



**AUDIT REPORT
ON
THE ACCOUNTS OF
LOCAL GOVERNMENTS
DISTRICT DIR LOWER**

AUDIT YEAR 2019-20

AUDITOR GENERAL OF PAKISTAN

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ABBREVIATIONS AND ACRONYMS

AD	Assistant Director
AIR	Audit and Inspection Report
AA	Administrative Approval
AP	Advance Para
AG	Accountant General
SDO	Sub Divisional Officer
BHUs	Basic Health Units
C&W	Communication & Works
CPWA Code	Central Public Works Account Code
CPWD Code	Central Public Works Department Code
DAC	Departmental Accounts Committee
DHO	District Health Officer
DO	District Officer
LGA	Local Government Act
LGE & RDD	Local Government, Election & Rural Development Department
MFDAC	Memorandum for Departmental Accounts Committee
M&R	Maintenance and Repair
NSI	Non Schedule Item
PAC	Public Accounts Committee
PAO	Principal Accounting Officer
PCC	Plain Concrete Cement
PEC	Pakistan Engineering Council
PESCO	Peshawar Electricity Supply Company
PHE	Public Health Engineering
RCC	Re-in forced Cement Concrete
SDO	Sub Divisional Officer
TAC	Tehsil Accounts Committee
TS	Technical Sanction
DAC	District 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, Assistant Director Local Government Elections and Rural Development Department, Village Councils and Neighborhood Councils in District Dir Lower for the financial year 2018-19. 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 repeated requests.

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 for laying before the appropriate legislative forum.

Islamabad
Dated:

(Javaid Jehangir)
Auditor General of Pakistan

EXECUTIVE SUMMARY

The Directorate General Audit District Governments, Khyber Pakhtunkhwa carries out audit of Local Governments in 27 District 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 and Chitral.

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 Dir Lower consist of three tiers which perform their operations under Khyber Pakhtunkhwa Local Government Act 2013. 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 including AD Local Government Election & Rural Development Department. The second Tier- Town/Tehsil Municipal Administrations have one PAO i.e. Town/Tehsil Municipal Officer for each administration. There are seven Tehsils administrations in district Dir Lower. The third Tier-village and neighborhood Councils have AD LGE & RDD as Principal Accounting Officer for these councils. There are 198 VC's/NC's in district Dir Lower.

a. Scope of audit

This office is mandated to conduct audit of 216 formations working under 09 PAOs. Total expenditure and receipts of these formations were Rs.8,702.62 million and Rs.213.199 million respectively for the financial year 2018-19.

Audit coverage relating to expenditure for the current audit year comprises 31 formations of 09 PAOs having a total expenditure of Rs.3,607.724 million for the financial year 2018-19. In terms of percentage, the audit coverage for expenditure is 41.46 % of auditable expenditure.

Audit coverage relating to receipt for the current audit year comprises 118 formations of 09 PAOs having a total receipt of Rs.213.199million for the financial year 2018-19. In terms of percentage, the audit coverage for receipts is 100% of auditable receipt.

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.40.611 million was pointed out in this report. No recovery against these figures was reported.

c. Audit Methodology

Audit was conducted after understanding the business processes of Local Governments Dir Lower with respect to their functions, control structure and key controls. This helped auditors in understanding the systems, procedures, environment of the audited entity before starting the audit. Audit used desk audit techniques for analysis of compiled data and review of actual vouchers called for scrutiny and substantive testing.

d. Audit Impact

As a 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 and Internal Audit department

INTOSAI defines the internal control structure as the plans and action of an organization, including management's attitude, methods, procedures and other measures that provide reasonable assurance that the following objectives are achieved:

- a. Assets are safeguarded against loss due to waste, abuse, mismanagement, errors, fraud and other irregularities.
- b. Laws, regulations and management directives are complied with; and
- c. Reliable financial and management data is maintained and fairly disclosed in timely reported.

In most of the offices the internal controls were overridden by the managementspecifically in appointments, procurement of goods and services, deduction of taxes and recovery of government receipts etc. Another basic component of internal control, as envisaged under section 37(4) of LGA 2013, is internal audit which was not found in place in the Local Governments Dir Lower.

f. Key audit findings of the report

- i. Non Compilation/Consolidation of Accounts of Local Governments- Rs. 804.579 million.¹
- ii. Misclassification of developmental expenditure of Rs. 282.64 million²
- iii. Irregularities & Non-Compliance were noted in 19 cases amounting to Rs.276.647 million³
- iv. Values for money were noticed in 18 cases amounting to Rs. 71.737 million.⁴
- v. Others, including cases of accidents, negligence etc.were noted in 13 cases amounting to Rs.332.579 million.⁵

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

¹ Para 1.2.1

² Para 1.2.2

³ Para 2.5.1.1-2.5.1.8,3.5.1.1-3.5.1.8,4.5.1.1-4.5.1.3

⁴ Para 2.5.2.1-2.5.2.7,3.5.2.1-3.5.2.10,4.5.2.1

⁵ Para 2.5.3.1-2.5.3.5,3.5.3.1-3.5.3.7,4.5.3.1

g. Recommendations

- i. Strenuous efforts need to be made by the departments to recover long outstanding dues on account of water charges.
- ii. Deduction of taxes on supplies and contracts need to be ensured.
- iii. 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 pre-empted and fair value for money is obtained from public spending.

CHAPTER-1

Public Financial Management

1.1 Sectoral Analysis

Introduction

After the Local Government Election 2015 in Khyber Pakhtunkhwa (KP), three tiers of government and councils established in district governments, Tehsil Municipal Administration and Village and Neighborhood Councils were set up across the province. In the light of Local Government Act 2013, District Govt Dir Lower, is headed by a Deputy Commissioner who is the Principal Accounting Officer for the budget grant allocated to 10 offices devolved to the District. Tehsil Municipal Administration is headed by Tehsil Municipal Officer, who is the Principal Accounting Officer for the Tehsil Municipal Administration whereas AD LGE & RDD is the Principal Accounting Officers for VCs/NCs.

Funds amounting to Rs. 10,053.184 million were allocated to 216 formations working under 09 PAOs. Expenditure of 8,702.623 million was made resulted into saving of Rs. 1,350.561 million. Whereas receipts of these formations were Rs. 213.199 million for the financial year 2018-19.

Audit coverage relating to expenditure for the current audit year comprises 31 formations of 09 PAOs having a total expenditure of Rs. 3,607.724 million for the financial year 2018-19. In terms of percentage, the audit coverage for expenditure is 41.46% of auditable expenditure, whereas the audit coverage for receipts is 100%.

According to Section 36(3) of Local Government Act 2013, the District Accounts Officer shall, quarterly and annually consolidate the accounts of Local Governments, which were Rs. 804.579 million not consolidated into Local Government Financial Statements. Similarly, the development expenditure of Rs. 282.64million was presented under operating expenses, whereas, this should have been presented under the head "Physical Assets and Civil Works".

District Government, Dir Lower was found lagging behind in many areas envisioned as integral component of the Local Government in the Khyber Pakhtunkhwa Local Government Act 2013. The District Government could not establish & maintain Public Fund account as required under section 30 of LGA 2013. Similarly, it also failed to prepare, present and approve the budget estimates of receipts from district council for District Government, Dir Lower 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, Dir 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 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.

The Local Governments provided services in the following sectors.

Education

The education sector is one of the major sectors in District Dir Lower like other districts. Statistics show that there are 1177 primary, 146 middle, 120 secondary and 49 higher secondary schools in District Dir Lower. The estimated Teacher Student Ratio is 1:40 at primary, 1:18 at middle, 1:23 at secondary and 1:26 at the level of higher secondary schools. District Dir Lower literacy rate is 29% the Gross Enrollment Rate (GER) is 76%, and the Net Enrollment Rate (NER) is 54% at the primary level. On budgetary front, District Education office, Dir Lower.

District Education Offices in Dir Lower enrolled 167,169 in boys schools while 135,520 students were enrolled in female Government schools. Similarly, annual average of teacher's attendance rate and student attendance rate as per independent Monitoring Unit (IMU) data were approximately 91% & 85% respectively. Furthermore, 79% schools in district Dir Lower 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 59%.

Health

Health is another important sector of District Dir Lower with a total of 83 health facilities spread across the district among which 34 BHUs, 25 CDs, 12 MCHs, 04 RHCs and 06 THQs/Category-D hospitals.

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, 15,712 babies were born in health centers/ lab investigations and diagnostic facilities were also fully utilized as 16,624 lab tests, 26,480 X-rays, 2,712 ultrasounds and 4,440 ECGs were done in both primary and secondary health centers in district Dir Lower. Figures of immunization are also very impressive as 1,560 pregnant women received TT-2 vaccines, 4,803 kids under 12 months received full immunization 13,836 families were provided family planning services. Human resource data from facility records revealed that these health centers were amply provided with medical officers and paramedics as only very few positions were found vacant. As these centers were frequently visited by patients for medical 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 were three (01) Darul Kafalas for beggars with the objective to rehabilitate male and females beggars mostly orphan by provision of various services in order to control beggary and to impart vocational training in tailoring. In Dir Lower no beggar were benefited from this facility. Rehabilitation center for drug addicts has 48 beds and it had treated 10 patients during the year. Furthermore various vocational and industrial trainings are provided by the Social Welfare Department. However, keeping in view the spread of drug use and incidence of poverty the efforts made by Social Welfare office are not likely to bring about any visible improvement in the short or long run unless more resources are diverted to this sector.

Municipal Services

Tehsil Councils District Dir Lower were found lagging behind in many areas envisioned as integral component of the 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, the Tehsil Account Officers were not appointed in TMAs and the accounts of receipts and expenditure were not maintained in such form and in accordance with such principles and methods as the Auditor General of Pakistan prescribed as 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, Dir Lower 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. 804.579 million

Criteria

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.

Condition

During certification audit of the accounts of the DAO Dir Lower for the financial year 2018-19, 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. 804.579 million and Rs. 526.710 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.

Cause

Provisions of the Local Govt Act 2013 by Local Governments in District Dir Lower were not complied.

Implication

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.

DAC Decision

Para stands till correction of these omissions.

Recommendation

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

1.2.2 Misclassification of developmental expenditure of Rs. 282.64 million

Criteria

According to Para 4.1.1.3 and of APPM the accounting treatment details the record which needs to be maintained for complete and accurate recording of expenditure and receipts.

Condition

During certification audit of the accounts of the DAO Dir Lower for the financial year 2018-19, audit observed that the statement of cash receipts and payment did not show the correct position as the developmental expenditure of Rs. 282.64 million was presented under operating expenses, whereas, this should have been presented under the head “Physical Assets and Civil Works”.

Cause

The District Officer Finance and Planning Dir Lower budgeted all the developmental expenditure under the head A 03970- others, meant for operating expenses. Resultantly expenditure was also booked by the DAO under the same head of accounts.

Implication

Due to misclassification in budgeting the expenditure was also misclassified under an irrelevant head of account. This action resulted into overstatement of expenditure and understatement of physical assets, thus rendering the financial statement as not presenting the true and fair picture.

DAC Decision

Para stands till correction of this omission.

Recommendation

The budgeting practices of the district govt be rectified in future to enhance the truthfulness and reliability of the financial statements.

CHAPTER-2

District Government

2.1 Introduction

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

According to section 13 of the Khyber Pakhtunkhwa Local Government Act 2013 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 Planed formations expenditures and receipts

S.No.	Description	Total Nos	Audited	Expenditure audited FY 2018-19 (Rs. in million)	Revenue /Receipts audited FY 2018-19 (Rs. in million)
1.	Formations	10	04	2,728.713	-

2.2 Comments on Budget and Accounts (Variance Analysis)

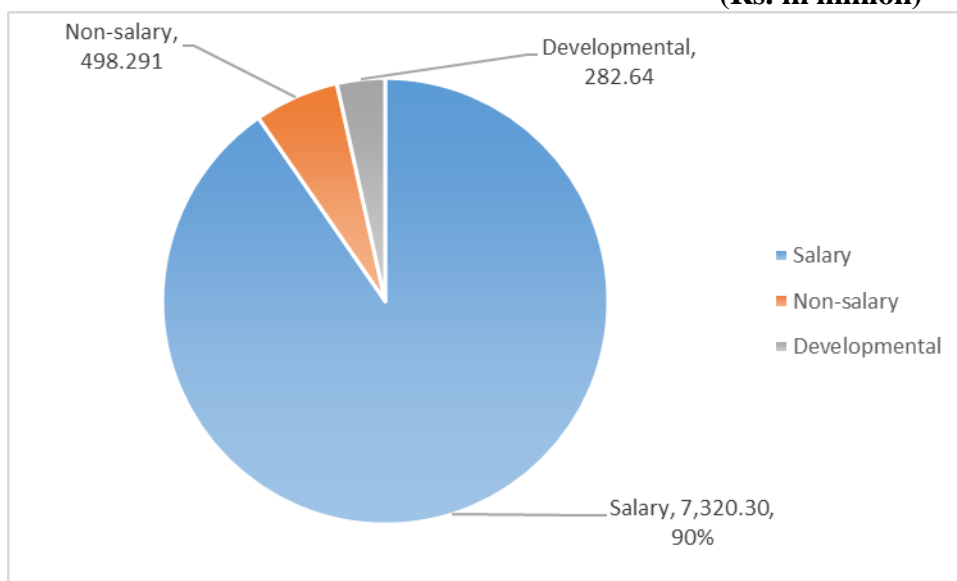
(Rs. in million)

2018-19	Budget	Actual Expenditure/ Receipts	(Saving)/Excess	%age
Salary	7,469.609	7,320.299	(149.310)	2.00
Non-salary	557.506	498.291	(59.215)	10.62
Developmental	657.638	282.640	(374.998)	57.02
Total	8,684.753	8,101.23	(583.523)	6.72

The savings of Rs. 583.523 million indicate inefficiency in the capacity of Local Government Departments to utilize the amount of allocated funds.

EXPENDITURE 2018-19

(Rs. in million)



2.3 Classified Summary of Audit observation

Audit observations amounting to Rs.277.891 million were raised as a result of this audit. This amount also included recoverable of Rs.4.380 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	2.989
B	Procurement related irregularities	89.707
C	Management of Accounts with commercial bank	1.384
2	Value for money and service delivery issues	31.309
3	Others, including cases of accidents, negligence etc.	152.502
	Total	277.891

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 is given below:

S #	Audit Year	DAC meeting
1.	2002-03	Convened
2.	2003-04	Not convened
3.	2004-05	Not convened
4.	2005-06	Not convened
5.	2006-07	Not convened
6.	2007-08	Not convened
7.	2008-09	Not convened
8.	2009-10	Not convened
9.	2010-11	Not convened
10.	2011-12	Convened
11.	2012-13	Not convened
12.	2013-14	Not convened
13.	2014-15	Not convened
14.	2015-16	Not convened
15.	2016-17	Not convened
16.	2017-18	Not convened
17.	2018-19	Not convened

2.5 AUDIT PARAS

2.5.1 Irregularities HR related irregularities

2.5.1.1 Unjustified retention of unspent balance in designated bank accounts -Rs. 2.989 million

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

District Education Officer (Female) Dir Lower retained Rs. 2,989,837 in designated bank accounts. The amount was required to be disbursed amongst the concerned officers/officials after fulfilling the codal formalities.

Unjustified retention in designated bank account occurred due to violation of rules which resulted in loss to the Government.

