



**AUDIT REPORT  
ON  
THE ACCOUNTS OF  
LOCAL GOVERNMENTS  
DISTRICT CHITRAL UPPER**

**AUDIT YEAR 2020-21**

**AUDITOR GENERAL OF PAKISTAN**

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## ABBREVIATIONS AND ACRONYMS

ADP	Annual Development Program
AIR	Audit & Inspection Report
APRs	Actual Payee Receipts
BHU	Basic Health Unit
CA	Conveyance Allowance
CD	Civil Dispensary
CPWD	Central Public Works Department
CTR	Central Treasury Rule
DAC	Departmental Accounts Committee
DAC	District Accounts Committee
DC	Deputy Commissioner
DDO	Drawing and Disbursing Officer
DEO	District Education Officer
DG	Director General
DHO	District Health Office
DTL	Drug Testing Laboratory
DWSS	Drinking Water Supply Scheme
EPI	Expanded Program of Immunization
FY	Financial Year
FP	Family Planning
HPA	Health Professional Allowance
INTOSAI	International Organization of Supreme Audit Institutions
KPRA	Khyber Pakhtunkhwa Revenue Authority
LGA	Local Government Act
LG&RDD	Local Government and Rural Development Department
MCH	Mother & Child Health
NC/VC	Neighborhood/Village Council
PAO	Principal Accounting Officer
PATA	Provincially Administered Tribal Area
PTC	Parent Teacher Council
DDI	District Development Initiatives
RDA	Regional Directorate of Audit
RHC	Rural Health Centre
TMO	Tehsil Municipal Officer
TAC	Tehsil Accounts Committee

## **Preface**

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

The report is based on audit of the accounts of offices of the District Government, Tehsil Municipal Administrations and Village Councils in district Chitral Upper for the financial year 2019-20. The Director General of Audit, District Governments, Khyber Pakhtunkhwa conducted audit during 2019-20 on test check basis with a view to report significant findings to the relevant stakeholders. The main body of the audit report includes the 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 cases the departments did not submit written replies till the finalization of this report. DAC meetings were also not convened despite reminders.

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

Islamabad  
Dated:

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

## **EXECUTIVE SUMMARY**

The Directorate General Audit District Governments, Khyber Pakhtunkhwa carries out the audit of Local Governments in 37 districts of Khyber Pakhtunkhwa. Regional Directorate of Audit (RDA) Swat, on behalf of the DG Audit District Governments, Khyber Pakhtunkhwa carried out the audit of Local Governments of five districts namely Swat, Shangla, Dir Lower, Dir Upper, Chitral Lower and Chitral Upper.

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

Local Governments of district Chitral Upper 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 of 10 devolved departments. The second tier- Town/Tehsil Municipal Administrations have one PAO i.e. Town/Tehsil Municipal Officer for each administration. There are two Tehsil Administrations in district Chitral Upper. The third tier- Village and Neighborhood Councils have AD LGE & RDD as Principal Accounting Officer for these councils. There are 39 VC's/NC's in district Chitral Lower.

### **a. Scope of audit**

This office is mandated to conduct audit of 46 formations working under 03 PAOs. Total expenditure and receipts of these formations were Rs. 1192.980 million for the financial year 2019-20.

Audit coverage relating to expenditure for the current audit year comprises 10 formations of 03 PAOs (2 TMAs) having a total expenditure of Rs 825.476 million for the financial year 2019-20. In terms of percentage, the audit coverage for expenditure is 62.86% of auditable expenditure.

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

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

**b. Recoveries at the Instance of Audit**

As a result of audit, a recovery of Rs 18.775 million was pointed out in this report. No recovery against these figures was reported.

**c. Audit Methodology**

Audit was conducted according to INTOSAI 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**

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

**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.

**e. Key audit findings of the report**

- i. Non compilation/Consolidation of Accounts of Local Governments-Rs 45.658 million<sup>1</sup>
- ii. Unauthorized payments to DDOs instead of crossed cheques to venders - Rs 9.436 million<sup>2</sup>
- iii. Irregularities & Non-Compliance were noted in 09 cases amounting to Rs.19.887 million.<sup>3</sup>
- iv. Values for money were noticed in 03 cases amounting to Rs. 14.337 million.<sup>4</sup>
- v. Others were noticed in 09cases amounting to Rs. 85.142 million<sup>5</sup>

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<sup>1</sup> Para 1.2.1

<sup>2</sup> Para 1.2.2

<sup>3</sup> Para 2.5.1.1 to 2.5.1.5, 3.5.1.1 to 3.5.1.4

<sup>4</sup> Para 2.5.2.1, 3.5.2.1 to 3.5.2.2

<sup>5</sup> Para 2.5.3.1 to 2.5.3.6 and 3.5.3.1 to 3.5.2.3

## **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.
- 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**

Chitral Upper is a newly created district in September 2019. After promulgation of Local Government Act, 2013, Local Government elections resulted in formation of three tiers of government in each district of Khyber Pakhtunkhwa. Consequent upon, District Government, Tehsil Municipal Administrations and Village/Neighborhood Councils were established in District Chitral Upper. In the light of LGA 2013, District Chitral Upper is headed by Deputy Commissioner who is Principal Accounting Officer of the budget grant allocated to the 05 offices devolved at district level. Similarly, Tehsil Municipal Administration is headed by Tehsil Municipal Officer who is the Principal Accounting Officer for the Tehsil Municipal Administration whereas Assistant Director LGE & RDD is the Principal Accounting Officer for Village Councils.

In District Chitral Upper, funds amounting to Rs. 1427.825 million were allocated to 46 formations working under 03 PAOs. Out of which, expenditure of 1192.980 million was made resulting into saving of Rs. 234.844 million. Receipts of Rs. Nil were collected through these formations during the financial year 2019-20. Audit coverage relating to expenditure for the current audit year comprises 10 formations of 03 PAOs having a total expenditure of Rs. 749.177 million for the financial year 2019-20. In terms of percentage, the audit coverage for expenditure is 52.47 % of auditable expenditure. Similarly, audit coverage for receipts is Nil.

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, Chitral did not

reflect Rs. 58.819 million into the consolidated financial statement of Local Government, Chitral Upper.

District Government, Chitral Upper was found lagging behind in many areas envisioned as integral component of the Local Government in the Khyber Pakhtunkhwa Local Government Act 2013. The District Government could not establish & maintain Public Fund account as required under the section 30 of LGA 2013. Similarly, it also failed to prepare, present and approve the budget estimates of receipts from district council for District Government, Chitral Upper as required under section 34 of LGA 2013. The receipts collected as taxes/fees/rents under section 42 of LGA-2013 were also not credited to the District Fund. Most importantly, Finance Department, Khyber Pakhtunkhwa could not provide District Account Office, Chitral Lower with prescribed format and necessary trainings to compile the accounts of TMAs and Village/Neighborhood councils and then reflect the same in the consolidated financial statement of the district, which resulted in disclaimer of its accounts by the Auditor General of Pakistan. Moreover, Internal Audit function could not be established as provided in sub section 4 of section 37 of LGA 2013, as internal auditors were not posted in the District Government to support the Council. In addition, Asset management by District Government was yet another area it could not address as required under section 38 of the LGA 2013.

