031	0.341
3	Construction of PCC road from PattakChowk to Sheikh Meno	4.211	1.06	4.463	0.252
4	Construction of PCC road BaredarShaheedKhuga China and Construction of Drain in PCC road muhallahNazir haji near Bypass road Khar	4.327	1.06	4.586	0.259
5	Construction of PCC road/culvert ZorKilliBadan	6.644	1.06	7.042	0.398
6	Construction of PCC road Kalpani and MusafarkoronakasKrawand	6.997	1.06	7.416	0.419
7	Construction of PCC road MunirKilliShinkotai	2.477	1.06	2.625	0.148
8	Construction of PCC road BathoShahi Tangi	5.005	1.06	5.305	0.300
9	Construction of PCC road Matta Shah RehankoronaSalazai	1.855	1.06	1.966	0.111
10	Construction of PCC road Dag Nawagai	9.578	1.06	10.152	0.574
	Total				3.10

Annexure-07

4.5.3.1

Detail of unauthentic / unverified expenditure on account of developmental fund

S.No	Name of Scheme	Amount
1	Construction of PCC road from Khar Village to Pashto Village Sheikh Baba	2.549
2	Construction of PCC road Rehman Abad at InayatKilli	3.556
3	Construction of PCC road from PattakChowk to Sheikh Meno	2.389
4	Construction of PCC road BaredarShaheedKhuga China and Construction of Drain in PCC road muhallahNazir haji near Bypass road Khar	1.700
5	Construction of PCC road/culvert ZorKilliBadan	1.585
6	Construction of PCC road Kalpani and MusafarkoronakasKrawand	2.294
7	Construction of PCC road MunirKilliShinkotai	1.528
8	Construction of PCC road BathoShahi Tangi	3.183
9	Construction of PCC road Matta Shah RehankoronaSalazai	1.150
10	Construction of PCC road Dag Nawagai	4.691
11	Construction of PCC road from Khar Village to Pashto Village Sheikh Baba	4.969
12	Construction of PCC road/culvert ZorKilliBadan	6.644
13	Construction of PCC road Kalpani and MusafarkoronakasKrawand	6.997
14	Construction of PCC road BathoShahi Tangi	5.005
15	Construction of PCC road Dag Nawagai	9.578
16	15 DWSS Low Cost Solar Based and 1 installation of Solar System with Overhead Water Tank on existing Well at Tehsil Khar	20.367
17	08 DWSS Low Cost Solar Based and 1 installation of Solar System with Surface Water Tanks at Tehsil Salarzai	13.458
18	03 DWSS Low Cost Solar Based and construction of One Low Cost DWSS Solar Based at ParmakhalNawagaiShago, Open Well existing in Tehsil Salarzai	5.646
19	12 DWSS Low Cost Solar Based and construction of 02 No's Installation of Solarization with 02 No's Water Tanks on existing Bore at ZagaDherai at Tehsil Mamund	18.919
20	03 DWSS Low Cost Solar Based and 1 installation of Solar System with Surface Water Tanks on existing Well at Hamozai Darra in Tehsil Barang	6.460
Total		122.668

Annexure-08

4.5.3.3

Detail of Non surrender of savings of developmental schemes

S.No	Name of Scheme	E. Cost	Tender Cost	Savings
1	Construction of PCC road from Khar Village to Pashto Village Sheikh Baba	4.969	3.105	1.864
2	Construction of PCC road Rehman Abad at InayatKilli	5.690	3.556	2.134
3	Construction of PCC road from PattakChowk to Sheikh Meno	4.211	2.389	1.822
4	Construction of PCC road BaredarShaheedKhuga China and Construction of Drain in PCC road muhallahNazir haji near Bypass road Khar	4.327	2.477	1.85
5	Construction of PCC road/culvert ZorKilliBadan	6.644	4.584	2.06
6	Construction of PCC road Kalpani and MusafarkoronakasKrawand	6.997	5.195	1.802
7	Construction of PCC road MunirKilliShinkotai	2.477	1.610	0.867
8	Construction of PCC road BathoShahi Tangi	5.005	3.558	1.447
9	Construction of PCC road Matta Shah RehankoronaSalazai	1.855	1.150	0.705
10	Construction of PCC road Dag Nawagai	9.578	5.871	3.707
	Total	51.753	33.495	18.258

Annexure-09

4.5.3.4

Detail of Unauthorized of payment of Cost Factor

S.No	Name of Scheme	E.Cost	Required date of completion as per work order	Actual date of completion	Amount of 10% Penalty
1	Construction of PCC road from Khar Village to Pashto Village Sheikh Baba	4.969	30.06.2020	In Process	0.4969
2	Construction of PCC road BaredarShaheedKhuga China and Construction of Drain in PCC road muhallahNazir haji near Bypass road Khar	4.327	30.06.2020	In Process	0.4327
3	Construction of PCC road/culvert ZorKilliBadan	6.644	30.06.2020	In Process	0.6644
4	Construction of PCC road Kalpani and MusafarkoronakasKrawand	6.997	30.06.2020	In Process	0.6997
5	Construction of PCC road MunirKilliShinkotai	2.477	30.06.2020	In Process	0.2477
6	Construction of PCC road BathoShahi Tangi	5.005	30.06.2020	In Process	0.5005
7	Construction of PCC road Dag Nawagai	9.578	30.06.2020	In Process	0.9578
	Total	39.997			3.9997

Annexure-10

4.5.3.5

Detail of Overpayment due to allowing excess rat

Name of Scheme	Name of Item	Rate Paid (06-05-h)	Rate Approved (06-03-b)	Diff	Qty	Over payment
Construction of PCC Road Rehmanabad at InayatKilli	R/Bills PCC 1:4:8	5481.08	4153.70	1327.38	324.90	431,265
Construction of PCC Road from Patakchowk to Sheikh Meno	2 nd R/ Bill PCC 1:4:8	5481.08	4153.70	1327.38	60.40	80,174
Construction of PCC Road BeradarShaheed, khuga china and construction of drain in PCC road mohallahNazir Bypass road Khar	1 st R/ Bill PCC 1:4:8	5481.08	4153.70	1327.38	98.74	131,066
Construction of PCC Road MunirKilli, Shinkotai	1 st R/ Bill PCC 1:4:8	5481.08	4153.70	1327.38	109	144,684
Construction of PCC Road Matta Shah RehanKoronaSalarzai	Final Bill PCC 1:4:8	5481.08	4153.70	1327.38	97.46	129,366
Total						916,555