When pointed out in September 2019, the management stated that as per instructions of the higher authorities the amount of Hard Area Allowance has been drawn from the government treasury according to the actual amount required for payment to the concerned & Paid to the concerned as per TORs. and their tour program. The objective of the scheme is to attract the female supervisory staff in hilly and backward areas/districts an additional allowance @ Rs.50% of their basic pay will be provided. The amount made to the concerned Supervisory female staff as per TORs. of the Government of E&SE Khyber Pakhtunkhwa vide Letter No.CPO/SPO-I/E&SE/Special Initiatives/2013-14 dated 18/12/21013. Therefore the para may be settled please.

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

Audit recommends immediate deposit into Government treasury as the amount is lying in designated bank account for no claim.

AIR 2018-19 Para-06

2.5.1.2 Non deduction of Pay and Allowances during leave and absentee period -Rs. 1.422 million

According to condition No. (iii) of the Government of Khyber Pakhtunkhwa, Finance Department letter No. NO. FD (SOSR-II) 8-18/2016 dated 7.1.2016; Health Professional Allowance is not admissible during earned leave, study leave and extra ordinary leave except casual leave.

District Health Officer Dir Lower failed to deduct Rs. 1,422,959 on account of Pay, Health Professional and Conveyance Allowance during the period of their leave and absentee period which resulted in loss to the Government. Detail is given at the annexure-2.

Non deduction occurred due to weak internal control, which resulted in loss to the Government.

When pointed out in September 2019, the management stated that the amount will be recovered from the concerned and will be deposited into the government treasury. Reply was not convincing as no recovery was made so far.

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

Audit recommends recovery and action against the persons at fault.

AIR 2018-19 Para-02

Procurement related irregularities

2.5.1.3 Loss to Government on account purchase of furniture -Rs.8.926 million

According to Rule 2 (b) (ix) of Chapter-III of Khyber Pakhtunkhwa Public procurement of Goods, Works and Services Rules, 2014, the bid found to be the lowest evaluated bid shall be accepted.

According to comparative statement rate of Rs. 7600 for 2 Seater Desk and Bench Grade A1- Shesham Wood/Metal of M/S Swat Traders was accepted and approved.

District Education Officer (Male) Dir Lower purchased furniture (3562 Nos 2 Seater Desk and Bench @ Rs. 7600) for Rs. 27,071,200 vide Cheque No. 1682865 dated 26.02.2019 from Danyal Traders Timargara instead of M/S Swat Traders Swat whereas rate of both the contractors were same and approved but taking into consideration deductions of taxes @ 17% and 4.5%, rate of M/S Swat Traders were lower than M/S Danyal Traders by Rs. 3562 per item (Rs. 7,600 – Rs. 1,634 i.e. 21.5%). Audit held that due to purchase from the contractor of non-taxable area, Government sustained loss of Rs. 5,820,308 on account of non- deduction of 17% sales tax and 4.5% income tax. (Rs. 27,071,200 x 21.5%= Rs. 5,820,308)

Furthermore, Tablet chair 6469 no's @ Rs. 2788 for Rs. 18,035,572 vide Cheque No. 1682862 dated 26.02.2019 from Raza Traders Malakand instead of M/S Swat Traders Swat which offered rate 2940 (Including taxes) but taking into consideration deductions of taxes @ 17% and 4.5%, rate of M/S Swat Traders were lower than M/S Raza Traders by Rs. 2,308 per item (Rs. 2940 – Rs. 632 i.e. 21.5%). Audit held that due to purchase from the contractor of non-taxable area, Government sustained loss of Rs. 3,105,767 (6469x480) on account of non- deduction of 17% sales tax and 4.5% income tax.

Purchase from the contractor of non-taxable area occurred due to weak financial management system which resulted in loss to the Government.

When pointed out in September 2019, the management stated that according to FBR Notification vide SRO 1212(1) the Malakand Division has been exempted by the government from all kind of taxes up to the year 2023. The exemption has been granted vide SRO 1212(1)2018. In the said notification the FBR has also explained that districts of Chitral,Dir,Swat and Malaakand protected areas as falling in Malakand Division, have been granted exemption from sales tax till 30th June, 2023 on supplies originating and terminating in such areas. (Copy of the notification is available on the FBR website).

In the light of the above notification M/S. Danyal Traders and M/S. Raza Trader are domiciled in Malakand Division and they are permanently residing in Malakand Divison and fully exempted from all kind of taxes.

After deduction of taxes from the rates of M/S Mardan Traders and then its comparison with the rates of M/S.Deanyal & Raza Trader is violation of FBR notification, as the government granted tax exemption, facilities and benefits of tax free zone.

It is further added that the local office has not been purchased the 2-seater desks bench from M/S.Danyal Traders only, 2632 Nos 2-seater Desk bench have also been purchased from M/S.Swat Trader as the rate of 2-seater Desk bench were similar both the firms. The audit party mentioned the purchase rate of tablet chair Rs., 3590/-actually the tablet chair purchased from Raza Trader on the rate of Rs., 2788/- In the light of the above justification the para may be settled please. Reply is not convincing.

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

Audit recommends investigation and action against the person (s) responsible under intimation to audit.

AIR 2018-19 Para-10

2.5.1.4 Doubtful supply of furniture-Rs.70.521 million

According to clause 6 of the contract agreements, payment will be made to the suppliers on production of delivery challan of the item duly signed by the responsible person of the relevant school with certificate that the items have been delivered to the schools in good condition.

District Education Officer (M) Dir Lower withdrew Rs. 70,521,617 from Government treasury on account of purchase of furniture out of ADPs during financial year 2018-19 and paid to the suppliers. The record of the local office revealed that the furniture received by the chowkidars instead of obtaining certificate from store in charge in violation of the contract agreement. Furthermore the District Purchase Committee was made inspection at store of The suppliers before supply to the schools the District Purchase committee certified that the manufacture of furniture are according to the specifications but quantity was not mentioned in the report and directed to supply the to schools and acknowledgements by the responsible persons could not be obtained. Hence supply could not be authenticated. Details given below:

S.No	Name of firm	Budget	Expenditure
1	Danyal Traders	27,071,200	27,071,200
02	Swat Traders	20,002,749	20,002,749
03	Raza traders	23,447,668	23,447,668
Total		70,521,617	70,521,617

Payment was made to the suppliers in violation of rules which put the public money at risk.

When pointed out in September 2019, the management stated that the contractors concerned supplied all the furniture items accordance to the required specification and quantity. The supply of furniture in the entire district to the schools situated in far flung areas in duty hours / schools open time is impossible. Therefore, the supply of furniture to some schools were made after duty hours / schools closed time and the furniture were handed over to the chowkidars of schools and obtained signature and mobile No. on the delivery chall from them.

Later on the local office verified /confirmed the quantity and quality of the supplied furniture from the Principals/Headmaste/Head teachers/ASDEOs of the concerned schools. Moreover, majority of the challan having quality and quantity detail have been signed by the responsible person of the concerned schools, but some challan were lying signed by the chowkidar of schools during the time of audit. Now all the delivery challan have been signed from the responsible persons of the concerned schools and available on the record. Thus the para may be settled please. Reply is not convincing as no progress was intimated till date of audit.

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

Audit recommends provision of proofs of actual supply and certificates of the relevant schools under intimation to audit.

AIR 2018-19 Para-13

2.5.1.5 Un-economical purchase of furniture -Rs.8.350 million

According to Rule 2 (b) (ix) of Chapter-III of Khyber Pakhtunkhwa Public procurement of Goods, Works and Services Rules, 2014, the bid found to be the lowest evaluated bid shall be accepted.

According to comparative statement rate of Rs. 7600 for 2 Seater Desk and Bench Grade A1- Shesham Wood/Metal of M/S Swat Traders was accepted and approved.

District Education Officer (Female) Dir Lower purchased furniture (3748 Nos 2 Seater Desk and Bench @ Rs. 7600) for Rs. 28,484,800 vide Cheque No. 1682866 dated 26.02.2019 from Danyal Traders Timargara instead of M/S Swat Traders Swat whereas rate of both the contractors were same and approved but taking into consideration deductions of taxes @ 17% and 4.5%, rate of M/S SwatTraders were lower than M/S Danyal Traders by Rs. 1,634 per item (Rs. 7,600 – Rs. 1,634 i.e. 21.5%). Audit held that due to purchase from the contractor of non-taxable area, Government sustained loss of Rs. 6,081,362 on account of

non- deduction of 17% sales tax and 4.5% income tax. (Rs. 28,484,800 x 21.5%= Rs.6,081,362)

Furthermore, Table chair 3590 Nos @ Rs. 2788 for Rs. 10,008,920 vide Cheque No. 1682884 dated 26.02.2019 from Raza Traders Malakand instead of M/S Swat Traders Swat which offered rate 2940 (Including taxes) but taking into consideration deductions of taxes @ 17% and 4.5%, rate of M/S Swat Traders were lower than M/S Raza Traders by Rs. 2,308 per item (Rs. 2940 – Rs. 632 i.e. 21.5%). Audit held that due to purchase from the contractor of non-taxable area, Government sustained loss of Rs.2,268,880 (3590x632) on account of non-deduction of 17% sales tax and 4.5% income tax.

Purchase from the contractor of non-taxable area occurred due to weak financial management system which resulted in loss to the Government.

When pointed out in September 2019, the management stated that according to FBR Notification vide SRO 1212(1) the Malakand Division has been exempted by the government from all kind of taxes up to the year 2023. The exemption has been granted vide SRO 1212(1)2018. In the said notification the FBR has also explained that districts of Chitral, Dir, Swat and Malakand protected areas as falling in Malakand Division, have been granted exemption from sales tax till 30th June, 2023 on supplies originating and terminating in such areas (Copy of the notification is available on the FBR website).

In the light of the above notification M/S. Danyal Traders and M/S. Raza Trader are domiciled in Malakand Division and they are permanently residing in Malakand Division are fully exempted from all kind of taxes.

After deduction of taxes from the rates of M/S. Swat Traders and then its comparison with the rates of M/S. Danyal & Raza Trader is violation of FBR notification, as the government granted tax exemption, facilities and benefits of tax free zone.

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

The audit party mentioned the purchase rate of tablet chair Rs., 3590/- the tablet chair purchased from Raza Trader on the rate of Rs., 2788/-In the light of the above justification the para may be settled please.

Audit recommends recovery of loss from the person (s) responsible under intimation to audit.

AIR 2018-19 Para-03

2.5.1.6 Non-supply of medicine -Rs.1.736 million and non imposition of penalty –Rs.173,652

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 Dir Lower paid Rs.1,736,525 for purchase of medicines, the supply orders were placed in may 2019, which were 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 did alternate arrangements for the purchase of medicines. Thus on one hand the people of the locality was deprived of the basic facility of medicine and on the other hand, the Government money drawn in anticipation of actual demand was blocked for a considerable time period. Moreover, penalty @ 10% Rs. 173652 was also not imposed. Detail is given below.

Name of Firm	Date of supply order	Amount (Rs.)	Amount of penalty
Zafa Phrma	18-10-2018	115000	11500
Zafa Phrama	05-03-2019	436780	43678
Brooks Phrama	05-03-2019	635000	63500
Brooks Phrama	05-03-2019	549745	54974
Total		1736525	173652

Non-supply of Medicine and non imposition of penalty was occurred due to weak internal/administrative control, which deprived the public of the locality from the basic health facilities.

When pointed out in September 2019, the management stated that the amount of penalty will be recovered. Reply was not convincing because nothing was stated about the non the non supply of medicines.

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

Audit recommends complete supply immediately.

AIR 2018-19 Para-04

Management of Accounts with Commercial Banks

2.5.1.7 Non conversion of current bank accounts into PLS-Rs. 6.66 million and profit thereon-Rs. 0.298 million

According to para 1 and 2 of Finance Department Khyber Pakhtunkhwa letter No.2/3-(F/L)FD/2207-08/Vol-IX dated 10-2-2014, 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 Dir Lower retained an amount of Rs. 6,663,850 in designated current account instead of PLS account during the financial year 2018-19 which was clear violation of the above mentioned order. Detail is as under:

S.No	Account title	Name of bank	Account NO	Balance
1	Tehsildar Adenzai	NBP	4081921413	2288935
2	Tehsildar Balambat	NBP	4039774546	582114
3	Tehsildar Lal Qilla	HBL	1104-0073149-08	11548

4	Tehsildar Lal Qilla		100411560100100	147202
5	Tehsildar Balambat	BOK	0105000007892007	2633590
6	AC Samarbagh	HBL	174479000329-03	1000461
				6663850

Maintenance of current designated band accounts occurred due to violation of rules which resulted in understatement in provincial receipts during the year.

When pointed out in September 2019, the management stated that all the subordinate offices have been directed to convert current accounts into PLS mode, vide this office letters No.18462-69, dated 19-9-2018 and No.5516-20, dated 29-4-2019, and the profit so earned may be deposited into Govt: treasury under the relevant head of account. Reply was not convincing as no evidence was shown in this regard

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

Audit recommends immediate conversion of current accounts into PS mode and deposit to profit into Government Treasury when declared by the banks.

AIR 2018-19 Para-08

2.5.1.8 Placement of public funds in current bank account -Rs. 1.086 million and profit thereon Rs. 1.086 million

According to Para 1 and 2 of Finance Department Khyber Pakhtunkhwa letter No. 2/3-(F/L)/FD/2007-08/Vol-IX dated 10th 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.

District Education Officer (Female) Dir Lower retained an amount of Rs.12,591,943 in designated current account without no profit during 2018-19. Profit of Rs. 1,086,347 could be on at minimum rate of 6% due to which provincial receipt were understated which resulted in loss to government as well as irregular retention of government funds in current account. Detail is as under:

Bank Account No	Balance in the account as on 31.12.2017 (Rs.)	Minimum admissible profit @ 6% (Rs.)	Balance in the account as on 30.06.2018 (Rs.)	Minimum admissible profit @ 6% (Rs.)	Total minimum admissible profit during 2018-19 (Rs.)
4039806029	12,461,198	747,672	5,391,657	323,499	1,071,171
4039781225	130,745	7,845	122,181	7,331	15,176
Total	12,591,943	755,517	5,513,838	330,830	1,086,347

Maintenance of current designated bank accounts occurred due to violation of rules which resulted in understatement in provincial receipts during the year.

When pointed out in September 2019, the management stated that in this connection it is state that the local office has already been requested to the Manager National Bank for conversion of current accounts into PLS mode vide this office memo: No.3863 dated.24/ 09 /2018.but the manager concerned did not change the mode of the account till now.The local office will remained once again to the manager concerned along with the observation of the audit for doing the needful please.

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

Audit recommends immediate conversion of current accounts into PLS mode.

AIR 2018-19 Para-10

2.5.2 Value for money and service delivery issues

2.5.2.1 No-disbursement of land compensation to land owners-Rs.4.21million

Treasury Rule 290 provides that no money shall be drawn from the treasury unless it is required for immediate disbursement.

Deputy Commissioner, Dir Lower transferred Rs.65029620 to Tehsildar Balambat as land compensation of 52 kanal 10 marlas and 6.5 sersai land acquired for the construction of Road from Balambat Timergara to Kalpani Maidan Link Road District Dir Lower during the financial year 2018-2019. The amount of Rs.4210228/- was not paid to the land owners up till audit. Detail as per annexure-3.

Non-disbursement of land compensation occurred due to weak financial control, which resulted in unnecessary retention of money.