The Local government provided services in the following sectors.

### **Education**

The education sector is one of the major sectors in district Chitral Upper like other districts. Statistics show that there are 152 primary, 20 middle, 28 secondary, 05 higher secondary and 37 GMPS schools in District Chitral Upper. The district stood first in literacy rate on score in E & SE KPK.

### **Health**

Health is another important sector of District Chitral Upper with a total of 29 health facilities spread across the district. Their further break-up is 10 BHUs,

15 CDs, 01 THQ Hospitals and 3 RHC with the total catchment area population of approximately 210,275.

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.

As the district is a newly created district, the Health Management Information System (HMIS) was not established during the year 2019-20 and informations regarding OPD, vaccination, Mother & Child Health and Family Planning were combinely recorded in the HMIS of district Chitral Lower.

### **Municipal Services**

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

## **1.2 AUDIT PARAS**

### **1.2.1 Non-Compilation/Consolidation of Accounts of Local Governments- Rs 45.658 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 Chitral Upper for the financial year 2019-20, audit observed incompleteness and incorrect presentation of the financial statements as the DAO failed to consolidate into the quarterly and annual accounts of the district, the Government and local resources, as required under section-36(3) of the Local Government Act, 2013. Receipts and expenditure of Rs 45.658 million and Rs 26.00 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 Chitral Upper 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 - Rs 9.436 million**

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

District Accounts Officer Upper Chitral, paid Rs 9,436,211 to various DDOs instead of issuance crossed cheques to Vender/Payees Accounts which was unauthorized as per details at annexure.

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

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

When pointed out in September 2020, management stated that all utility bills and contingencies of minor type amount are being paid through DDO as minor type supplier have no Bank Account No.

DAC directed that issuance of cheques to DDOs should be stopped along with inquiry for fixing responsibility on the person(s) at fault. However no progress was shown till finalization this report

Audit recommends inquiry besides stoppage of cash payments.

## **CHAPTER-2**

### **District Government**

#### **2.1 Introduction**

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

According to section 13 of the Khyber Pakhtunkhwa Local Government Act 2013 the authority and responsibilities of the District Government have been given as under:

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

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

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

**Detail of audit planned formations expenditures and receipts**

**(Rs. in million)**

<b>S.No</b>	<b>Description</b>	<b>Total Nos</b>	<b>Audited</b>	<b>Expenditure audited FY 2019-20</b>	<b>Revenue /Receipts audited FY 2019-20</b>
1	Formations	10	4	749.177	0
	<b>Total</b>	<b>10</b>	<b>4</b>	<b>749.177</b>	<b>0</b>

**2.2 Comments on Budget and Accounts (Variance Analysis)**

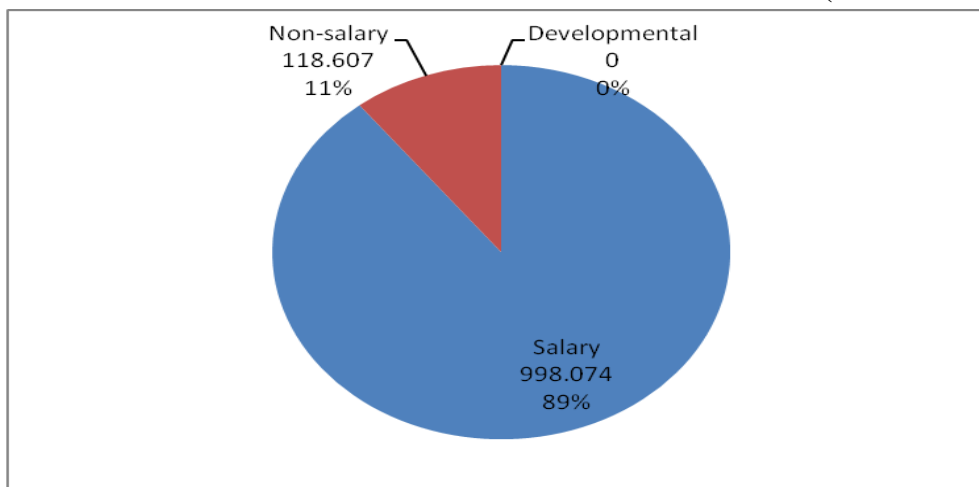
**(Rs. in million)**

<b>District Government Chitral Upper</b>				
<b>2019-20</b>	<b>Budget</b>	<b>Actual Expenditure/ Receipts</b>	<b>(Saving)/Excess</b>	<b>%age</b>
Salary	1033.596	998.074	35.522	3%
Non-salary	211.829	118.607	93.222	44%
Developmental (A/C-IV)	55.327	0	55.327	100%
Developmental (A/C-I)	0	0	0	
<b>Total</b>	<b>1300.752</b>	<b>1116.681</b>	<b>184.071</b>	
<b>Receipts</b>	0	0		

The savings of Rs. 184.071 million indicate inefficiency in the capacity of District Government Departments to utilize the amount allocated.

## EXPENDITURE 2019-2020

(Rs. in million)



### 2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs. 82.342 million were raised in this audit report. This amount also includes recoverable of Rs. 5.238 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

Sr. No.	Classification	Amount (Rs.)
1	Irregularities	
A	HR/Employees related irregularities	0
B	Procurement related irregularities	11.341
C	Management of Accounts with Commercial Banks	0
2	Value for money and service delivery issues	2.200
3	Others	68.801
	<b>Total</b>	<b>82.342</b>

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

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



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

## 2.5 AUDIT PARAS

### 2.5.1 Irregularities

#### A. Management of Accounts with Banks

##### 2.5.1.1 Loss to Government due to non deposit of bank profit into Government treasury - Rs 959,486

According to Para 1 and 2 of Finance Department Khyber Pakhtunkhwa letter No. 2/3-(F/L)/FD/2007-08/Vol-IX dated 10<sup>th</sup> February 2014, Khyber Pakhtunkhwa Finance Department has from time to time allowed sanctioned Bank accounts in the commercial bank for various Departments/Autonomous/Semi- Autonomous Bodies/Corporations in Khyber Pakhtunkhwa for particular and specific purposes. Such accounts may be converted to PLS mode and the profit earned be deposited in Government Treasury under relevant head of account immediately and not later than a week when declared by the concerned bank.

Deputy Commissioner Chitral Upper earned bank profit of Rs 959,486 during the financial year 2019-20. The local was required to deposit the profit into the government treasury under relevant head of accounts immediately not later than one week but the local office failed to do so which was clear violation of the above-mentioned criteria. Detail is as under:

S. No.	Name of Bank	Account No.	Amount of Profit
1	National Bank Bonilasht Branch	3159950245	907,089
2	National Bank Bonilasht Branch	3159945895	52,397
<b>Total</b>			<b>959,486</b>

The lapse occurred due to weak internal control which resulted in violation of rules and understatement in provincial receipts during the year.

The matter was reported to the Management in July 2020, stated that profit would be deposited into Government treasury.

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

Audit recommends immediate deposit of profit into Government treasury.

**AIR No. 05 (2019-20)**

## **B- Procurement related irregularities**

### **2.5.1.2 Non-supply of machinery and equipment - Rs 4.996 million**

Treasury Rule 290 provides that no money shall be drawn from the treasury unless it is required for immediate disbursement. It is not permissible to draw money from the treasury in anticipation of demands or to prevent the lapse of budget grants.

District Health Officer Chitral Upper paid Rs 4,996,500 for purchase of machinery and equipment. The supply orders were placed in June 2020 which was required to be supplied within stipulated period of time. But the supply was not made till the date of audit. The local office neither cancelled the supply orders nor alternate arrangements for the purchase of equipments were made. Thus, on one hand the people of the locality were deprived of the basic facility of medical equipments and on the other hand, the Government money was drawn in anticipation of demand.

The lapse occurred due to weak financial control which, which deprived the public of the locality from the basic health facilities.

The matter was reported to the Management in August 2020, stated that supply orders were issued to the contractors for the new established DHO office upper Chitral after release of budget which was released on 08-06-2020. Most of

the supplies have been received and some supplies have been late due to Covid-19. However, detail report would be submitted in due course of time. Reply was not convincing as supplies have not been shown to audit.

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

Audit recommends to ensure complete supply of machinery and equipments.

**AIR No. 01 (2019-20)**

### **2.5.1.3 Non-supply of medicine - Rs 1.408 million**

Treasury Rule 290 provides that no money shall be drawn from the treasury unless it is required for immediate disbursement. It is not permissible to draw money from the treasury in anticipation of demands or to prevent the lapse of budget grants.

District Health Officer Chitral Upper paid Rs 1,408,278 for purchase of medicines during the financial year 2019-20. The supply orders were placed in May 2020 which was required to be supplied within 45 days. But the supply was not made till the date of audit. The local office neither cancelled the supply orders nor alternate arrangements for the purchase of medicines. Thus, on one hand the people of the locality were deprived of the basic facility of medicine and on the other hand, the Government money drawn in anticipation of actual demand and the money was blocked for a considerable time period which need justification. Detail as per Annexure-2:

The lapse occurred due to weak financial control which, which deprived the public of the locality from the basic health facilities.

The matter was reported to the Management in August 2020, stated that detailed report would be submitted in due course of time.

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

Audit recommends to ensure complete supply of medicines besides fixing responsibility for such abnormal delay.

**AIR No. 06 (2019-20)**

**2.5.1.4 Irregular expenditure on account of purchase of firewood and IT Equipment – Rs 4.091 million**

According to KPK Public Procurement Regulatory Authority, all the Government Departments/Procuring Entities in KPK must ensure registration of service providing firms with KPK revenue authority for the purpose of sales tax.

District Education Officer (Male) Chitral Upper incurred an expenditure of Rs 4,092,180 on account of purchase of firewood and IT equipment from General Order Suppliers during the financial year 2019-20. On scrutiny of record, it was observed that the suppliers were not registered with the KP Revenue Authority. The irregularity led that the local office extended undue favor to the suppliers instead to safeguard the public money. Detail is as under:

S. No.	Particular	Name of firm	Amount (Rs)
1	IT Equipments	Bourag Computer Suppliers Chitral	2,381,000
2	Hot and Cold Charges	Naseeruddin General Order Supplies Chitral	1,711,180
<b>Total</b>			<b>4,092,180</b>

The lapse occurred due to weak financial control, which resulted in violation of Government rules.

The matter was reported to the Management in November 2020, but did not respond to the observation.

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

Audit recommends to justify the expenditure.

**AIR No. 02 (2019-20)**

#### **2.5.1.5 Irregular Purchase of furniture - Rs 845,978**

According to Directives of the Peshawar High Court in its decision in writtenpetitionNo4091-9/2016 dated 7-12-16 the High Court Peshawar was observed with serious concern that the department concerned shall take care of the healthy competition between different entities, supplying material and would not make it practice nor precedent o deprive other competitors in the process of Supply items, in future nor this be precedent for supply of the items from the same entity (SIDB), even if their record in supply is not healthy in matter of quality, quantity. Moreover, according to Rule-1 Chapter-II of KPPRA Rules 2014, save as otherwise provided here in after and subject to the provisions of rule 10, the procuring entity shall use open competitive bidding as the principal method of procurement for the procurement of goods over the value of Rs. 100,000.

District Education Office (Female) Chitral Upper incurred expenditure of Rs 845,978 on account of purchase of furniture during the financial year 2019-20. During scrutiny of record, it was observed that the local office awarded contract to Pak German Wood Working Centre Chitral instead of inviting open tender to achieve economy in the rates which caused loss to the public exchequer as well as violation of the Peshawar High Court Decision and KPPRA rules 2014 as mentioned in above criteria.

The lapse occurred due to weak financial control, which resulted in loss to government and violation of High Court Decision as well as KPPRA rules 2014.

The matter was reported to the Management in November 2020, but did not respond to the observation.

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

Audit recommends inquiry into probable cause of irregularities and loss to Government.

**AIR No. 03 (2019-20)**

## **2.5.2 Value for money and service delivery issues**

### **2.5.2.1 Nonpayment of land compensation to the land owner – Rs 2.200 million**

According to Para 95 of General Financial Rules Volume I, all anticipated saving should be surrendered well before close of financial year.

Deputy Commissioner Chitral Upper paid Rs 2,200,000 during the financial year 2019-20 as land compensation. The award was announced but the amount of compensation was not paid to the land owners and retained by the local office so far.

The lapse occurred due to weak financial control which resulted in unnecessary retention of money.

The matter was reported to the Management in July 2020, stated that due to disputes among the land owners, the cheques have not been paid.

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

Audit recommends immediate payment of land compensation to the concerned land owners duly supported by documentary proofs.

**AIR No. 02 (2019-20)**



### 2.5.3 Others, including cases of accidents, negligence etc.

#### 2.5.3.1 Non reconciliation of Revenue Deposit – Rs 43.586 million

Para 89(4) (viii-2) of GFR Vol-I requires that main object of the reconciliation is to ensure that the departmental accounts are sufficiently accurate to render possible and efficient departmental control of expenditure.

Deputy Commissioner Chitral Upper paid Rs 43,586,610 on purchase of land for various departments in the financial year 2019-2020. During scrutiny of record it came to notice that no reconciliation was made with the concerned. In the absence of reconciliation, the transaction at the district level remained unverified. Detail is as under:

S. No.	Particulars	Total Cost of land (Amount in Rs)
1	Boni Bazar to Guest House Road	14,646,984
2	Construction of Rang Office Wildlife Deptt:Mastuj	2,408,868
3	Land compensation Polo Ground Kusht	585,278
4	BoniBuzund Road at Istaru	701,977
5	Boni Bridge to Boni Bazar Road	25,243,503
<b>Total</b>		<b>43,586,610</b>

The lapse occurred due to weak financial control, which resulted in an unauthentic receipts and payments of land compensation.