When Pointed out in September 2019, the management stated that in this regard it is submitted that an amount of Rs.62830551/- was placed at the disposal of this office for payment of land compensation to the land owners So far payment of land compensation to the land owners worth Rs.58620323/- has been made to the land owners. The remaining land owners who have not been received their compensation amount and they are time and again informed / asked to receive their compensation amount. It has been learnt that some land owners are abroad, therefore have not yet received their compensation of land. Anyhow fresh notices / summons are being issued to the land owners contained in the audit Para/report to immediately visit this office for receiving the land compensation amount. After completion of payment to the remaining land owners report will be submitted for the perusal of quarter concerned. Hence the Para may be dropped please.Reply was not convincing as no documentary proof regarding payment of land compensation was shown to audit.

Request for convening of DAC meeting was made in September 2019, 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 2018-19 Para-01

- 2.5.2.2 i. Loss to government due to additional payment of 15% compulsory acquisition charges-Rs. 13.279million**
ii. Non transfer of 2% property tax to TMA- Rs. 1.84 Million

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.

According to Section 18 of Land Acquisition Act 1894, 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.

According to the Section 3 (d) of the Act “court means a Principal Civil Court of original jurisdiction unless the Provincial Government has appointed a special judicial officer within any specified local limits to perform the functions of the court under this Act.

Deputy Commissioner Dir Lower transferred Rs. 78,955,555 to various Tehsildars as land compensation of six (04) schemes with additional payment of Rs. 12,932,513 on account of 15% compulsory acquisition charges during the financial year 2018-19, for further payment to the land owners. Audit held that the payment of 15% compulsory acquisition charges was in violation of Act referred to above which resulted in overpayment to the land owners and loss to the Government.

Moreover, 2% property tax of Rs. 1,845,240 was required to be transfer to the concerned TMA which was not done. Details is as under:

S.No	Name of Scheme	Cost of Land (Rs.)	15% compulsory charges (Rs.)	2% TMA Fee
01	Construction of Balambat-Timergara to Kalpani Maidan Road District Dir Lower	53,405,968	9,424,582	1,256,611
02	Koto HPP	24,259,882	3,638,982	557,977
03	Graveyard Bandagai	669,762	122,958	16,394
04	Land for approach road to Odigram play ground	619,942	92,991	14,258
Total		78,955,555	13,279,513	1,845,240

15% Compulsory acquisition charges were paid in absence of the civil court instructions which resulted in loss the Government.

When Pointedout in September 2019, the management stated thatas proved under Section-23 (2) “In addition to the market value of the land the court shall in every case award a sum of 15% on such market value in consideration of the compulsory nature of acquisition”. Here the court means Revenue Court and the award is issued by the District Collector.

Reply was **not convincing as According to Section 3(d) of the Act “Court” means a Principal Civil Court of original jurisdiction**, unless the Provincial Government has appointed a special judicial officer within any specified local limits to perform the functions of the Court under this Act.

Request for convening of DAC meeting was made in September 2019, 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 2018-19 Para-02

2.5.2.3 Less deposit of Government Receipts -Rs. 1.09 million

According to Government of Khyber Pakhtunkhwa Elementray & Secondary Education Department Notification No 4204-33/F.No.P-7/P-fund/General/DD (F&A) dated 29-04-2010, the following rates for different funds from students of Primary (M&F) Schools in Khyber Pakhtunkhwa are hereby notified:

S.No	Class	Name of fund	Amount (Rs.)
01	11 th & 12 th	Admission fee	130
02	Do	Tuition Fee	400 & 350

District Education Officer Male Timergara, Dir Lower less deposited receipts amounting to Rs. 1,096,217 on account of admission fee and tuition fee of class 11th and 12th year students of Higher Secondary school during 2018-19. Asper detail given below:

S.No	Particular	No of Students	Rate	Total (Rs.)	Amount Deposited	Less Deposit
01.	Admission fee	7,911	130	1,028,430	639,137	389,293

02.	Tuition Fee	2,089	400	835,600	0	0
03.	Tuition Fee	5,822	350	2,037,700	0	0
Add S.No (2+3)				2,873,300	2,166,376	706,924
					Total	1,096,217

Less deposit of Government receipts was occurred due to weak accounting system which resulted in loss to the Government.

When pointed out in September 2019, the management stated that the record of the concerned higher secondary schools will be checked to point out the schools of less deposited receipts on account of admission and tuition fee of class 1st year and 2nd year students. The outstanding amount if found will be recovered and will be deposited into government treasury and the challan will to shown to audit for verification. Reply is not convincing as no progress was intimated till date of audit.

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

Audit Recommends recovery and depositing into Government treasury and action against the person at fault.

AIR 2018-19 Para-02

2.5.2.4 Irregular retention of PTC funds in designated bank account -Rs.4.247 million

According to Para 4 & 5 of the financial procedure for Parents-Teachers-Council, notified vide Government of Khyber Pakhtunkhwa Finance Department letter No.BO-V/FD/3-10/2006-07 dated 9th June 2007, the District Education Officer of the respective district Government shall accord administrative sanction and EDO (Finance & Planning)/Deputy Commissioner shall issue financial sanction for the transfer of funds from the district Account-IV to the bank account of the Parents-Teachers-Councils. These funds shall be transferred/credited upfront in the bank account of the Councils by the respective District Accounts Officers.

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

District Education Officer (Male& Female) Dir Lower retained Rs.4,247,847 on account of Parents-Teachers-Councils funds during financial year 2018-in the designated bank accounts No. 4039779694 and No 4039806029. Audit is of the view that the amount was withdrawn from the Government treasury without actual incurrence of the expenditure and irregularly retained in designated account.

Irregular retention in designated account occurred due to violation of rules which resulted in doubtful incurrence of actual expenditure.

When pointed out in September 2019, the management stated that the local office drawn all the PTC fund allocated according to the demand / requirement of the schools and transferred all the amount to the PTC banks accounts of the related schools. The available distribution list of funds revealed that no amount was kept in the designated bank account of the local office. After transferring of the fund some banks returned the transferred amount of a few schools to the designated bank account of local office due to incorrect bank account numbers. The local office is trying to search out the correct PTC bank accounts numbers to transfer them their returned amount as soon as possible. Reply is not convincing as no progress was intimated till date of audit.

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

Audit recommends detailed verification of relevant record.

AIR 2018-19 Para-06&08

**2.5.2.5 Less deduction of Sales Tax from the contractor of taxable area
-Rs.2.819 million**

According to Rules 74 of Khyber Pakhtunkhwa District Government Budget Rule 2016, 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;

District Education Officer (Male) Dir Lower purchased furniture for Rs. 20,003,200 from M/S Swat Traders vide Cheque No. 1683042 dated 20.03.2019. but the local office deducted Rs. 581,276 instead of Rs. 3,400,544 @ 17% of sales tax resulted less deduction of sales Tax Rs.2,819,268.

Less deduction of income tax and stamp duty occurred due to weak accounting system which resulted in loss to the Government.

When pointed out in September 2019, the management stated that according to the Sales Tax deduction rules the Drawing and Disbursing Officer is required to deduct 1/5th of the total amount of sales tax on sources from the supplier bill and the remaining amount depositing of sales tax is the responsibility of the supplier. As per detail /explanation given in audit Note No.03, total payable sales tax on the part of supplier were Rs.,2905728/- in which the local office has been deducted Rs., 581276/- as 1/5thof the total due amount on source and the remaining have been deposited by the supplier concerned. Tax Return will be obtained from the supplier concerned for the record. Therefore the para may please be settled. No progress was intimated till date of audit.

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

Audit recommends recovery from the person (s) at fault under intimation to audit.

AIR 2018-19 Para-08

- 2.5.2.6 i. Irregular and unauthorized withdrawal of conveyance charges -Rs.2.190 million during vacations**
ii. Overpayment of conveyance charges during the months of vacations -Rs. 0.584 million during vacations.

According to Serial No. 5(xxxvii) of Second Schedule of Delegation of Powers under the Financial Rules and the Powers of Re-Appropriation Rules-2001, category-II officer was competent to accord sanction of conveyance charges of Rs. 5,000 per annum.

According to Standing Operating Procedures for payment of conveyance charges to female ASDEOs/ADEOs (Female) @ Rs. 15,000 per month circulated vide Government of Khyber Pakhtunkhwa, Finance Department letter No. BOV/FD/3-1/2014-15 dated 20.11.2014 endorsed by Elementary & Secondary Education Department letter No. SO (B&A)1-6/14- Conveyance Charges Releases dated 26.09.2014 read with No. SO (B&A_1-11/14/Conv. Charges/Releases dated 15.12.2014.

- i. Conveyance charges @ Rs. 15,000 per month will be allowed to female ASDEOs/ADEOs as they will have to be in the field for at least 15 days in a month.
- ii. Payment to ASDEOs/ADEOs female will be made on production of the actual receipts of taxi with name of driver and visit reports in lieu of TA.
- iii. Funds will be released to SDEO office.
- iv. They will conduct one annual and three unscheduled/supervisory visits of each primary school and will evaluate students learning outcomes and teacher performance during every visit, compare quality of education and check attendance register.

District Education Officer (Female) Dir Lower withdrew Rs. 2,190,000 during financial year 2018-19 on account of conveyance charges @ Rs. 15,000 per month for female ASDEOs/ADEOs in lieu of TA. The amount was withdrawn in violation of Standard Operating Procedures as per some sample instances below:

1. Funds were released to DEO office instead of SDEOs in violation of SOPs.

2. Conveyance charges of Rs. 540,000 were paid during the months of winter and summer vacations which resulted in overpayment which needs recovery.
3. Rs. 1,905,000 were paid to Male ASDEOs instead of female and hence unauthorized and irregular.
4. Rs. 150,000 were withdrawn as arrears of F.Y 2017-18 as a result of 25% cut off by the Government and hence its withdrawal was unauthorized and violation of government orders and austerity measures of the financial years.

When pointed out in September 2019, the management stated that in this connection parawise reply of local office is as under:-

1. The amount has been drawn on the basis of TORs. issue by the competent authority and paid to the concerned ASDEOs working against female posts.
2. The amount of Rs.,540,000/- were paid to ASDEOs concerned on the basis of tours program during the vacations in various activities other than schools monitoring and no over payment made to the concerned ASDEOs.
3. The amount of Rs.,1,905,000/- have paid to the ASDEOs male working against the post of ASDEO female and no other conveyance / vehicles /Motor cycles allocated to them for visit of the schools. Thus the payment made to them is justified.
4. The amount of Rs., 150000/- have been paid to 10 Nos ASDEOs as arrear for the month of June 2018 due to less budget allocation in the financial year 2017-18.

Reply of the department was not complete and convincing as the amount was not only withdrawn without sanctions from the competent authority but in violation of the relevant SOPs.

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

Audit recommends justification.

AIR 2018-19 Para-04

**2.5.2.7 Loss to Government due to non-deposit of health receipts
-Rs. 1.05 million**

According to Rules 5 (c) of Khyber Pakhtunkhwa District Government Budget Rule 2016, it is responsibility of every controlling officer to ensuring all sums due to Government are regularly and promptly assessed, realized and duly credited in the Public Account.

District Health Officer Dir Lower did not collect Rs. 1053312 on account of health receipts from the health facilities in the financial year 2018-19. moreover 2% administrative share was deducted from the laboratory charges by the dealing hand of the DHO office which was unauthorized as 2% was already been deducted by the health facilities. Detail as per Annexure-4.

Non collection of government receipts, occurred due to weak internal control, this resulted in loss to the Government.

When pointed out in September 2019, the management stated that the concerned health units will be intimated to deposit amount immediately. Replwas not convincing as no recovery was made so for.

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

Audit recommends immediate recovery.

AIR 2018-19 Para-01

2.5.3 Others, including cases of accidents, negligence etc.

2.5.3.1 Irregular withdrawal from Government treasury on account of District ADP and non-production of record -Rs.13.672 million

According to Para 4 of the financial procedure for Parents-Teachers-Council, notified vide Government of Khyber Pakhtunkhwa Finance Department letter No.BO-V/FD/3-10/2006-07 dated 9th June 2007, the District Education Officer of the respective district Government shall accord administrative sanction and EDO (Finance & Planning)/Deputy Commissioner shall issue financial sanction for the transfer of funds from the district Account-IV to the bank account of the Parents-Teachers-Councils. These funds shall be transferred/credited upfront in the bank account of the Councils by the respective District Accounts Officers.

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

District Education Officer (Female) Dir Lower withdrew Rs. 13,672,000 from Government treasury on account of District ADP, Conditional Grant, CRC and Petty Repairs during financial year 2017-18. Audit held that:

1. Funds of District ADP were transferred to PTCs for additional classrooms, group latrines, boundary wall etc in violation of Planning and Developmental guidelines according to which such funds were required to be utilized through open tender system instead of utilization through PTCs. Moreover, chances of duplication could not be ruled out as provincial Government also provides funds in shape of conditional grants for additional classrooms, group latrines, boundary wall etc.

2. Relevant record of actual expenditure incurred by PTCs i.e. cash books, bank statements, payment vouchers etc were not produced to audit for verification and hence a huge amount was withdrawn from the Government treasury and remained unverified.

Irregular withdrawal and non production of record occurred due to violation of rules which resulted in unauthorized spending of public funds and unauthentic expenditure.

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

Audit recommends fixing responsibility on the persons at fault for unauthorized withdrawal and non production of relevant record.

When pointed out in August 2019, the management stated that the District Government released the fund in the District ADP to the District Education Officer female Dir lower for additional class room, group latrines, boundary wall etc and the required due process i.e. administrative approval and financial sanctions have already been done before the release of fund.

The local office drawn the funds from government treasury and transferred to the PTC accounts of the related schools and the amount were utilized as per instruction of the District Administration /instructions as mentioned in the PTC guidelines. It is further added that no fund for group latrines, additional class rooms and boundary wall were given to these schools from the funds allocated by the provincial government.

The local office transferred the said fund to the PTC accounts of the related schools which were further utilized by the PTC of the concerned schools and all the relevant record of actual expenditure i.e. cash books, bank statements, payment vouchers etc are available in the concerned schools.

Reply was not convincing as sanctions from the competent authority should have been obtained before incurrence of the expenditure. The funds

should have been transferred to PTC accounts by the District Accounts Officer instead of issuance to DEO. Transfer of District ADP funds to PTCs without instead of utilization through open tender system was in violation of P&D guidelines. Similarly, detailed record of actual expenditure was remained unverified due to non-availability in the office of DEO.

AIR 2018-19 Para-01

2.5.3.2 Unauthentic expenditure on account of petty repair & CRC - Rs.82.818 million

According to the financial procedure prescribed in the Finance Department letter No.B-V/FD/3-10/2006-07 dated 09.06.2007, the progress report, all vouchers and accounts pertaining to PTC fund shall be submitted to EDO (E&SE) for production to Audit. The EDO(E&SE) is required to ensure that the PTC funds are utilized as per procedure in a transparent and efficient manner.

District Education Officer (Male& Female) Timergara paid Rs.82,818,000 on account of Petty Repair and Class Room Consumable to various schools. Vouchers, Accounts, bank statements and progress reports pertaining to PTC fund was not submitted for scrutiny to the office of the DEO Office.

S.No	Name of office	Particular	Amount (Rs.)
1	DEO (Male)	PTC Fund	52,016,000
2	DEO (Male)	PTC Fund	30,802,000
		Total	82,818,000

Unauthentic expenditure occurred due to non compliance with the orders and non observance of PTC guidelines and weak financial controls, which resulted in violation of government instructions.