The matter was reported to the Management in July 2020, stated that the amount was lying in the designated account. Reconciliation with the NBP would be provided.

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

Audit recommends to make reconciliation under intimation to audit.

**AIR No. 06 (2019-20)**

### **2.5.3.2 Non reporting of clinical efficacy of medicines – Rs 2.683 million**

According to MCC rules 2019-20 clinical efficacy report is mandatory to collect by the head of the office for onward submission to headquarter concerned.

District Health Officer Chitral Upper issued medicines of Rs 2,683,000 to various health units for the treatment of patients during the financial year 2019-20. As per MCC rules 2019-20 the head of the office was required to collect clinical efficacy report quarterly from the health units for onward submission to the quarter concerned to know the effectiveness of the medicines issued to the patients, but the local office failed to do so which was clear violation of the MCC rules.

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

The matter was reported to the Management in August 2020, stated that all the medicines have been purchased through MCC approved list and there were no adverse reports received from any health institution till now. Reply was not convincing as Clinical Efficacy reports were not submitted by any health institution.

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

Audit recommends inquiry into probable cause of irregularities.

**AIR No. 03 (2019-20)**

**2.5.3.3 Unauthentic expenditure on account of transportation charges  
- Rs 9.235 million**

Rule 174 of CTR Vol-I states, that all payment must be supported with acknowledgement.

District Health Officer Chitral Upper withdrew Rs 9,223,500 on account of transportation charges and paid to M/S Mughal Baz Government Contractor during the financial year 2019-20. The expenditure was charged on transportation of medicines from main store to various health units situated in the district. On Scrutiny of record, it was observed that no acknowledgements of the health units were available on the record of the local office. In the absence of such documents, the expenditure made on transportation was unauthentic which needs justification.

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

The matter was reported to the Management in August 2020, stated that APRs of health units were available and would be submitted in due course of time.

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

Audit recommends to justify the payment.

**AIR No. 12 (2019-20)**

**2.5.3.4 Overpayment on account of compulsory acquisition of land –  
Rs 4.279 million**

Section 18(1) of Land Acquisition Act 1894 provides that any person interested who has not accepted the award may, by written application to the collector, require that the matter be referred by the collector for the determination of the Court, whether his objection be to the measurement of the land, the amount

of the compensation, the person to whom it is payable or the apportionment of the compensation among the persons interested.

Section 18(2) the Act requires that the application shall state the grounds on which objection to the award is taken.

Section 20 a & b of Land Acquisition Act 1894 requires that the court shall thereupon cause a notice specifying the day on which the court will proceed to determine the objection, and directing their appearance on that day to be served on the applicant and all persons interested in the objection.

According to section 23(2) of Land Acquisition Act 1894,”in addition to the market value of the land as above provided, the court shall in every case award a sum of 15% on such market value, in consideration of the compulsory nature of the acquisition”.

Deputy Commissioner Chitral Upper paid an amount of Rs 28,527,207 on account of acquisition of land and overpaid thereon Rs 4,279,079 as 15% compulsory acquisition charges during 2019-20. Audit observed the following points that:

1. Compulsory acquisition charges were allowed at initial stage of acquisition
2. No written objection, obstruction, refusal or appeal made to the Collector/Court by the owner.
3. 15% compulsory acquisition charges shall be allowed by the court under section 23(2) of the Act, not by the other authority. Under section 3(d) of the Act “Court” means an additional District Judge is judge of **Principal Civil Court** of original jurisdiction, an Additional District Judge, like the District Judge himself, is a judge of such court, and as such he competent to hear and dispose of the reference under the Land Acquisition Act which are over to him for disposal by the District Judge. The expression “Court” does not include Collector.

4. The cases were neither referred to Court nor any proceeding was undertaken/ carried out under section 20(a) & (b) mentioned in the criteria. Detail of compulsory acquisition. Detail is as under:

S.No.	Particulars	Cost of Land (Rs)	15% compulsory Charges (Rs)
1	Boni Bazar to guest house road	10,076,550	1,511,482
2	Construction of Rang Office Wild life Deptt mastuj.	2,032,800	304,920
3	Land compensation polo ground kusht	500,238	75,035
4	BoniBuzund Road at istaru	592,386	88,858
5	Boni Bridge to Boni Bazar Road	15,325,233	2,298,784
<b>Total</b>		<b>28,527,207</b>	<b>4,279,079</b>

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

The matter was reported to the Management in July 2020, stated that detailed reply would be given after consultation with Board of Revenue.

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

Audit recommends to recover the payment.

**AIR No. 01 (2019-20)**

#### **2.5.3.5 Irregular/Misclassification of expenditure Rs 1.871 million**

Para 9 of GFR Vol.-I states that as general rule no authority may incur any expenditure until the expenditure has been sanctioned by an authority to which power has been duly delegated in this behalf and the expenditure has been provided in the authorized grants and appropriations for the year.

District Education Office (Female) Chitral Upper incurred an expenditure of Rs.1,871,800 on account of purchase of Laptops/desktop during the financial year 2019-20. During scrutiny of record, it was observed that the expenditure was debited to the object head (A09601- Purchase of Machinery and Equipment) instead of object head (A09203-Purchase of IT Equipment). Thus, the expenditure made was misclassified which needs justification.

Audit observed that misclassification of the expenditure occurred due to weak internal control, which resulted in violation of government orders.

The matter was reported to the Management in November 2020, but did not respond to the observation.

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

Audit recommends inquiry into the probable cause of misclassification.

**AIR No. (2019-20)**

**2.5.3.6 Unverified expenditure of funds transferred to AKHSP – Rs 7.147 million**

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

During audit of the District Health Officer Chitral Upper for the financial year 2019-20, it came to notice that an amount of Rs 7,147,089 was transferred by the local office to Agha Khan Health Support Project (AKHSP) under salary and non salary expenditure. The amount remained unverified as no record was available in the local office for verification.

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

The matter was reported to the Management in July 2020, stated that detailed report would be submitted in due course.

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

Audit recommends to provide the relevant record.

**AIR No. 16 (2019-20)**

## **CHAPTER-3**

### **Tehsil Municipal Administration**

#### **3.1 Introduction**

District Chitral Upper has two Tehsils i.e. Mastuj and Mulkoh. 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 expenditures and receipts****(Rs. in million)**

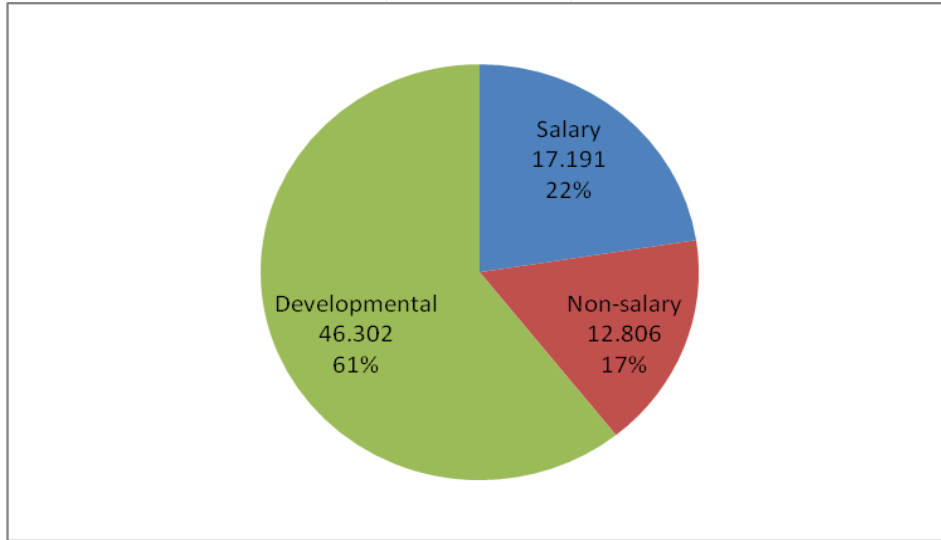
Sr No	Description	Total Nos	Audited	Expenditure audited FY 2019-20	Revenue /Receipts audited FY 2019-20
1	Formations	2	2	76.299	
	<b>Total</b>	<b>2</b>	<b>2</b>	<b>76.299</b>	

**3.2 Comments on Budget and Accounts (Variance Analysis)****(Rs. in million)**

2018-19	Budget	Actual Expenditure/ Receipts	(Saving)/Excess	%age
Salary	35.367	17.191	18.176	50%
Non-salary	23.16	12.806	10.354	44%
Developmental (A/C-IV)	68.546	46.302	22.244	32%
Developmental (A/C-I)	0	0	0	
<b>Total</b>	<b>127.073</b>	<b>76.299</b>	<b>50.774</b>	
<b>Receipts</b>				

The savings of Rs 50.774 million indicate inefficiency in the capacity of Tehsil Municipal Administration Departments to utilize the amount allocated fund.

**EXPENDITURE 2019-20**  
**(Rs. in million)**



**3.3 Classified Summary of Audit Observations**

Audit observations amounting to Rs. 37.024 million were raised in this audit report. This amount also includes recoverable of Rs. 13.537 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

Sr. No.	Classification	Amount (Rs.)
1	Irregularities	
A	Procurement related irregularities	8.546
2	Value for money and service delivery issues	12.137
3	Others, including cases of accidents, negligence etc.	16.341
	<b>Total</b>	<b>37.024</b>

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

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

<b>Sr. No.</b>	<b>Audit Year</b>	<b>TAC meeting</b>
1	2016-17	Not Convened
2	2017-18	Not Convened
3	2018-19	Not Convened
4.	2019-20	Not convened

### **3.5 AUDIT PARAS**

#### **3.5.1. Irregularities and Non-Compliance**

##### **A- Procurement related irregularities**

#### **3.5.1.1 Irregular expenditure on installation of GI and HDPE pipes- Rs1.526 million**

According to circular No11/Dev-14/PHE (N) dated 14-7-2015 in order to stop the entry of the sub-slandered product the field staff must be instructed to adopt the following quality assurance steps for compliance:

- i. Original Manufacturer/confirmation through his letter head and seal.
- ii. Gate Pass No./Sales Tax invoice.
- iii. Confirmation that manufacturers all documents are original
- iv. Code No, on Product (year, month, date)

Tehsil Municipal Officer Mastuj incurred an expenditure of Rs.1,526,132 on account of supply and fixing of HDPE pipes in water supply schemes during the financial year 2019-20. On scrutiny of record, it was observed that that the local office did not adopt the following quality assurance steps to ensure the quality of pipes as well as the health of the people of locality.

- i. Original Manufacturer/confirmation through his letter head and seal.
- ii. Gate Pass No. /Sales Tax invoice.
- iii. Confirmation that manufacturers all documents are original.
- iv. Code No, on Product (year, month, date).

In the absence of the above-mentioned documents the entry of substandard Pipes cannot be rolled out. Detail as per annexure-3.

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

The matter was reported to the Management in November 2020, but did not respond to the observation.

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

Audit recommends enquiry into the probable cause of irregularity.

**AIR No. 02 (2019-20)**

**3.5.1.2 Irregular Award of Civil Works on abnormal below rate - Rs1.000 million**

According to letter No.PO(LG)KPPRA/2017-18 dated 10/7/2017 abnormal below tender 40%-65% be discourage in order to achieve the objective laid down in Section 2 (q) of the KPPRA Rules

Tehsil Municipal Officer Mastuj awarded various developmental schemes to the contractors with estimated cost of Rs.1,000,000 during the financial year 2019-20. During scrutiny of record, it came to notice that contractors offered abnormal below rates which were accepted by the local office without analyzing /evaluating the lowest rate, which was clear violation of the above-mentioned criteria. The abnormal below rate was a questionable mark on the specification and standardization of the work. Detail is as under:

S. No.	Particular	Name of work	Amount (Rs)	Remarks
1	DDI	Const: of further Extension of paw sum Road Kurag	700,000	40% below
2	DDI	Const: of Jeepable Road Mulgaht	300,000	40% below
<b>Total</b>			<b>1,000,000</b>	

Audit observed that award of abnormal below rates occurred due to weak internal control, which resulted in violation of rules.

The matter was reported to the Management in November 2020, but did not respond to the observation.

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

Audit recommends inquiry into the probable cause of below rates.

**AIR No. 03 (2019-20)**

**3.5.1.3 Irregular expenditure on installation of GI and HDPE pipes  
- Rs 3.800 million**

According to circular No11/Dev-14/PHE (N) dated 14-7-2015 in order to stop the entry of the sub-slandered product the field staff must be instructed to adopt the following quality assurance steps for compliance:

- i. Original Manufacturer/confirmation through his letter head and seal.
- ii. Gate Pass No./Sales Tax invoice.
- iii. Confirmation that manufacturers all documents are original
- iv. Code No, on Product (year, month, date)

Tehsil Municipal Officer Mulkoh incurred an expenditure of Rs. 3,800,000 on account of supply and fixing of HDPE pipes in water supply schemes during the financial year 2019-20. On scrutiny of record, it was observed that that the local office did not adopt the following quality assurance steps to ensure the quality of pipes as well as the health of the people of locality.

- i. Original Manufacturer/confirmation through his letter head and seal.
- ii. Gate Pass No. /Sales Tax invoice.
- iii. Confirmation that manufacturers all documents are original.

iv. Code No, on Product (year, month, date).

In the absence of the above-mentioned documents, the entry of substandard pipes could not be ruled out. Detail as per annexure-4:

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

The matter was reported to the Management in November 2020, but did not respond to the observation.