When pointed out in September 2019, the management stated that as per PTC guidelines, local office transferred the fund to the PTC accounts of the schools which were further utilized by the PTC of the concerned schools according to the PTC policy. According the rules all the auditable records were in the custody of the related schools as it is impossible for the undersigned to keep the complete auditable record of 836 No of schools in the office. Randomly

checking of the fund utilized by the PTC should be carried out in the schools concerned to ensure the transparent and efficient manner of the expenditure please.

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

Audit recommends that the relevant record June be collected from the concerned for verification.

AIR 2018-19 Para-01& 02

2.5.3.3 Irregular withdrawal from Government treasury without sanction of the competent authority -Rs. 40.912 million

According to Para 4 of the financial procedure for Parents-Teachers-Council, notified vide Government of Khyber Pakhtunkhwa Finance Department letter No.BO-V/FD/3-10/2006-07 dated 9th June 2007, the District Education Officer of the respective district Government shall accord administrative sanction and EDO (Finance & Planning)/Deputy Commissioner shall issue financial sanction for the transfer of funds from the district Account-IV to the bank account of the Parents-Teachers-Councils. These funds shall be transferred/credited upfront in the bank account of the Councils by the respective District Accounts Officers.

District Education Officer (Male) Dir Lower withdrew Rs. 40,912,000 from Government treasury on account of District ADP, Conditional Grant, CRC and Petty Repairs during financial year 2018-19 without sanction of the competent authority.

Irregular expenditure occurred due to lack of weak financial control. The expenditures were made without getting sanction from the competent forums.

When pointed out in September 2019, the management stated that the local office will be obtained Ex-post facto to sanction from the competent authority and expenditure will be regularized of the amount drawn from

government treasury during the financial year 2018-19 excluding the amount drawn under ADP Schemes as no sanction is require for the utilization of ADP schemes fund under the rules. Reply was not convincing as sanctions from the competent authority should have been obtained before incurrence of the expenditure. However, no progress was intimated till date.

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

Audit recommends regularization from the competent authority.

AIR 2018-19 Para-07

2.5.3.4 i. Irregular withdrawal of Hard Area Allowance in violation of rules and without sanction of the competent authority Rs.1.167million

ii. Overpayment of Hard Area Allowance during the months of vacations -Rs. 0.261 million

According to Rule 75 (1) of the Khyber Pakhtunkhwa definitions of the District or City District Government (Budget) Rules, 2016, as a general rule no authority may incur any expenditure or enter into any liability involving expenditure from Government Fund until the expenditure has been sanctioned by general or special orders of the Government and the expenditure has been provided for in the authorized grants and appropriations for the year.

According to Government of Khyber Pakhtunkhwa, Elementary & Secondary Education Department letter No. CPO/SPO-I/E&SE/Special initiatives/2013-14 dated 18.12.2013, the following standard operating procedure was approved for payment of Hard Area Allowance for lady education supervisors to attract posting in hilly and backward areas, Districts an additional allowance @ 50% of their pay to improve quality education and to ensure supervisors attendance in their respective duty stations.

- i. The scheme will be applicable for lady education supervisors of 7 backward districts (Kohistan, Battagram, TorGhar, Dir Lower, Dir Upper, Shangla and Tank) being hard and unattractive areas.

- ii. 50% of the basic pay will be paid to female DEOs, DDEOs, SDEOs and ASDEOs of these districts as an incentive on monthly basis.
- iii. The allowance will not be part of the salary but will be as an additional incentive through Cheque.
- iv. The allowance will be allowed to female supervisor's subject to their better performance keeping in view the indicators based on Field visits per month and submission of regular reports to Director E&SE.

District Education Officer (Female) Dir Lower withdrew Rs. 1,167,000 vide Cheque No. 1683456 dated 25.04.2019 from the Government treasury out of provincial ADP on account of Hard Area Allowance for seven (12) female supervisory staff i.e. one DEO, five SDEOs and two ASDEOs of grades 18,17 and 16 @ 50% of initial pay of the relevant scale. Audit raised the following observations:

1. Withdrawal was made from the Government treasury without financial sanction of the competent authority.
2. Payment of Rs. 261,000 was made during the months of winter and summer vacations as the allowance was not part of pay but an additional incentive subject to better performance based on Field visits per month. As no visits were involved in vacations hence, overpayment was made which resulted in loss to the Government.
3. Advance payment for two months i.e. May & June 2019 for Rs. 232,500 was made in advance.
4. Double payment for hard area was made as Unattractive Area Allowance @ Rs. 2000 per month was also paid to the staff which needs clarification regarding admissibility of both the allowances.
5. Admissibility of Hard Area Allowance to the residents of these 7 backward districts needs clarification from the Finance Department.
6. Double benefit for the same purpose were taken by the DEO and SDEOs as they also drawn TA/DA, POL and incurred expenditure on repair of vehicles for field visits and received Hard Area Allowance based on field visits per month which needs clarification from the Finance Department.
7. ADEOs/ASDEOs also drawn double benefits of Hard Area Allowance for field visits and received conveyance charges @ Rs. 15,000 per month for

the same purpose. Payment of both needs clarification from the Finance Department.

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

When pointed out in September 2019, the management stated that Detail justification of the para is as under: -

1. The scheme of Hard Area Allowance for lady supervisors is an ADP scheme for which no financial sanction is required as sanction of expenditure is already accorded in the releases.
2. In the TORs. issued by the authorities concerned has not been mentioned for nonpayment of the said allowance during the period of winter and summer vacation. It is further added that the lady supervisors have also been made field visits during the winter and summer vacation for various purposes.
3. The detail of advance payment for Rs.,232500/- for the period from May to June 2019 has not been found attached with the para and the same is also not available in the record of this office.
4. Hard Areal Allowance have been given to the lady supervisors as additional benefits / special initiatives by competent authorities for 7 back ward districts in the TORs.
5. Being an ADP scheme no needs for its further clarification is required from the finance department.
6. All the payments have been made to the concerned in the light of the TORs. issued by the higher authorities. Therefore, the para may be settled please.

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

Audit recommends fixing responsibility for unauthorized withdrawal without financial sanction and recovery of loss from the persons at fault under intimation to audit.

AIR 2018-19 Para-05

2.5.3.5 Irregular withdrawal from Government treasury without sanction of the competent authority -Rs.13.672 million

According to Para 4 of the financial procedure for Parents-Teachers-Council, notified vide Government of Khyber Pakhtunkhwa Finance Department letter No.BO-V/FD/3-10/2006-07 dated 9th June 2007, the District Education Officer of the respective district Government shall accord administrative sanction and EDO (Finance & Planning)/Deputy Commissioner shall issue financial sanction for the transfer of funds from the district Account-IV to the bank account of the Parents-Teachers-Councils. These funds shall be transferred/credited upfront in the bank account of the Councils by the respective District Accounts Officers.

District Education Officer (Female) Dir Lower withdrew Rs. 13,672,000 from Government treasury on account of District ADP, Conditional Grant, CRC and Petty Repairs during financial year 2018-19 without sanction of the competent authority.

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

When pointed out in August 2019, the management stated that the local office will be obtained Ex-post facto to sanction from the competent authority and expenditure will be regularized of the amount drawn from government treasury during the financial year 2018-19 excluding the amount drawn under ADP Schemes as no sanction is required for the utilization of ADP schemes fund under the rules.

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

Audit recommends regularization from the competent authority.

AIR 2018-19 Para-09

Chapter-3

Tehsil Municipal Administration

3.1 Introduction

District Dir Lower has seven TMA i.e Chakdara, Munda, Timgergara, Samarbagh, Balambat, Khal and Lal Qila. 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 13 of the Khyber Pakhtunkhwa Local Government Act 2013 the authority and responsibilities of the District Government have been 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 Planed formations expenditures and receipts

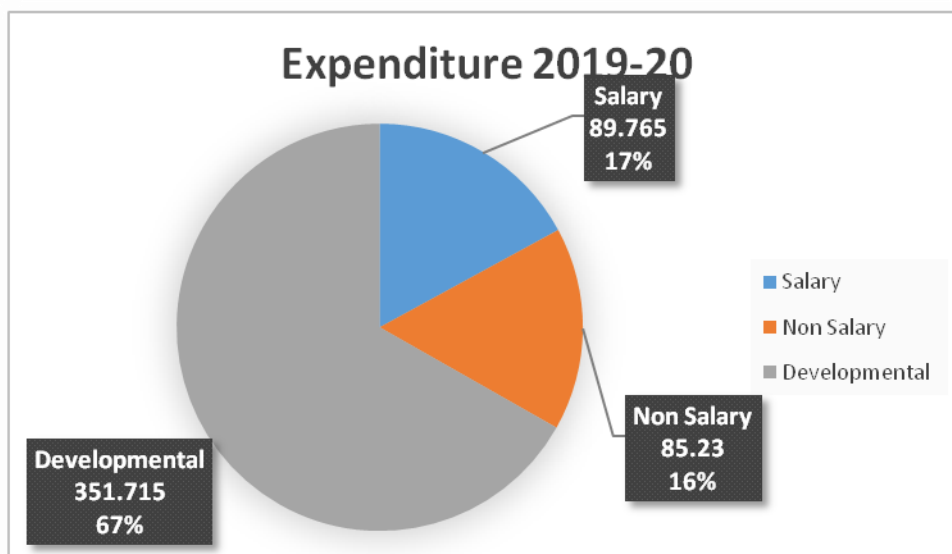
S.No.	Description	Total Nos	Audited	Expenditure audited FY 2018-19 (Rs. in million)	Revenue /Receipts audited FY 2018-19 (Rs. in million)
1.	Authorities/Autonomous Bodies etc under the PAO	7	7	526.71	213.199

3.2 Comments on Budget and Accounts (Variance Analysis)

TMAs				
2018-19	Budget	Actual Expenditure/ Receipts	(Saving)/Excess	%age
Salary	115.105	89.765	-25.34	22.01
Non Salary	183.36	85.23	-98.13	53.517
Developmental (Local Fund+PFC)	713.095	351.715	-361.38	55.68
Total	1011.56	526.71	-484.85	50.67
Receipts	498.98	213.199	285.781	57.27

EXPENDITURE 2018-19

(Rs. in million)



3.3 Classified Summary of Audit observations

Audit observations amounting to Rs.306.126million were raised as a result of this audit. This amount also included recoverable of Rs.30.453 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	7.666
B	Procurement related irregularities	96.264
C	Management of Accounts with commercial bank	0
2	Value for money and service delivery issues	37.453
3	Others, including cases of accidents, negligence etc.	164.743
	Total	306.126

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 is given below:

S #	Audit Year	TAC meeting
1.	2002-03	Convened
2.	2003-04	Not convened
3.	2004-05	Not convened
4.	2005-06	Not convened
5.	2006-07	Not convened
6.	2007-08	Not convened
7.	2008-09	Not convened
8.	2009-10	Not convened
9.	2010-11	Not convened
10.	2011-12	Convened
11.	2012-13	Not convened
12.	2013-14	Not convened
13.	2014-15	Not convened
14.	2015-16	Not convened
15.	2016-17	Not convened
16.	2017-18	Not convened
17.	2018-19	Not convened

3.5 AUDIT PARAS

3.5.1 Irregularities

HRA Irregularities

3.5.1.1 Irregular cash payment of pay & allowances-Rs.7.666 million

According to para 4.6.3.1 of Accounting Policies and Procedure Manual, the normal method of payment of monthly salaries of all government employees shall be by credit transfer direct to a bank account nominated by the employee. This is the most secure and economical method of payment and it automatically ensures that recipients have access to their salary on the due date. Moreover, direct credit has tangible advantages, over payment by cheque or cash, against risks of theft or fraud.

According to Rule 12 (1) of Chapter- IV of the Khyber Pakhtunkhwa Local Councils Accounts Rules 1980, where the Local Fund is kept in a treasury or bank no payment exceeding Rs. 500 shall be made except by means of a Cheque.

TMO Khall Dir Lower paid Rs. 7,665,907 on account of pay & allowances through DDO open cheque instead by their bank account in violation of rules during the year 2018-19. Hence, disbursements through cash instead of bank accounts to the concerned could not be verified and chances of misappropriation could not be ruled out.

Irregular cash payment occurred due to lack of financial control, which resulted in violation of Government rules.

When pointed out it was stated by management that the salaries have been transferred to bank accounts of the concerned officials. Reply was not satisfactory as no proof of bank accounts provided in support of reply

Request for convening of DAC meeting was made in November2019, however, meeting of DAC could not be convened till finalization of this report.

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

AIR 2018-19 Para-006

Procurement related irregularities

3.5.1.2 Irregular Award of Civil Works on abnormal below rate - Rs.53.95

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 Balambat awarded various developmental Schemes to the contractor with estimated cost of Rs. 53,950,000 in the financial year 2018-19. On scrutiny of record it came to notice that contractor 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 is a questionable mark on the specification and standardization of the work Detail as per Annexure-5.

Award of civil work on abnormal below rates and without analyzing /evaluating of rates y occurred due to weak internal control, which resulted in loss to government.

When pointed out in October 2019, the management did not respond to the observation.

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

Audit recommends enquiry into a probable cause of irregularity.

AIR 2018-19 Para-04

3.5.1.3 Irregular Award of Works on abnormal below rate-Rs.12.015 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 Adinzai awarded various developmental Schemes to the contractor with estimated cost of Rs.12015000 in the financial year 2018-19. On scrutiny of record it came to notice that contractor 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 is a questionable mark on the specification and standardization of the work Detail as per Annexure-6.

Award of civil work on abnormal below rates and without analyzing /evaluating of rates y occurred due to weak internal control, which resulted in loss to government.

When pointed out in October 2019, the management but did not respond to the observation.

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

Audit recommends enquiry into a probable cause of irregularity.

AIR 2018-19 Para-01

3.5.1.4 Irregular Award of Civil Works on abnormal below rate -RS7.78 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 Samar Bagh awarded various developmental Schemes to the contractor with estimated cost of Rs.7782500 in the financial year 2018-19. On scrutiny of record it came to notice that contractor 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 is a questionable mark on the specification and standardization of the work Detail below:

S.No	Name of Scheme	Name of Contractor	E.Cost	Below %
01	S/F HDPE Pipes W/Pump at Mayar	New Frontier	812500	45.10
02	Inst: of motor pumps at koto Rahim abady	New Frontier	2000000	46.10
03	DWSS /HDPE at UC Darangal	New Frontier	500000	45.10
04	DWSS pipe at singipara U/C Maskini	Jehangir said	700000	48.01
05	DWSS pipe at kolalan	Jehangir said	700000	46.00
06	DWSS pipe at kakas	Mahmood Jan	793000	41.77
07	Const: of kacha road Nowsar	Jehangir said	1000000	60.01
08	Installation of water pump at U/C sadbar kaly	Mehmood Jan	1277000	41.77
			7782500	

Award of civil work on abnormal below rates and without analyzing /evaluating of rates y occurred due to weak internal control, which resulted in loss to government.

When pointed out in October 2019, the management stated that lowest rates were offered by the contractors on line. Reply was not satisfactory as the local office was required to reject the abnormal below rates

Request for convening of DAC meeting was made in November2019, however, meeting of DAC could not be convened till finalization of this report

Audit recommends enquiry into a probable cause of irregularity.