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

Audit recommends inquiry into the probable cause of irregularity.

**AIR No. 03 (2019-20)**

**3.5.1.4 Irregular Award of Civil Works on abnormal below rate - Rs 2.220 million**

According to letter No.PO(LG)KPPRA/2017-18 dated 10/7/2017 abnormal below tender 40%-65% be discourage in order to achieve the objective laid down in Section 2 (q)of the KPPRA Rules

Tehsil Municipal Officer Mulkoh awarded various developmental schemes to the contractors with estimated cost of Rs. 2,220,000 during the financial year 2019-20. During scrutiny of record, it came to notice that contractors offered abnormal below rates which were accepted by the local office without analyzing /evaluating the lowest rate, which was clear violation of the above-mentioned criteria. The abnormal below rate was a questionable mark on the specification and standardization of the work. Detail as per annexure-5:

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

The matter was reported to the Management in November 2020, but did not respond to the observation.

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

Audit recommends inquiry into the probable cause of below rates.

**AIR No. 01 (2019-20)**



### 3.5.2 Value for money and service delivery issues

#### 3.5.2.1 Loss to Government due to non-deduction of income tax – Rs 2.024 million

According to Finance Department Khyber Pakhtunkhwa Notification NO SO(Dev-II) FD/12-6/14-5 dated 05.01.2015, the Competent Authority has been pleased to direct that all Provincial Works Departments, while preparing Cost Estimates of developmental projects which fall in the tax exempted areas such as PATA, shall frame the same on Market Rate System-2013 (MRS-2013) but with 7% less cost to defray the amount added in the rate analysis of all works/construction/supply items to meet withholding tax.

Tehsil Municipal Officer Mastuj awarded various developmental work with estimated cost of Rs. 56,100,000 during the financial year 2019-20 but 7% income tax amounting to Rs. 2,024,450 were neither adjusted in the PC-I/estimates as per instructions nor deducted from the contractors' bills. Detail as is under:

S. No.	Particular	No of Schemes	Total E.Cost (Rs)	Expenditure (Rs)	7% income tax (Rs)
1	Special package of development initiatives	46	17,200,000	8,808,345	616,584
2	Priority Project	42	15,550,000	8,976,736	628,371
3	District Development Initiatives	56	23,350,000	11,135,655	779,495
<b>Total</b>		<b>144</b>	<b>56,100,000</b>	<b>28,920,736</b>	<b>2,024,450</b>

Non deduction of income tax occurred due to weak financial control, which resulted in loss to the Government.

The matter was reported to the Management in November 2020, but did not respond to the observation.

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

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

**AIR No. 01 (2019-20)**

**3.5.2.2 Loss to Government due to non-deduction of income tax  
– Rs 1.567 million**

According to Finance Department Khyber Pakhtunkhwa Notification NO SO(Dev-II) FD/12-6/14-5 dated 05.01.2015, the Competent Authority has been pleased to direct that all Provincial Works Departments, while preparing Cost Estimates of developmental projects which fall in the tax exempted areas such as PATA, shall frame the same on Market Rate System-2013 (MRS-2013) but with 7% less cost to defray the amount added in the rate analysis of all works/construction/supply items to meet withholding tax.

Tehsil Municipal Officer Mulko awarded various developmental work with estimated cost of Rs 22,399,000 during the financial year 2019-20 but 7% income tax amounting to Rs 1,567,930 were neither adjusted in the PC-I/estimates as per instructions of the Finance Department nor deducted from the contractors' bills. Detail is as under:

S. No.	Particular	No of Schemes	Total E.Cost (Rs)	7% income tax (Rs)
1	Tehsil ADP	137	223,99,000	1,56,7930

Non deduction of income tax occurred due to weak financial control, which resulted in loss to the Government.

The matter was reported to the Management in November 2020, but did not respond to the observation.

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

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

**AIR No. 02 (2019-20)**

### **3.5.3 Others, including cases of accidents, negligence etc.**

#### **3.5.3.1 Non-imposition of penalty for delay in completion of works – Rs 1.400million**

According to clause 2 of the conditions of contract agreement, 1% should be deducted from the contractor's bill for every day delay. The penalty is subject to maximum of 10%.

Tehsil Municipal Officer Mastuj awarded contracts of various developmental schemes to different contractors with estimated cost of Rs14,000,000 during the financial year 2019-20. The schemes were not completed in stipulated period of time and even till the dates of audit i.e. October 2020. The local office neither granted time extension to the contractors nor penalty @10% amounting to Rs. 1,400,000 was imposed and recovered. Detail as per Annexure-6:

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

The matter was reported to the Management in November 2020, but did not respond to the observation.

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

Audit recommends investigation for fixing responsibility and immediate recovery.

**AIR No. 04 (2019-20)**

### **3.5.3.2 Irregular expenditure without Technical sanction - Rs 11.391 million**

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

Tehsil Municipal officer Mastuj awarded various developmental schemes with estimated cost of Rs 11,391,959 during the financial year 2019-20. Audit observed that Technical Sanction of the competent authority was not obtained. Thus, the commencement of work without Technical Sanction were irregular. Detail as per annexure-7.

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

The matter was reported to the Management in November 2020, but did not respond to the observation.

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

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

**AIR No. 05 (2019-20)**

### **3.5.2.3 Irregular expenditure without Technical sanction-Rs 3.550 million**

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

Tehsil Municipal officer Mulko awarded various developmental schemes with estimated cost of Rs 3,550,000 during the financial year 2019-20. Audit observed that Technical Sanction of the competent authority was not obtained. Thus, the commencement of work without Technical sanction were irregular. Detail as per annexure-8.

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

The matter was reported to the Management in November 2020, but did not respond to the observation.

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

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

**AIR No. 04 (2019-20)**

## ANNEXURES

### Annex-1

#### (Detail of MFDAC Paras)

(Rs in million)

S. No.	Department	AIR No	Caption	Amount
1	Deputy Commissioner	3	Non transfer of 2% propriety tax to concerned department.	0.571
2		4	Non deposit of 1.5% stamp duty and registration fee into Government treasury.	0.428
3		7	Difference in expenditure between FTR-7 and FTR-8.	17.930
4		10	Non adoption of open tender system.	1.189
1	District Health Officer	2	Loss to government due to non imposition of penalty.	0.497
2		4	Unauthorized issuance of medicines to irrelevant units.	0.393
3		5	Non-issue of medicines.	0.794
4		7	Loss to Government due to non imposition of penalty.	0.141
5		9	Non deduction of professional tax.	0.056
6		10	Non deposit of stamp duty.	0.139
7		11	Non deduction of DPR fund.	0.044
8		13	Non adoption of open tender system on account of purchase of furniture.	0.998
9		14	Non-Deduction of House Rent and Conveyance Allowance.	0.282
10		15	Non Deduction of HPA and Conveyance Allowance.	0.085
11		17	Non retention of 1/5 <sup>th</sup> of sales tax.	0.171