AIR 2018-19 Para-01

3.5.1.5 Irregular expenditure on installation of HDPE pipes -Rs.1.695 million

According to circular No11/Dev-14/PHE (N) dated 14-7-2015 in order to stop the entry of the sub-standard 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 Timergara incurred expenditure of Rs. 1,695,169 on account of supply and fixing HDPE pipes in various water supply schemes during 2018-19. The Local office did not adopt the following quality assurance steps to ensure the quality and health of the people of locality.

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

In the absence of the above mentioned documents, the execution of substandard pipes could not be ruled out. Detail is as under:

S. No.	Name of scheme	Amount (Rs.)
01	DWSS Dherai VC Dherai	210,750
02	DWSS Chinaroona VC Kattan	179,328
03	DWSS Masho VC Dawda China	224,160
04	DWSS Otaala VC Otaala	249,142
05	Water Tank, Electric Motor pumps VC Pitao	369,833
06	DWSS Khungi	133,743
07	DWSS Shikawolai	138,587
08	WSS Banda	189,626
Total		1,695,169

Non compliance of the field staff occurred due to weak internal control, which resulted in violation of Government instruction.

When pointed out in October 2019, the management stated that the relevant invoices/ vouchers would be obtained from the concerned and would be shown to audit

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

Audit suggests to regularize the expenditure.

AIR 2018-19 Para-01

**3.5.1.6 Irregular expenditure on installation of Gi and HDPE pipes
-Rs.8.80 million**

According to circular No11/Dev-14/PHE (N) dated 14-7-2015 in order to stop the entry of the sub-standard 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 Balambat Dir Lower incurred an expenditure of Rs.8809627 on account of Supply and Fixing GI and HDPE pipes in various Water supply Schemes in the financial year 2018-19. 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-7.

Non compliance of the field staff occurred due to weak internal control, which resulted in violation of Government instruction.

When pointed out in October 2019, the management but did not respond to the observation.

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

Audit recommends enquiry into a probable cause of irregularity.

AIR 2018-19 Para-02

3.5.1.7 Loss due to fraudulent award of contract –Rs.4.724 million

According to Rule 3(iv) of Government of Khyber Pakhtunkhwa Public Procurement Regulatory Authority Procurement Rules 2014, the lowest offer from the qualified bidder shall be accepted for award of the contract and will be the best evaluated bid.

According to Local Government Khyber Pakhtunkhwa Peshawar Letter No.AO(Planning)/LCB/2-1/General File/2019 dated 24.04.2019 that due to mala-fide intentions of the lowest bidders i.e. non provision of required documents, the scheme is awarded to some other bidders causing huge loss to Government exchequer and it has been observed that neither effort have been made to stop this illegal alliance of the contractors nor drastic action have been taken against them.

TMO Lal Qilla Dir Lower awarded the contracts of (12) twelve developmental works out of Chief Minister Directives (CMD Fund) during 2018-19 by accepting the highest rates instead of lowest rates offered by contractors with the reason that “tender form not received/less CDR” which resulted in loss of Rs. 4,724,605 as per detail at Anneuxre-8.

Fraudulent award of contracts occurred due to defective tendering process which resulted in loss to Government.

When pointed out management stated that detail reply will be furnished later on. No reply furnished till finalization of this report.

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

Audit recommends investigation and action against the persons at fault besides recovery of loss.

AIR 2018-19 Para-03

3.5.1.8 Irregular expenditure on installation of Gi and HDPE pipes - Rs.7.30 million

According to circular No11/Dev-14/PHE (N) dated 14-7-2015 in order to stop the entry of the sub-standard 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)

Tehsial Municipal Officer Samar Bagh incurred an expenditure of Rs.7305005 on account of Supply and Fixing GI and HDPE pipes in various Water supply Schemes in the financial year 2018-19. 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-9.

Non compliance of the field staff occurred due to weak internal control, which resulted in violation of Government instruction.

When pointed out in October 2019, the management stated that the above schemes were carried out according to PHED specification. Reply was not convincing as no documentary proof mention above was shown to audit.

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

Audit recommends enquiry into a probable cause of irregularity.

AIR 2018-19 Para-02

3.5.2 Value for money and service delivery issues

3.5.2.1 Loss to Government due to Blockage of Money-Rs.4.5 million

According to Government of Khyber Pakhtunkhwa, Local Government Election and Rural Development Department letter No. Director (LG)/ District ADP/2015 dated 28.01.2015, all the schemes shall be completed within the same financial year.

Tehsil Municipal officer Adinzai awarded Nine (09) Nos of developmental Schemes to the contractors with estimated cost of Rs. 4,550,000 in the financial year 2018-19. On scrutiny of record it came to notice that the work orders were issued to the contractor but the work were not started on the schemes so for Detail is per annexure-10.

Non execution of work occurred due to weak internal control, which resulted in loss to government.

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

Audit recommends enquiry into a probable cause of irregularity.

AIR 2018-19 Para-03

3.5.2.2 Blockage of developmental fund-Rs.2.50 million

According to Rule 75(4) of Khyber Pakhtunkhwa Budget Rule 2016, it shall be ensured that the funds allotted to spending units are expended in the public interest and upon objects for which the money was provided.

During Financial Year 2018-19 it was revealed from the record of TMO Munda that 23 schemes were administratively approved out of 30% ADP for the year 2018-19 and 30% PFC savings of 2015-16, 2016-17 and 2017-18 on 04.01.2019, out of which 02 schemes worth Rs.2,500,000 were not started and

fund was lying in the designated bank account till date of audit(October, 2019).
Detail is given below:

Name of Scheme	Amount (Rs.)
Beautification of Tehsil Munda	1,000,000
Purchase of land for the graveyard Takwaro UC QillaShakandai	1,500,000
Total	2,500,000

Non-utilization of fund was due to weak financial control, which resulted in blockage of developmental fund and depriving the community from the municipality service.

When pointed out in October 2019, the management stated that schemes for the imposition of section-IV for the purchase of land for graveyard was processed and pending in the Deputy Commissioner office. However, no progress was intimated till date.

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

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

AIR 2018-19 Para-02

3.5.2.3 Loss to government due to non recovery of water charges -Rs.5.106 million

According to Rule 6 (c) of TMA Budget Rules 2016, insuring all sums due to the TMA are regularly and promptly assessed, realized and duly credited in the Tehsil Fund.

During 2018-19, Tehsil Municipal Officer Timergara did not recover Government dues on account of water user charges which accumulated to a sum of Rs. 5,106,710 up to 30.6.2019 for which no initiatives have been taken by the local office. Non recovery of such a huge amount shows lack of interest of the controlling officer.

Non recovery of revenue occurred due to weak internal control, which resulted in loss to Government.

When pointed out in October 2019, the management stated that efforts would be made to recover the outstanding amount and progress would be shown to audit reply was not convencing as no recovery was made sofor.

Request for convening of DAC meeting was made in November2019, however, meeting of DAC could not be convened till finalization of this report

Audit recommends to recover the outstanding amount besides fixing responsibility for lack of interest toward government revenue.

AIR 2018-19 Para-04

3.5.2.4 Loss to government due non imposition of penalty -Rs.7.25 million

According to Government of Khyber Pakhtunkhwa C & W Department letter No SO (PAC) DAC/2-2009/Distt Audit W & SD dated July, 20 2009 read with Secretary C & W letter No. WM/General/ W& S/ATD/2008-09/688-98 dated 19.05.2009 and No. SO (A)/ VI/ 3-86/ C& WD/ Volume-XII dated 17.08.1995, up to 10% penalty be levied on defaulting contractors for delayed works.

Tehsil Municipal officer Balambat incurred expenditure of Rs.99,584,000 on execution of various developmental schemes in the financial year 2018-19. During scrutiny of record it came to notice that such schemes were not completed within the stipulated period of time. The local office was required to impose 10% penalty amounting to Rs.7,258,400 but failed to do so. Detail as per Annexure-11.

Non recovery of penalty occurred due to weak internal control, which resulted in loss to government.

When pointed out in October 2019, the management but did not respond to the observation.

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

Audit recommends recovery and action against the person at fault.

AIR 2018-19 Para-03

3.5.2.5 Loss to government due to non recovery of water charges -Rs.2.814 million

According to Rule 6 of TMA Budget Rules 2016, insuring all sums due to the TMA are regularly and promptly assessed, realized and duly credited in the Tehsil Fund.

Tehsil Municipal Officer Balambat did not recover government dues on account of water user charges which accumulated to a sum of Rs. 2814805 on account of water user charges for the period up to 30.6.2019 for which no attempt and initiatives has been taken by the local office. Non recovery of such a huge amount shows lack of interest of the controlling officer.

Detail is as under

S.No	Name of Schemes	Amount Out standing
1	Water supply Schemes Standar	918,960
2	Water supply Schemes kandarow	454,460
3	Water supply Schemes khema	1,441,385
	Total	2,814,805

Non recovery of water charges occurred due weak financial control, which resulted in loss to the Government.

When pointed out in October 2019, the management stated that the amount will recover Reply was not convincing the local office did not take any initiatives for such recovery.

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

Audit recommends recovering the amount from the concerned in deposited into government treasury.

AIR 2018-19 Para-08

3.5.2.6 Non deduction of income tax from the contractor-Rs.1.936 million

According to section 153 of income tax ordinance 2001, it may be noted that a person belonging to tribal area but residing in taxable area is not entitled to exemption, because he would become a resident person as provided under section 82 of the Income Tax Ordinance 2001.

Tehsil Municipal Officer Timergara failed to deduct income tax of Rs. 1,936,234 from the contractors in the developmental works during the financial year 2018-19. It has been observed that the work was awarded to the contractors who have registered offices in tax payable zones but income tax was not deducted from the payment of the contractor.

S. No.	Name of work	Name of contractor	Registered office with address	Payment (Rs.)	7.5% income tax (Rs.)
01	Improvement of GBS Timergara	M/S Chirat Construction Co.	House No.277, Street No. 07, Sector H1, Phase 02, Hayatabad, Peshawar	25519527	1,913,964
02	Solarization of TMA office Timergara	M/S MSK & Sons	Plot No. 533A, St: No. 22A, Phase IV-A, Ghori Town Islamabad.	29694	22270
Total					1,936,234

Non deduction of Income Tax occurred due to lack of internal control, which resulted in loss to government.

When pointed out in October 2019, the management stated that income tax would be deducted from the concerned contractor and progress would be shown to audit.

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

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

AIR 2018-19 Para-09

3.5.2.7 Non imposition of 2% penalty on late deposit of monthly installments –Rs.2.051 million

According to S. No. 07 of Policy Guidelines circulated vide letter No. AO-II/LCB/6-11/2018 dated 20-02-2018, 2% penalty will be liable on Contractor/Firm for late deposit of monthly installment.

Tehsil Municipal Officer Timergara did not recover Rs.2,051,630 on account of 2% penalty on late deposit of monthly installment of GBS Timergara during the financial year 2018-19. Detail is given below:

S. No.	Month	Due Date of payment	Actual date of payment	Delay in deposit of Installment (Days)	Installment per month (Rs.)	2% penalty (Rs.)	Total Amount (Rs.)
01	Jan 2019	10-01-2019	21-01-2019	11	7,327,272	146,545	1,611,995
02	Feb 2019	10-02-2019	12-02-2019	02	7,327,272	146,545	293,090
03	March 2019	10-03-2019	11-03-2019	01	7,327,272	146,545	146,545
Total							2,051,630

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

When pointed out in October 2019, the management stated that principal amount has been recovered within the financial year. According to the guidelines for the year 2018-19, the local council could waive off the penalty.

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

Audit suggests to recover the penalty amount and action against the person(s) at fault.

AIR 2018-19 Para-10

3.5.2.8 Non- Deposit of Income Tax-Rs.1.30 million

As per section 82 of the Income Tax Ordinance, 2001 and Commissioner Income Tax Enforcement & Compliance Division Peshawar's letter No. CIT (E & C)/RTO-PR-2008-09/1739 dated 20.06.2009, a person belonging to tribal area but residing in taxable area is not entitled to exemption, because he would become a resident person under Income Tax Ordinance.

According to the CBR Circular No.1(10)WHT/2001 dated 11-04-2002, 7% Income Tax is required to be deducted from the services render firms.

Tehsil Municipal Officer Adinzai deducted Rs.1304447 on account of income tax from the Government contractor being the resident of Peshawar in 2018-9. but not deposited in to government treasury. Detail as per Annexure-12.

Non deposit of income tax occurred due to weak internal control, which resulted in loss to government.

When pointed out in October 2019, the management stated that detail reply would be given after consultation with the concerned.

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

Audit recommends to deposit the amount of tax into the Government treasury enquiry into a probable cause of irregularity.

AIR 2018-19 Para-02

3.5.2.9 Loss to government due non imposition of penalty-Rs.1.08 million

According to Government of Khyber Pakhtunkhwa C & W Department letter No SO (PAC) DAC/2-2009/Distt Audit W & SD dated July, 20 2009 read with Secretary C & W letter No. WM/General/ W& S/ATD/2008-09/688-98 dated 19.05.2009 and No. SO (A)/ VI/ 3-86/ C& WD/ Volume-XII dated 17.08.1995, up to 10% penalty be levied on defaulting contractors for delayed works.

Tehsil Municipal officer Adinzai incurred expenditure of Rs.11,615,000 on execution of various developmental schemes in the financial year 2018-19. On scrutiny of record it came to notice that such schemes were not completed within the stipulated period of time. The local office was required to impose 10% penalty amounting to Rs.1,080,500 but failed to do so. Detail as per Annexure-13.

Non recovery of penalty occurred due to weak internal control, which resulted in loss to government.

When pointed out in October 2019, the management stated that the extention has been obtained from the council,reply was not convencing as no evidence was produced.

Request for convening of DAC meeting was made in November2019, however, meeting of DAC could not be convened till finalization of this report

Audit recommends recovery and action against the person at fault.

AIR 2018-19 Para-04

3.5.2.10 Non-recovery of long outstanding dues from the Contractors and non-recovery of penalty-Rs.8.916 million

According to Rule 6 (c) of TMA Budget Rules 2016, insuring all sums due to the TMA are regularly and promptly assessed, realized and duly credited in the Tehsil Fund.

According to Para 6 of the policy guidelines of contracts vide LG & RDD Local Council Board letter No. AO-II/LCB/6-11/2013 dated 02.05.2018 that if the contractor fails to recover the monthly installment within the financial year a 2% penalty may be imposed thereon.

During scrutiny of accounts records of Tehsil Municipal Officer Munda, it was observed that an amount of Rs. 8,915,799 was outstanding to different contractors under various receipt heads since 2016-17 including 2% penalty per annum as required in the above quoted rules. Detail is given below:

S. No.	Contract	Contractor's Name	Amount due Since	Contractual Amount (Rs.)	No. of years delayed	2% Penalty per year (Rs.)	Total amount due (Rs.)
1.	GBS Munda	Shah Zeb	2016-17	3,123,810	3	187,429	3,311,239
2.	Cattle Fair Munda	LalZada	2017-18	850,000	2	34,000	884,000
3.	GBS Munda	Shah Salim	2017-18	2,764,000	2	55,280	2,819,280
4.	GBS Munda	-	2018-19	1,864,000	1	37,280	1,901,280
Total				8,601,810		313,989	8,915,799

Non-recovery of outstanding dues occurred due to weak financial and internal controls, which resulted in loss to the Council.

When pointed out in October 2019, the management stated that recovery will be made accordingly after fulfilling all codal formalities. However, no progress was shown till date.

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

AIR 2018-19 Para-03

3.5.3 Others, including cases of accidents, negligence etc.

3.5.3.1 Irregular expenditure without Technical Sanction-Rs.3.921 million

According to Para 32 of CPWD Code, no work shall be executed without Administrative Approval/Technical Sanction and Budget allotment. Further, according to Para 56 of CPWD Code, if subsequent to the grant of technical sanction, material structural alterations are contemplated, orders of the original sanctioning authority should be obtained, even though no additional expenditure may be involved by the alterations.

Tehsil Municipal Officer Timergara incurred an expenditure of Rs. 3,921,935 on account of various developmental schemes during 2018-19. During scrutiny of record, it was observed that Technical Sanction was not obtained from the competent authority before commencement of work. Thus, the expenditure made was held irregular. Detail is given below:

S. No.	Name of scheme	Expenditure (Rs.)
1	PCC road and Retaining Wall Pato VC Saddo	1,350,000
2	Open Well VC Paito	766,935
3	Installation of Street Lights Talash Bazaar	1,805,000
Total		3,921,935

Irregular expenditure occurred due to weak financial control, which resulted in violation of Government Rules.

When pointed out in October 2019, the management stated that the works were under execution. Technical Sanctions were under process which would be obtained and would be shown to audit.

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

Audit recommends to obtain the technical sanction from the competent forum to regularize the expenditure.

AIR 2018-19 Para-03

3.5.3.2 Irregular expenditure without Technical Sanction-Rs.121.066 million

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

Tehsil Municipal Officer Balambat Dir lower incurred an expenditure of Rs. 1,21,066,000 on account of various developmental schemes in the financial year 2018-19 during scrutiny of record it was observed that technical sanctions were not obtained from the competent authority.

Nonobtaining of technical sanction occurred due to weak internal control, which resulted in violation of government rules.

When pointed out in October 2019, the management stated that schemes are in running condition, TS for some of the schemes were sent to the local council board and in process. TS for remaining schemes will be obtained as soon as possible. Reply was not convincing, as per rules the TS was required to be obtained before the execution of works.

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

Audit recommends obtaining Technical Sanction from the competent forum.

AIR 2018-19 Para-01

3.5.3.3 Irregular expenditure without Technical Sanction-Rs.2.178 million

According to Government of Khyber Pakhtunkhwa Local Government Department Notification No.ACI/LCB/ESTT:/3-5/2005 dated 22.11.2005, the Engineers (in various scales) can accord Technical Sanction for the amount mentioned below:

- i. Engineers in BPS-18 up to Rs. 4,000,000
- ii. Engineers in BPS-17 up to Rs.1,500,000
- iii. Engineers in BPS-16 up to Rs. 500,000
- iv. Engineers in BPS-11 up to Rs.300,000

TMO Khall incurred expenditure of Rs. 2,177,842 on five developmental Schemes in 2018-19 without obtaining technical sanction of the competent authority as detail below:

Source of fund	Name of scheme	E.Cost (Rs.)	Expenditure (Rs.)
Tehsil ADP for 2017-18	PCC Road VC Shalkanai	600,000	483,000
	Retaining Wall VC Namser	600,000	360,060
	PCC Road VC Kamar Tall	600,000	502,200
	Widening of Road VC Luqman Banda	600,000	176,932
	PCC Road VC Namser Colony	900,000	655,650
	Total	3,300,000	2,177,842

The irregularity occurred due to weak financial controls which resulted in violation of rules.

When pointed out management stated that technical sanctions will be obtained and will be shown to audit. Reply was not satisfactory as expenditure incurred with obtaining TS.

Request for convening of DAC meeting was made in November2019, however, meeting of DAC could not be convened till finalization of this report

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

AIR 2018-19 Para-01

3.5.3.4 Irregular expenditure without Technical Sanction-Rs.8.093 million

According to Government of Khyber Pakhtunkhwa Local Government Department Notification No.ACI/LCB/ESTT:/3-5/2005 dated 22.11.2005, the Engineers (in various scales) can accord Technical Sanction for the amount mentioned below:

- i. Engineers in BPS-18 up to Rs. 4,000,000
- ii. Engineers in BPS-17 up to Rs.1,500,000
- iii. Engineers in BPS-16 up to Rs. 500,000
- iv. Engineers in BPS-11 up to Rs.300,000

TMO Lal Qilla Dir Lower incurred expenditure of Rs. 8,093,248 on five (05) developmental Schemes during 2018-19 without obtaining technical sanction of the competent authority as detail below:

Source of fund	Name of scheme	E.Cost (Rs.)	Expenditure (Rs.)
Priority Projects ADP No.417	Pcc road/widening/danga wall/street vc gumbat banda uc bishgram	2,700,000	727,200
	Pcc road/widening/danga wall/street vc kargha uc bishgram	4,600,000	1,893,700
	construction of culvert saro gal uc gall	2,700,000	2,324,625
District Development initiative ADP#535	Pcc road/widening/danga wall/street vc markhanai uc bishgram	4,600,000	2,149,723
	Total	19,200,000	8,093,248

The irregularity occurred due to weak financial controls which resulted in violation of rules.

When pointed out management stated that technical sanctions will be done. Reply was not satisfactory as expenditure was incurred before obtaining TS.

Request for convening of DAC meeting was made in November2019, however, meeting of DAC could not be convened till finalization of this report

Audit suggests regularization of expenditure and action against the person(s) at fault.

AIR 2018-19 Para-01

3.5.3.5 Irregular expenditure on execution of work without Technical Sanction-Rs.2.00 million

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

TMO Munda awarded a work” Installation of hand pumps at UC Gosam” of total estimated Rs. 2,000,000 to M/S Mehmood Jan& Sons on 07.02.2018, however, the scheme was not technically sanctioned through competent forum even though the scheme was on the verge of completion and expenditure of Rs. 451,047 was spent till the date of audit (October, 2019).

Irregularity occurred due to weak financial control, which compromised the standard, quality and economy of works.

When pointed out in October 2019, the management stated that Technical Sanction is in process and will be produced accordingly. No progress was intimated till issuance of this report.

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

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

AIR 2018-19 Para-01

3.5.3.6 Unauthorized execution of works beyond the technical capacity-Rs.24.83million

According to Government of Khyber Pakhtunkhwa Local Government Department Notification No.ACI/LCB/ESTT:/3-5/2005 dated 22.11.2005, the Engineers (in various scales) can accord Technical Sanction for the amount mentioned below:

- i. Engineers in BPS-18 upto Rs. 4,000,000
- ii. Engineers in BPS-17 upto Rs.1,500,000
- iii. Engineers in BPS-16 upto Rs. 500,000
- iv. Engineers in BPS-11 upto Rs.300,000

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

Tehsial Municipal Officer Samar Bagh incurred an expenditure of Rs.24834440 on account of various developmental schemes in the financial year 2018-19.On scrutiny of record it was observed that technical sanctions were not obtained from the competent authority.

Nonobtaining of technical sanction occurred due to weak internal control, which resulted in violation of government rules.

When pointed out in October 2019, the management stated that Technical Sanction will be obtained. reply was not satisfactory the work was executed without technical sanction.

Request for convening of DAC meeting was made in November2019, however, meeting of DAC could not be convened till finalization of this report

Audit recommends obtaining Technical Sanction from the competent forum.

AIR 2018-19 Para-03

**3.5.3.7 Irregular Expenditure over and above the budget allocation
-Rs.2.655 million**

According to Rule 57(1) of TMAs Budget Rules 2016, as a general rule no authority may incur any expenditure or enter into any liability involving expenditure from Tehsil Fund until the expenditure has been sanctioned by general or special orders of the Nazim TMA and the expenditure has been provided for in the approved annual budget of the TMA for the year.

TMO Khall Dir Lower incurred excess expenditure of Rs. 2,655,931 on various heads during 2018-19 over and above the approved budget provision which was unauthorized.

Excess expenditure occurred due to weak financial control, which resulted in violation of rules.

When pointed out management stated that no over and above expenditure made but according to the need, the expenditure has been done. Reply was not satisfactory as expenditure was incurred over and above the budget grants.

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

Audit recommends investigation and action besides regularization from the competent forum under intimation to audit.

AIR 2018-19 Para-08

CHAPTER-4

AD LGE & RDD

4.1 Introduction

Assistant Director Local Government, Election and Rural Development Department in District Dir Lower has 198 VCs/NCs. Each VC/NC has a Secretary. Assistant Director Local Government Election & Rural Development Department is Drawing and Disbursing Officer (DDO) for his office and PAO for VCs/NCs of the District Dir Lower.

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 includes:

- 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. Maintainance of village level infrastructure, footpaths, tracks, streets, playgrounds, graveyards, funeral places, eid-gah, parks, public open spaces and community centres.
- vii. Identifying development needs of the area for use by municipal administration and district government in prioritizing development plans;
- viii. Making arrangements for sanitation, cleanliness, disposal of garbage and carcasses, drainage and sewerage system;
- ix. Displaying land transactions in the area for public information;
- x. Mobilizing community for maintaining public ways, public streets, culverts, bridges and public buildings, de-silting of canals and other development activities;
- xi. Organizing cattle fairs and agriculture produce markets;
- xii. Organizing sports teams, cultural and recreational activities;
- xiii. Organizing watch and ward in the area;
- xiv. Promoting plantation of trees, landscaping and beautification of public places;
- xv. Regulating grazing areas, establish cattle ponds and provide protection against stray animals and animal trespass;
- xvi. Considering and approving annual budget presented by the respective Nazim, village council or neighborhood council;

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

Detail of Audit Planed formations expenditures and receipts

(Rs. in million)

Sr No	Description	Total Nos	Audited	Expenditure audited FY 2018-19	Revenue /Receipts audited FY 2018-19
1	Formations	199	20	138.738	Nil

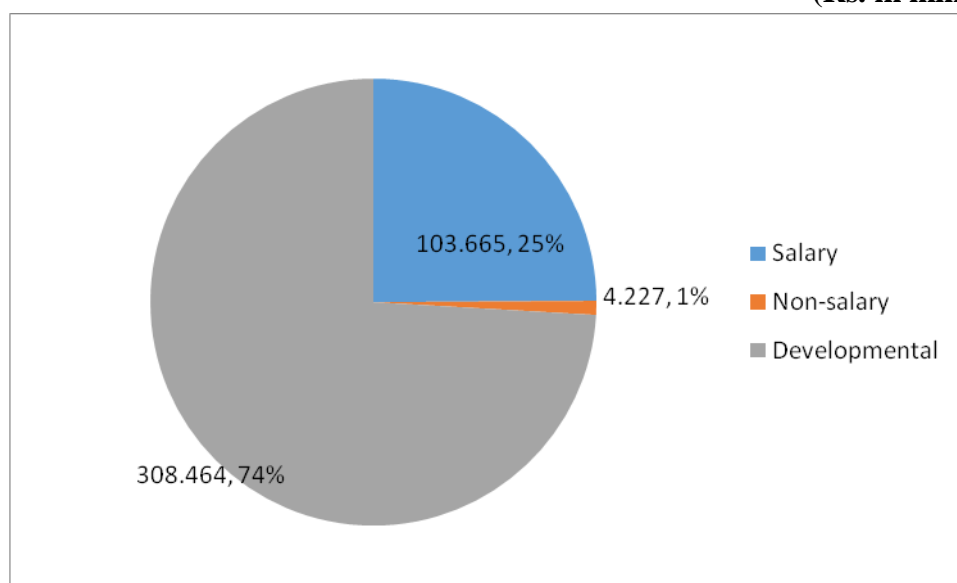
4.2 Comments on Budget and Accounts (Variance Analysis)

(Rs. in million)

AD LGE&RDD				
2018-19	Budget	Actual Expenditure/Receipts	Excess/(Saving)	%age
Salary	106.862	103.665	(3.197)	2.99
Non salary	5.600	4.227	(1.37)	24.46
Development	308.464	308.464	0	
Total	420.926	416.356	(4.57)	1.09

EXPENDITURE 2018-19

(Rs. in million)



4.3 Classified Summary of Audit Observations

Audit observations amounting to Rs.96.946 million were raised in this audit report. This amount also includes recoverable of Rs.5.778 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	16.338
B	Management of Accounts with Commercial Banks	62.299
2	Value for money and service delivery issues	2.975
3	Others, including cases of accidents, negligence etc.	15.334
Total		96.946

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

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

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

4.5 AD LGE&RDD & VC/NCs

4.5.1 Irregularities

Management of Accounts with Commercial Banks

4.5.1.1 Placement of public fund in current bank accounts-Rs. 62.299 million

According to Para 1 and 2 of Finance Department Khyber Pakhtunkhwa letter No. 2/3-(F/L)/FD/2007-08/Vol-IX dated 10th 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/Cooperations 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.

Assistant Director LG & RDD Dir Lower retained an amount of Rs. 62,299,860 in designated current account instead of PLS account. during the financial year 2018-19 which was clear violation of the above mentioned order Detail is as under:

S. No.	Account Title	Name of Bank	Account NO	Balance (Rs.)
1	AD LG & RDD (Regular)	NBP	4039776375	2,263,673
2	AD LG & RDD (Developmental)	NBP	4039775143	60,036,187
Total				62,299,860

Maintenance of current designated bank accounts occurred due to violation of rules which resulted in understatement in provincial receipts during the year.

When pointed out in October 2019, the management stated that the instruction of Government of KPK Finance Department regarding conversion of Current Account into PLS mode has strictly noted and conversion into PLS mode

was under process. Reply was not convincing as the Current Account was not converted into PLS mode till the date of audit.

Audit suggests immediate conversion of current accounts into PLS mode and deposit of profit into Government treasury when declared by the banks.

AIR 2018-19 Para-06

Procurement related irregularities

4.5.1.2 Irregular Award of civil works on abnormal below rate -Rs. 9.700 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.

AD LG & RDD Dir Lower awarded various developmental Schemes to the contractor with estimated cost of Rs. 9,700,000 in the financial year 2018-19. On scrutiny of record it came to notice that contractor 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 is a questionable mark on the specification and standardization of the work. Detail is as under:

S. No.	Name of Scheme	Name of Contractor	E. Cost (Rs.)	%age Below
1	Widening of Watangay Payeen Road	New Airways Builders	1,000,000	65.12
2	Widening of Gatkay Road	-do-	600,000	65.12
3	DWSS & Open Well for Ziaur Rehman Koroona	M/S Anwarullah Khan & Co.	1,000,000	43.27
4	Open Well VC Shahi Khail	Meezan Associate	3,000,000	66.05
5	WSS Bandagai	-do-	1,400,000	65.05
6	DWSS Gubatay	M/S Talash Construction	1,000,000	55.10
7	WSS Talash	-do-	1,700,000	55.60
Total			9,700,000	

Award of civil work on abnormal below rates and without analyzing evaluating of rates occurred due to weak internal control, which resulted in loss to government.

When pointed out in October 2019, the management stated that the contractor has been offered their rates on E. Tendering system and works were awarded to the contractors who submitted original documents till the closing date. Reply was not convincing as the as the objective laid down in Section 2 (q) of KPPRA Rules 2014 was not achieved.

Audit suggests inquiry into a probable cause of irregularity.

Audit suggests obtaining technical sanctions from the competent forum and action against the person(s) at fault authorizing execution/payment without technical sanction.