**Annex-2**  
**Para No. 2.5.1.3**

**DETAIL OF MEDICINES**

<b>S. No.</b>	<b>Name of firm</b>	<b>Name of medicines</b>	<b>D/O supply order</b>	<b>Quantity</b>	<b>Rate</b>	<b>Total Amount (Rs)</b>	<b>Page No.</b>	<b>Remarks</b>
1	Stanly	Paracetamol	9-3-20	300,000	1.10	330000	78	Non supply
2	Stanly	Mefinamic	9-3-20	100,000	1.05	105,000	172	Non supply
3	Cirin	Inj: AntiRabbies	20-5-20	325	738.31	239950	169	Non supply
4	Glaxo	Amoxil	9-3-20	272	499.95	122388	150	Non supply
5	Stanly	Metronidizole	9-3-20	3000	29.00	87000	52	Non supply
6	Stanly	Paracetamol	9-3-20	3000	28	84000	66	Non supply
7	Stanly	Mefinamic	9-3-20	100,000	1.05	105,000	72	Non supply
8	Stanly	Paracetamol	9-3-20	150,000	1.10	165000	72	Non supply
9	Stanly	Paracetamol	9-3-20	2180	28	61040	78	Non supply
10	Stanly	Manacid	9-3-20	2000	35	70000	66	Non supply
11	Stanly	Ibuprofen	9-3-20	1000	38.90	38900	216	Non supply
<b>Total</b>						<b>1,408,278</b>		

**Annex-3**  
**Para No. 3.5.1.1**

**Detail of pipes TMA Mastuj**

<b>S. No.</b>	<b>Particular</b>	<b>Name of work</b>	<b>Name of Firm</b>	<b>Amount</b>
1	ADP	WSS at GHS Bang	M/S Rizauddin	102,083
2	ADP	Repair of WSS Lasht Harchin	Kam Constraction	84,238
3	ADP	WSS for GHS Chuinj	Begal And Co	112,352
4	ADP	Repair of WSS Pipe Line Sarghuz	Bahadar Wali	195,280
5	ADP	Provision of Pipe lines U/C Laspur	M/S Gulistan & Sons	66,272
6	DDI	Provision of W/pump for T/Well Syedandeh Syed Bul Ali Shah	Syed Fida Hussain	181,847
7	PP	Provision of W/pump for T/Well Syedandeh Breep	Syed Fida Hussain	21,711
8	PP	Wasum Irreg pipe yarkhun	Fazilat Ali Shah	401,137
9	PP	WSS Ramanich Zera C/o Syed Ahmad Ex MPA	Sultan Wali Khan	361,212
<b>Total</b>				<b>1,526,132</b>



**Annex-4**  
**Para No. 3.5.1.3**

**Detail of pipes TMA Mulkoh**

<b>S. No.</b>	<b>Name of work</b>	<b>Name of Firm</b>	<b>Amount (Rs)</b>
1	Provision of irreg channel terich UC	Subhan Uddin	100,000
2	Provision of irreg pipe Werzanue terich	Subhan Uddin	100,000
3	Provision of pipe at madak	Masroor	100,000
4	Provision of pipes UC Shagram C/o Engineer Sami	Subhan Uddin	300,000
5	Purchase of pipes Nishko Payeen	M/S Amanullah	200,000
6	Provision of pipes for UC mulko	Subhan Uddin	150,000
7	Purchase of pipes kushum	M/S Amanullah	100,000
8	Provision of pipe at madak	Subhan Uddin	300,000
9	Provision of pipe warkup	Subhan Uddin	300,000
10	Provision of pipe morder payeen	M/S Qashqar Builders	300,000
11	Provision of 3" dia Nogram	Subhan Uddin	300,000
12	Pipe line shadokan guch	Sohail Ahmad	300,000
13	WSS Sarwar abad Kosht	Sohail	200,000
14	Provision of Pipes Gohkir	M/S Subhan	500,000
15	Provision of Pipes for U/C owir	Masroor	100,000
16	Provision of Pipes for U/C owir	Subhan uddin	200,000
17	Provision of Pipes for U/C owir	Subhan uddin	250,000
<b>Total</b>			<b>3,800,000</b>

**Annex-5**  
**Para No. 2.5.1.6**

**Detail of schemes awarded on abnormal below rate TMA Mulkoh**

<b>S. No.</b>	<b>Name of work</b>	<b>Name of Firm</b>	<b>Amount (Rs)</b>	<b>Remarks</b>
1	Provision of pipe at madak	Subhan uddin	300,000	42.56%
2	Provision of pipe warkup	Subhan uddin	300,000	44.56%
3	Provision of Pipes Gohkir	M/S Subhan	500,000	44.56%
4	Repair of road Channel	Qashaqar builder	170,000	40%
5	Const: of j/bridgeParech gole	Sardar Ghani	300,000	40%
6	Provision of Pipes for U/C owir	Subhan uddin	200,000	42%
7	Provision of Pipes for U/C owir	Subhan uddin	250,000	41.46%
8	Repair of Channel Shagram	Masroor	200,000	40.75%
<b>Total</b>			<b>2,220,000</b>	

**Annex-6**  
**Para No. 3.5.1.7**

**Detail of penalty TMA Mastuj**

S. No.	Particular	Name of work	W/O Date	Period of completion	Amount (Rs)	Amount of penalty (Rs)
1	District ADP	WSS at GHS Bang	1/5/2019	6 month	200,000	20,000
2	District ADP	Repair of WSS Lasht Harchin	1/5/2019	6 month	150,000	15,000
3	District ADP	WSS for GHS Chuinj	1/5/2019	6 month	200,000	20,000
4	District ADP	Repair of WSS Pipe Line Sarghuz	1/5/2019	6 month	200,000	20,000
5	District ADP	Provision of Pipe lines U/C Laspur	1/5/2019	6 month	70,000	7,000
6	District ADP	Repair of Parwak Hospital	1/5/2019	6 month	100,000	10,000
7	District ADP	Const: of Culverts Sor Laspur	1/5/2019	6 month	247,000	24,700
8	District ADP	Sports and culture at Sor laspur	1/5/2019	6 month	100,000	10,000
9	District ADP	Repair of A/Class RomGGMSat H/laspur	1/5/2019	6 month	100,000	10,000
10	District ADP	Const: of link road Parwak Payeen	1/5/2019	6 month	300,000	30,000
11	District ADP	Reh: of link Road tordeh Balim C/O Sub Ali	1/5/2019	6 month	103,000	10,300
13	District ADP	Improvement of Sarghuz road	1/5/2019	6 month	200,000	20,000
14	District ADP	Const: of A/Room Primery School Sarghuz	1/5/2019	6 month	700,000	70,000
15	District ADP	Rep: of Link Road C/O Dr inyathullah	1/5/2019	6 month	250,000	25,000
16	District ADP	Const: of link Road center thana Mastuj	1/5/2019	6 month	130,000	13,000
17	DDI	Protection wall Choklan terich	6/4/2018	6 month	300,000	30,000
18	DDI	Provision of W/pump for T/Well Syedandeh Syed Bul Ali Shah	6/4/2018	6 month	400,000	40,000
19	DDI	Const: of further Extension of pawasum Road Kurag	6/4/2018	6 month	700,000	70,000
20	DDI	Completion of Was Gole Bridge	6/4/2018	6 month	300,000	30,000
21	DDI	Completion of irrigation channel kand yar khun	6/4/2018	6 month	300,000	30,000
22	DDI	Reconstruction of Masjid Khot Gessu	6/4/2018	6 month	300,000	30,000
23	DDI	Reconstruction of DoK Boni	6/4/2018	6 month	300,000	30,000

		Road				
24	DDI	Link Road Bang Bala	6/4/2018	6 month	350,000	35,000
	DDI	Repair of Jammia Masjid to Shakaran deh Boni	6/4/2018	6 month	200,000	20,000
25	DDI	Restoration of Road Qaqlasht to Kushum	6/4/2018	6 month	300,000	30,000
26	DDI	Protection wall for power house Wazum Nalla	6/4/2018	6 month	300,000	30,000
27	DDI	Const: of Jeepable Road Mulgaht	6/4/2018	6 month	300,000	30,000
	DDI	Const: of Link Road Tek lasht Booni	6/4/2018	6 month	200,000	20,000
29	DDI	Water Channel Nogh Door Cholandur Shagram C/O Molana Sher Aziz	6/4/2018	6 month	350,000	35,000
30	SPDI	Link Road Shagram	6/4/2018	6 month	350,000	35,000
31	SPDI	P/wall wazum Nallah near Makhtoom House	,zl	6 month	300,000	30,000
32	SPDI	Darululoom Masjid C/o Haji Azmat Ullah	6/4/2018	6 month	400,000	40,000
33	SPDI	Pipe for irrigation Channel Shotar Wazir Bagandeh Mulkoh	6/4/2018	6 month	300,000	30,000
34	SPDI	Repair of Road Mehtarbakandur	6/4/2018	6 month	200,000	20,000
35	SPDI	Protection wall partrangaz	6/4/2018	6 month	350,000	35,000
36	SPDI	Protection wall terich payeen	6/4/2018	6 month	600,000	60,000
37	SPDI	Civil Channel Soragh kushum	6/4/2018	6 month	300,000	30,000
38	SPDI	Const: of jami masjid kushum Bazar	6/4/2018	6 month	300,000	30,000
39	PP	Re –construction of Disp Uthool Area	6/4/2018	6 month	300,000	30,000
40	Pp	Repair of saht Road Dronu	6/4/2018	6 month	350,000	35,000
41	Pp	Const: of Road Boxir Booni	6/4/2018	6 month	300,000	30,000
42	PP	Prot: wall Buzund Torkuow	6/4/2018	6 month	300,000	30,000
43	PP	Street Pvt Main Road to jamat khana tek lasht Boni	6/4/2018	6 month	400,000	40,000
44	Pp	Water Channel Ujnu	6/4/2018	6 month	350,000	35,000
45	Pp	Protection Wall Shagram Charantak	6/4/2018	6 month	400,000	40,000
46	PP	Irrigation Channel shagram torkhow	6/4/2018	6 month	550,000	55,000
47	PP	Const: of jamia masjid wekup	6/4/2018	6 month	300,000	30,000
<b>Total</b>					<b>14,000,000</b>	<b>1,400,000</b>

**Annex-7**  
**Para No. 3.5.1.8**

**Detail of TS TMA Mastuj**

<b>S. No.</b>	<b>Particular</b>	<b>Name of work</b>	<b>Amount (Rs)</b>
1	District ADP	Const: of link road Parwak Payeen	300,000
2	District ADP	Const: of A/Room Primery School Sarghuz	741,959
3	DDI	Protection wall Choklan terich	300,000
4	DDI	Provision of W/pump for T/Well Syedandeh Syed Bul Ali Shah	400,000
5	DDI	Const: of further Extension of pawasum Road Kurag	700,000
6	DDI	Completion of Was Gole Bridge	300,000
7	DDI	Completion of irrigation channel kand yar khun	300,000
8	DDI	Reconstruction of Masjid Khot Gessu	300,000
9	DDI	Reconstruction of DoK Boni Road	300,000
10	DDI	Link Road Bang Bala	350,000
11	DDI	Restoration of Road Qaqlasht to Kushum	300,000
12	DDI	Protection wall for power house Wazum Nalla	300,000
13	DDI	Const: of Jeepable Road Mulgaht	300,000
14	DDI	Water Channel Nogh Door Cholandur Shagram C/O Molana Sher Aziz	350,000
15	SPDI	Link Road Shagram	350,000
16	SPDI	P/wall wazum Nallah near Makhtoom House	300,000
17	SPDI	Darululoom Masjid C/o Haji Azmat Ullah	400,000
18	SPDI	Pipe for irrigation Channel Shotar Wazir Bagandeh Mulkoh	300,000
19	SPDI	Protection wall partrangaz	350,000
20	SPDI	Protection wall terich payeen	600,000
21	SPDI	Civil Channel Soragh kushum	300,000
22	SPDI	Const: of jami masjid kushum Bazar	300,000
23	PP	Re –construction of Disp Uthool Area	300,000
24	Pp	Repair of saht Road Dronu	350,000
25	Pp	Const: of Road Boxir Booni	300,000
26	PP	Prot: wall Buzund Torkuow	300,000
27	PP	Street Pvt Main Road to jamat khana tek lasht Boni	400,000
28	Pp	Water Channel Ujnu	350,000
29	Pp	Protection Wall Shagram Charantak	400,000
30	PP	Irrigation Channel shagram torkhow	550,000
31	PP	Const: of jamia masjid wekup	300,000
<b>Total</b>			<b>11,391,959</b>

**Annex-8**  
**Para No. 3.5.1.9**

**Deail of TS TMA Mulkoh**

<b>S. No.</b>	<b>Name of scheme</b>	<b>Name of contractor</b>	<b>Amount (Rs)</b>
1	P/Wall Werkop	Masroor	250,000
2	Repair of Road Lone	Subhan ud din	200,000
3	Madrass Mulkhost C/O Ihtisham	Israr Uddin	200,000
4	Repair of solor system Kushum	M/Samiullah	100,000
5	Provision of Pipes for U/C owir	Subhan uddin	900,000
6	Madrasa Muxgholoe	Masroor Masood	200,000
7	Madrasa Drululoom Morder	Masroor Masood	200,000
8	Const: nof W/Tank ZeiadOwir	M/S Amanullah	200,000
9	Const: of J/Bridge ChaninRiri	Subhan uddin	400,000
10	Const: of p/Wall Werkop	Masroor	300,000
11	Repair of Channel Shagram	Masroor	200,000
12	Repair of Civil Channel Guchgar	Subhan uddin	200,000
13	Purchase and fixing of Micro Hydro power Generator	Subhan uddin	200,000
<b>Total</b>			<b>3,550,000</b>