AIR 2018-19 Para-03

4.5.1.3 Irregular expenditure on installation of HDPE pipes –Rs.6.638 million

According to circular No11/Dev-14/PHE (N) dated 14-7-2015 in order to stop the entry of the sub-standard 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)

AD LG & RDD Dir Lower incurred expenditure of Rs. 6,638,545 on account of supply and fixing HDPE pipes in various water supply schemes during 2018-19. On scrutiny of record, it was observed that that the Local office did not adopt the following quality assurance steps to ensure the quality and 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 execution of substandard pipes could not be ruled out. Detail is as under:

S. No.	Name of scheme	Amount (Rs.)
01	DWSS Palosa Shakara	458,504
02	DWSS Sangolai	313,600
03	DWSS Manogay	220,930
04	DWSS Palono Dherai Khush Muqam	706,550
05	DWSS Miramai VC Chinarkot	293,778
06	DWSS Scheme Khazana	460,000
07	Ext: of DWSS Gore & Bandagai	910,800
08	DWSS at Raheem Abad, Gosam	974,383
09	Ext: of DWSS VC Drangal	460,000
10	DWSS in VC Miskini	1,380,000
11	DWSS Khunji VC Khunji	460,000
Total		6,638,545

Non compliance of the field staff occurred due to weak internal control, which resulted in violation of Government instruction.

When pointed out in October 2019, the management stated that the relevant invoices regarding HDPE pipes would be provided to audit.

Audit suggests to regularize the expenditure.

AIR 2018-19 Para-01

4.5.2 Value for money and service delivery issues

4.5.2.1 Non imposition of penalty on late completion of schemes -Rs.2.975 million

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

AD LG & RDD Dir Lower did not impose 10% penalty of Rs. 2,975,000 in 2018-19 on various contractors for late completion of developmental schemes. Detail at annexure-13.

Non recovery of penalty occurred due to weak internal control, which resulted in loss to government.

When pointed out in October 2019, the management stated that the schemes mentioned in the Para were due for payment and full release has not been made. Reply was not convincing as no documentary proofs were provided to audit regarding completion of schemes.

Audit suggests recovery and action against the person at fault.

AIR 2018-19 Para-03

4.5.3 Others, including cases of accidents, negligence etc.

4.5.3.1 Irregular expenditure without Technical Sanction-Rs.15.334 million

According to Para 32 of CPWD Code, no work shall be executed without Administrative Approval/Technical Sanction and Budget allotment. Further, according to Para 56 of CPWD Code, if subsequent to the grant of technical sanction, material structural alterations are contemplated, orders of the original sanctioning authority should be obtained, even though no additional expenditure may be involved by the alterations.

AD LG & RDD Dir Lower incurred an expenditure of Rs. 15,334,420 on account of various developmental schemes during 2018-19. On scrutiny of record, it was observed that Technical Sanction was not obtained from the competent authority before commencement of work. Thus, the expenditure made was held irregular. Detail is given below:

S. No.	Name of scheme	Expenditure (Rs.)
1	Imp: of PCC road Lacha Dabako PK-96	9,190,800
2	Imp: & BTR Malakand Balo	3,143,620
3	PCC Road Lala Qilla	1,000,000
4	Const: of Drains/ Pav: of Streets Gulbahar No. 1 Mayar Jandool	2,000,000
Total		15,334,420

Irregular expenditure occurred due to weak financial control, which resulted in violation of Government Rules.

When pointed out in October 2019, the management stated that the schemes mentioned in the Para were on-going and partial payments have been made. The TS would be obtained and would be provided to audit.

AIR 2018-19 Para-02

Annexures

Annexure-1Detail of MFDAC Paras

S. No	Para No	Caption of Para	Rs. in million
DC			
1	04	Non deposit of stamp duty	0.922
2	05	Non Transfer/register of land to the name of Government	92.26
3	07	Non reconciliation of revenue deposit	92.26
4	10	Non deposit of registration fee	0.461
5	13	Unjustified retention and non issuance of medicines	7.61
6	15	Non deduction of income tax	0.756
Health			
7	16	Irregular procurements of medical equipments	9.106
8	17	Non deposit of health receipts	0.554
9	19	Irregular expenditure on repair of vehicles	0.722
DO (M)			
10	22	Less deduction of income tax and stamp duty	0.654
11	28	Difference in closing balance of bank and cash book	0.543
12	31	Non deduction of professional tax	0.88
DO (F)			
13	33	Loss due to placement of public fund in current bank account	0.63
14	43	Non deposit of girl fund	0.30
15	46	Non deduction of professional tax	0.55
16	50	Non accountal of raw material in stock register	0.99
TMA Khall			
17	52	Non achievement of receipt target	0.430
18	53	Non imposition of penalty	0.458
19	54	Over payment due allowing inadmissible rate	0.637
20	55	Non deposit of stamp duty	0.422
21	57	Loss due expensive visit of 78ouncilor	0,800
22	61	Overpayment due to excess drawl of POL	0.172

23	62	Untuhorized payment on account of firewood allowance	0.294
TMA Lalqila			
24	65	Non imposition of penalty	0.419
25	67	Overpayment due to inadmissible rate	0.33
26	68	Non deposit of stamp duty DPR	0.55
TMA Timergara			
27	70	Non recovey of taxi stand fee	0.396
28	79	Non deduction of professional tax	0.163
29	80	Non deposit of stamp duty	0.127
30	84	Non deduction of income tax	0.362
31	97	Non deduction of DPR fund	0.336
32	98	Non deduction of professional tax	0.381
33	101	Non deposit of stamp duty	0.225
Balambat			
	101	Non deposit of stamp duty	0.226
34	102	Non deposit of income tax	0.570
Munda			
35	119	Non imposition of penalty	0.369
36	120	Non recovery of registration fee	0.375
37	121	Non execution of developmental scheme	0.95
LG & RDD			
38	106	Non deposit of income tax from contractor	0.264
VC Takwaro			
39	01	Placement of public fund in designated current bank account – Rs. 3883783 and profit thereon – Rs. 152272	3.883 0.152
VC Raza Gram			

40	01	Placement of public fund in designated current bank account – Rs. 2336004 and profit thereon – Rs. 105120	2.336 0.105
		VC Dherai Talash	
41	01	Placement of public fund in designated current bank account – Rs. 3695845 and profit thereon – Rs. 166313	3.695 0.166
		VC Nagrai Payeen	
42	01	Placement of public fund in designated current bank account – Rs. 3702155 and profit thereon – Rs. 166596	3.702 0.166
		VC Gosam	
43	01	Placement of public fund in designated current bank account – Rs. 3687621 and profit thereon – Rs. 165942	3.687 0.165
		VC Katan	
44	01	Placement of public fund in designated current bank account – Rs. 3778167 and profit thereon – Rs. 170017	3.778 0.170
		VC Kot Bala	
45	01	Placement of public fund in designated current bank account – Rs. 3167719 and profit thereon – Rs. 142547	3.167 0.142
		VC Sair	
46	01	Placement of public fund in designated current bank account – Rs. 2563797 and profit thereon – Rs. 115370	2.563 0.115
		VC Shalkani	
47	01	Placement of public fund in designated current bank account – Rs. 1883521 and profit thereon – Rs. 84758	1.883 0.084
		VC Koz Kallay	
48	01	Placement of public fund in designated current bank account – Rs. 2617099 and profit thereon – Rs. 117769	2.617 0.117
		VC Ramora	
49	01	Placement of public fund in designated current bank account – Rs. 3332185 and profit thereon – Rs. 149948	3.332 0.149
		VC Tindodog	
50	01	Placement of public fund in designated current bank account – Rs. 2593847 and profit thereon – Rs. 116723	2.593 0.116
		VC Badwan Payeen	
51	01	Placement of public fund in designated current bank account – Rs. 3304380 and profit thereon – Rs. 148697	3.304 0.148
		VC Kamala	
52	01	Placement of public fund in designated current bank account – Rs. 2604601 and profit thereon – Rs. 1172070	2.604 0.117
		VC Moranai	
53	01	Placement of public fund in designated current bank account – Rs. 4435659 and profit thereon – Rs. 199604	4.435 0.199
		VC Kohirai	

54	01	Placement of public fund in designated current bank account – Rs. 4076957 and profit thereon – Rs. 183463	4.076 0.183
		VC Kakas	
55	01	Placement of public fund in designated current bank account – Rs. 3369900 and profit thereon – Rs. 151645	3.369 0.151
		VC Manai	57.733
56	01	Placement of public fund in designated current bank account – Rs. 2988768 and profit thereon – Rs. 134494	2.988 0.134
		VC Shagai	
	01	Placement of public fund in designated current bank account – Rs. 2889654 and profit thereon – Rs. 130034	2.889 0.130

Annexure-2 Detail Non deduction of HPA and Conveyance Allowance

S. NO	Name	Designation	Personal No	Leave in Days	Effective Date	Overpayment during leave (Rs.)		
						HPA	Conveyance	Total
1	Zakia Bano	LHV	289703	16	02/05/2019	5,333	1523	6856
2	Husna Nosheen	LHV	835913	45	10/05/2019	14999	4284	19283
3	Kalsom Begum	LHV	572840	45	23/04/2019	14999	4284	19283
4	Sadaqat Bibi	LHV	685565	45	18/12/2018	14999	4284	19283
5	Shariyat Begum	LHV	759458	25	14/01/2019	8333	2380	10713
6	Durdana Rahman	LHV	263432	20	25/02/2019	6666	1904	8570
7	Sabila Begum	LHV	687403	15	14/02/2019	4299	1428	5727
8	Samina Ali	LHV	269593	14	02/07/2018	4666	1332	5998
9	Noor Begum	LHV		45	27/8/2018	14999	4284	19283
10	Iftikhar Ahmad	EPI Technician		23	05/12/2018	7666	2189	9855
11	Fawad Ali Shah	PHC (MP)	881235	21	17/04/2019	8999	0	8999
12	Aliq Ur Rahmana	MT	260647	21	25/03/2019	6999	1999	8998
13	Imtiaz Khan	MT	685315	120	01/03/2019	40000	11424	51424
14	Jameel Ahmad	MT	259372	25	07/12/2018	8333	4166	12499
15	Naveed Ullah	EPI Tec	849483	20	14/01/2019	6666	1904	8570
16	Inayat Ur Rahman	MT		120	19/10/2018	40000	11424	51424
17	Said Ali Jan	MT	266469	60	24/12/2018	20000	5712	25712
18	Raziat Begum	FMT	845906	120	11/07/2018	40000	11424	51424
19	Sharafat Begum	LHV	281081	45	22/01/2018	14999	4284	19283
20	Hayat Muhammad	Dental T	577237	21	22/04/2019	6666	1999	8665
21	Ahmad	Malaria S	259139	50	04/08/2018	16666	4760	21426

	Zada							
22	Kalsoom	C Nurse	437091	35	27/02/2019	11666	5833	17499
23	Shaira Bibi	C Nurse		45	01/05/2019	14999	7499	22498
24	Sabira Bibi	C Nurse	822431	45	01/03/2019	14999	7499	22498
25	Aneela Bibi	C Nurse		45	01/02/2019	14999	7499	22498
26	Nazma Zahid	C. Nurse	708136	45	01/10/2018	14999	7499	22498
27	Nighat Shah	Lhv		45	09/10/2018	14999	4284	19283
28	Tamana Begum	LHV	577239	45	21/05/2019	14999	4284	19283
29	Altif Hussain	PT		50	11/08/2018	16666	4760	21426
30	Sabra	Lhv		30	27/08/2018	10000	2856	12856
31	Dr. Abdul Haq	PMO	492741	50	08/08/2018	103333	8333	111666
32	Dr. Habib un Nabi	MO	887870	30	01/12/2018	62000	5000	67000
33	Dr. Khalid Hassan	MO	810581	10	03/04/2019	24000	1666	25666
34	Dr. Saeeda	WMO	842220	30	30/05/2019	62000	5000	67000
35	Dr. Nisar Ahmad	MO	836150	30	01/07/2019	62000	5000	67000
36	Falak naz	Opt T	576015	25	18/05/2019	8333	2380	10713
Grand Total						756,279	166380	922659

Over payment of pay and Allowance during the period of willful absent

S.No	Name	Designation	Period	Month Years	Amount (Rs.)
1	Shahida Taswar	LHV	18/01/2019 to 30/6/2019	5 months 12 days	284999
2	M Ilyas	PT	2/3/2019 to 30/6/2019	3 months 28 days	189345
3	Mohammad Hamy	wardordly	21/5/2019 to 30/6/2019	1 months 9 days	25956
					500300

Annexure-3Detail of Non Payment to the land Owner

S.No	Name of Owner	Total Area K-M-S	Price per kanal	Total (Rs.)
1	Fazal Haleem S/O Tajnoor Khan	0-0-1	2206160	12256
2	Sajeed Khan S/O Kafayat ullah(37)	0-2-8	2206160	318668
3	Mohammad Afzal S/O Aslam Khan (56)	0-4-2	956340	201894
4	Sahibzada and brothers S/OMohammad Gulab(63)	0-5-4	956340	260337
5	Umarzada S/O Mohammad Gulab(64)	0-3-0	956340	143451
6	Gul Zada S/O Mohammad Gulab(66)	0-14-2	956340	68064
7	Sabir RehmaS/O Yarmola Khan(67)	0-1-6	956340	79695
8	Sahibzada S/OMohammad Gulab(74)	0-0-3	956340	15939
9	Gul Zada S/O Mohammad Gulab(75)	0-1-3	956340	63756
10	Sahibzada S/OMohammad Gulab(102)	0-5-3	858176	228874
11	Shah Ezat S/O Shah Tamas(108)	0-0-1	956340	5313
12	Mohammad Saif ullah S/O Mastan Khan(138)	0-1-0	1010988	50549
13	Nisa rmohammad S/OSultanat Khan(150)	0-0-2	1010988	11233
14	Umar Zada S/O Khaista khan(157)	0-2-5	2206160	281898
15	Haji Khaista Rehman S/O Gul Rasool(162)	0-1-7	858176	76282
16	Mohammad Ayub S/O Mohammad Qasim(171)	0-3-5	1010988	179731
17	Faisal S/Osherwaye khan(182)	0-4-4	2206160	490258
18	Hanif Ur Rehman S/OMujeeb Rehman(183)	0-0-1/2	2206160	6128
19	Mohammad Sadiq S/OAbulshakoor (185)	0-0-3	2206160	36769
20	Mohammad Alim S/O Mohammad Jan (186)	0-0-7	2206160	85795
21	Akhtar Ali S/O Haider Ali(193)	0-2-2	2206160	245129
22	Anwar Said S/O Habib Said(194)	0-5-4	2206160	600566

23	Faisal S/O Sher wali khan(203)	0-1-4	2206160	159334
24	Dost Mohammad S/O Bazir Khan(204)	0-2-0	2206160	220616
25	Azmat Khan S/O Sher mohammad (215)	0-1-0	2206160	110308
26	Saif ur rehman S/O Mohammad Akbar (216)	0-1-0	2206160	110308
27	Badshahzada S/O saifur rehman(217)	0-1-3	2206160	147077
				4,210,228

Annexure-4 Detail of outstanding Receipts against health facilities

S.No	Name of Unit	Head	Month	Amount (Rs.)
1	BHU Chikdara	OPD	6/2019	6620
2	RHC Ouch	Lab	6/2019	13286
3	RHC Ouch	OPD	6/2019	71110
4	CD Badwan	OPD	6/2019	1140
5	BHU Pengal	OPD	6/2019	2730
6	Cat: D Lalqila	OPD General		11750
7	Cat: D Lalqila	OPD Emergency		37790
8	Cat: D Lalqila	Lab		129460
9	Cat: D Lalqila	XRay		2450
10	CD Malakand	OPD	6/2019	1270
11	BHU Luqman Banda	OPD	4/2019	1720
12	BHU Asigai	OPD	6/2019	1420
13	BHU Kass	OPD	6/2019	1170
14	BHU Dmtal	OPD	6/2019	750
15	Cat: D Mayar	Lab		28015
16	Cat: D Mayar	O/T		38000
17	BHU Tangi Payeen	OPD	6/2019	2210
18	BHU Makkai	OPD	6/2019	1330
19	BHU Odigram	OPD	6/2019	4790
20	BHU Banda Talash	OPD	6/2019	3030
21	BHU Otala	OPD	6/2019	7320
22	BHU Kharkai	OPD	6/2019	2910
23	BHU Haysari	OPD	6/2019	820
24	MCH Ketyari	OPD	6/2019	2000
25	SHC Khazana	OPD	6/2019	3710
26	CD Munjai	OPD	6/2019	4980
27	CD Siwarghar	OPD	6/2019	3230
28	THQ Munda	Ambulance No1242		112040
29	RHC Khal	Ambulance No1269		56160
30	RHC Gul Abad	Ambulance No 1724		21280
31	THQ Samar Bagh	Ambulance No 1227		61600
32	THQ Samar Bagh	Ambulance No 1228		124080
33	Cat: D Talash	25% Share (ECG)		10393
34	THQ Chikdara	25% Share (Lab)		167762
35	RHC Asbaner	25% Share (Lab)		8311
36	DHO Office	2% admn Share		106675
				1,053,312

Annexure-5 Detail of below 40%

S.No	Name of Scheme	Name of contractor	E.Cost (million)	Below %
4	Shingle Road in Duda UC B/Dushkhela	Izharullah	3.00	54.00
5	Shingle Road UC Rabat	Haji SultanRomm	10.0	65.15
6	DWSS UC Rabat	Fazali Subhan	1.00	56.10
8	Shingle Road UC Devlai	Izharullah	3.00	58.00
10	DWSS Ward Balmbat	Sher Mohammad	1.40	51.00
11	DWSS Ward Koto	Fazali Subhan	1.00	56.10
15	Const: of Water Band UC Rabat	Nadeem Khan	10.0	43.10
21	Removel of Garbage of Drain	New Air ways	1.20	55.12
25	WSS UC Lajbook	Syed Rahim Shah	1.00	54.00
31	DWSS Ward Rabbat	M.nadeem	1.05	66.52
34	Widing of Road VC Darmal	M/S Samiullah	1.30	57.00
35	DWSS Ward Haysari	Fazali Subhan	1.00	55.10
36	DWSS Ward Munjai	Muhammad Ndeem	1.00	60.52
37	Shingle Road Shamshikhan	Iram ullah	3.00	55.50
40	DWSS UC Rabat	Sultani Room	10.0	65.10
47	PCC Road UC Dab Rabat	M/S Ahtasham	5.00	42.15
			53.95	

Annexure-6 Detail of below rates TMA Adenzi

S.No	Name of Scheme	Name of Contractor	E.cost (Rs.)	Below%
1	Const: of PCC Road at U/CAsbaner	Rahmat sohaib	700000	45.00
2	DWSS U/C Chikdara	Rahmat sohaib	750000	51.15
3	DWSS at Badwan	Rahmat sohaib	150000	61.00
4	DWSS at U/C khadazai	Rahmat sohaib	100000	47.50
5	DWSS at khadakzai	Rahmat sohaib	100000	51.80
6	DWSS U/C tazagram	Rahmat Sohaib	1000000	51.80
7	DWSS at Iarm UC kotigram	Jan construction	1000000	52.55
8	DWSS at warsak	Jan construction	800000	54.55
9	DWSS at UC kotigram	Jan construction	470000	52.55
10	DWSS at Khadkzai	Zia ur rehman	500000	66.30
11	const: of WssU/C kotigram	Jan Const:	1000000	57.55
12	DWSS ouch	Alamzaib khan	800000	60.10
13	DWSS at tazagram	Shafiq Hayat	1250000	60.20
14	DWSS at Kotigram	Jan Pervez	1000000	61.50
15	DWSS at U/C Asbnar	Jan pervaz	440000	61.00
16	DWSS Shawa U/C Tazagram	Alam zaib	105000	61.10
17	Const: of kacha Road at siya U/C Khanpur	Rehmat Sohaib	300000	54.10
18	DWSS at U/C kotigram	Rehmat Shoahib	650000	48.61
19	Imp: of janazgah U/C asbnar	Rahmat sohaib	700000	58.80
20	DWSS at Tarano U/C tazagram	Rahmat Sohaib	200000	47.61
			12015000	

Annexure 7Detail of HDPE Pipes

S.No	Name of Scheme	Name of contractor	Expenditure (Rs.)
6	DWSS UC Rabat	Fazali Subhan	428025
7	DWSS/Open Well Ward Balmbat	Malak M.Khan	668478
10	DWSS Ward Balmbat	Sher Mohammmad	446847
11	DWSS Ward Koto	Fazali Subhan	424663
22	DWSS/openwell ward Rabat	New Air ways	844442
25	WSS UC Lajbook	Syed Rahim Shah	245118
31	DWSS Ward Rabbat	M.nadeem	414540
35	DWSS Ward Haysari	Fazali Subhan	442854
36	DWSS Ward Munjai	Muhammad Ndeem	605200
40	DWSS UC Rabat	Sultani Room	2967604
42	DWSS and Sanitation ScheemShatai	Shahzad developer	1321856
			8809627

Annexure-08 Detail of Loss due to fraudulent award of contracts

S#	Name of Work	E.Cost (Rs.)	Lowest Rate	Awarded on	Diff	Loss (Rs.)	Remarks
1	PCC Road/widening / Danga wall/ Streets VC Markhanai UC Bishgram	4,600,000	23.60% below by M/S Mohammad Jan Builders	0.5% below to M/S Aramzai Construction Co.	23.10%	1,062,600	Lowest rate rejected due to no Tender form. However no legal action was taken against the lowest bidder.
2	PCC Road Kargha Bishgram	4,600,000	22.50% below by M/S Mohammad Jan Builders	0.5% below to M/S Aramzai Construction Co.	22%	1,012,000	-do-
3	PCC Road Gumbat Banda Bishgram	2,700,000	10% below by Shaheen Construction	01% below to M/S Aramzai Construction Co.	9%	243,000	-do-
1	PCC Road Khan Abad CMD Fund	1,600,000	25.10% below offered by M/S Nadeem Khan	10% Below M/S Aramzai Const	15.10%	241,600	Rejected due to no addl sety whereas tender form shows addl.secty was deposited
2	PCC Road Galgot	600,000	29.55% below by M/S Samiullah	At Par to M/S Dilbar Khan	29.55%	177,300	rejected due to no Tender form. However no legal action was taken

							against the lowest bidder.
3	Danga wall Culvert water chanel at Zormandai	1,000,000	10% below by M/S Shaheen Construction	1.55% below to Jehan Alam	8.45%	84,500	-do-
4	WSS Dr.Ibrahim Korona	500,000	42.05% below by Samiullah	3% below to M/S Maidan Eng. Services	39.05%	195,250	-do-
5	PCC Road Dehro	1,000,000	21.10% below by Malik Painsa Khel	1.5% below to Saif Construction	19.6%	196,000	-do-
6	PCC Road Bandai	1,200,000	26.77% below by Akhunzada Associate	4% Jehan Alam	22.77%	273,240	-do-
7	PCC Road Daro Jabagai Zamdara	1,200,000	23.67% below by Akhunzada Associate	1% to Jehan Alam	22.67%	272,040	-do-
8	PCC Road Bandagai	1,370,000	26.27% below by Akhunzada Associate	1.35% Saif Construction	24.92%	341,404	-do-
9	Danga Wall Odigram	1,470,000	32.53% below by Akhunzada Associate	1.30% Saif Construction	31.23%	459,081	-do-
10	PCC Road Gulshan Abad Gumbatay Kotkey	500,000	10% below by Khilji Brothers	0.30% to Nadeem Khan	9.7%	48,500	-do-
11	PCC Road Salman Korona Tehsil ADP 2018-19	500,000	26.21% below by Bahramand	12% below to Shamsur Rehman	14.21%	71,050	Rejected due to Less CDR whereas CDR was prepared for total amount as per Online Tender Form
12	Protection Wall	490,000	28.6%	19% below	9.6%	47,040	Rejected

	Kaski Chinar Kot Tehsil ADP 2018-19		below by M/S Akhunzada	to Shamsur Rehman			due to Less CDR whereas CDR was prepared for total amount as per CDR available on record.
				Total		4,724,605	

Annexure-09Detail of TMA Samar bagh HDPE Pipes

S.No	Name of Scheme	Name of Contractor	E.Cost (Rs.)	Expenditure (Rs.)
4	DWSS /H/pumpat S/Bagh	Saleem Mishwani	1500000	1255809
12	DWSS /water Tank Rahim abad	Saif const:	500000	197321
15	S/F HDPE Pipes W/Pump at Mayar	New Frontier	812500	790424
18	DWSS /Water Tank sadbar kaly	Mehmood Jan	500000	486104
32	DWSS /Open well at U/C Darangal	Saleem	2000000	1472987
45	DWSS pipe and water tankiat Khakai and Ranidali	Jehangir said	800000	631063
46	DWSS pipe at singipara U/C Maskini	Jehangir said	700000	680521
47	DWSS pipe at kolalan	Jehangir said	700000	682152
48	DWSS pipe at kakas	Mahmood Jan	793000	784565
51	Installation of water pump at U/C sadbar kaly	Mehmood Jan	1277000	324059
				7,305,005

Annexure-10 Detail of blockage of money Adenzi

S.No	Name of Scheme	Name of Contractor	E.cost (Rs.)
1	DWSS U/C Chikdara	Rahmat sohaib	750000
2	Impand inst of T/well at ouch	M/S Bacha	900000
3	DWSS at U/C khadazai	Rahmat sohaib	100000
4	Const: of kacha road at khanpur U/Ckhanpur	Rahmat sohaib	450000
5	Const: of kacha Road at siya U/C Khanpur	Rehmat Sohaib	300000
6	DWSS at U/C kotigram	Rehmat Shoaib	650000
7	WSS Water Tank at Bambolai	Jan pervez	700000
8	Imp: of janazgah U/C asbnar	Rahmat sohaib	500000
9	DWSS at Tarano U/C tazagram	Rahmat Sohaib	200000
			4,550,000

Annexure-11 Detail of Income tax Adenzi

S.No	Name of Scheme	Name of Contractor	E.cost (Rs.)	Amount of 7% income tax (Rs.)
1.	Const: of PCC Road at U/CAsbaner	Rahmat sohaib	700000	51833
2.	Const: of PCC Road at U/CTiknai bala	Rahmat sohaib	700000	36266
3.	DWSS open well at Qilla	Rahmat sohaib	1000000	52256
4.	Improvement of janazaga at warsak	Rahmat sohaib	100000	7726
5.	Const: of PCC road at U/C Badwan	Rahmat sohaib	380000	27946
6.	Const: of PCC road at U/C Kityai	Rahmat sohaib	300000	22520
7.	Const: of PCC road and retaning wall at U/C ouch	Rahmat sohaib	300000	27932
8.	Const: of PCC road at U/C ouch	Rahmat sohaib	365000	27043
9.	DWSS at Badwan	Rahmat sohaib	150000	9100
10.	Const: of PCC road at shalam baba	Rahmat sohaib	300000	22341
11.	DWSS at U/C khadazai	Rahmat sohaib	100000	14743
12.	Const: of PCC road at umarayU/C Asbnar	Rahmat sohaib	200000	11073
13.	Const: of PCC road at jango gero U/C taza gram	Rahmat sohaib	150000	9100
14.	DWSS at khadakzai	Rahmat sohaib	100000	86516
15.	Const: of PCC road at U/C Kotigram	Rahmat sohaib	1500000	79530
16.	Const: of PCC road at kandaro worsak U/C ouch	Rahmat sohaib	200000	14749
17.	Const: of PCC road at ouchU/C ouch	Rahmat sohaib	1650000	141410
18.	WSS Shawa U/C tazagram	Rahmat sohaib	305000	11340
19.	Const: of PCC road near university chakdara U/C Chakdara	Rahmat sohaib	440000	32808
20.	DWSS open well bore at U/C tazagram	Rahmat Sohaib	500000	42294
21.	Const: of PCC road at U/C khadakzai	Rahmat sohaib	1400000	105667
22.	Purchase od dustins tehsil adanzai	Rehmat sohaib	700000	49000
23.	DWSS at larm UC kotigram	Jan construction	1000000	70000
24.	DWSS at warsak	Jan construction	800000	56000
25.	DWSS at UC kotigram	Jan construction	470000	35654
26.	Const: of PCC Road at tangai bala	Rehmat sohaib	2000000	170796
27.	Const: of PCC road at shawaU/C Tazagram	Rahmat sohaib	600000	44149
28.	Const: of PCC road at chakdaraU/C chakdara	Rahmat sohaib	600000	44655
				1,304,447

Annexure-12Detail of TMA Samar bagh TS

S.No	Name of Scheme	Name of Contractor	E.Cost (Rs.)
1	Rehabilitation of Road at Naosher Korana	M/S Mehmood Jan & Sons	500000
2	T/Well Boring Swara Ghawandai	M/S Rustam Khel	300000
3	PCC Road /Pvt of Street at tehsil S/Bagh	Saleem Mishwani	1000000
4	DWSS /H/pumpat S/Bagh	Saleem Mishwani	1500000
5	T/well Boring S/Bagh	Saleem Mishwani	750000
7	Beautification Scheme S/bagh	M/S Fazal	2000000
8	Installation of solar light in Kambat	Rustam Khel	3580000
9	T/Well boaring of solar system Dehari Kambat	Rustam Khel	2260000
14	DWSS/Open Well at Rangul	Ali Rehman saif	800000
20	Shed shelter for janazga at S/bagh	Bahri karam	1300000
29	Installation of solar lights shahi Bazar TMA Rest House	M/S Dir Piplines	1558000
30	Installation of solar at sadbar kaly	M/S Dir Piplines	1558000
31	Installation of solar at Maskini Bazar	M/S Dir Piplines	228440
32	DWSS /Open well at U/C Darangal	Saleem	2000000
39	Pvt of street UC Sadbar kaly	Talash const:	1500000
43	Const: of kacha road prata U/ c Maskini	Rahmatullah	1000000
44	Const: of RCC Culvert Sheralam korona	Rehmatullah	2000000
49	Const: of kacha road Nowsar	Jehangir said	1000000
			24,834,440

Annexure-13 Detail of penalty

S. No.	Scheme	W/order date	Due date of Completion	Actual date of completion	Cost (Rs.)	10%Penalty (Rs.)
1	Imp: of PCC road Lacha Dabako PK-96	18-4-2016	31-5-2016	In Progress	10,700,000	1,070,000
2	Imp: & BTR Malakand Balo	18-4-2016	31-5-2016	In Progress	5,000,000	500,000
3	PCC Road Karin,	27-9-2018	27-5-2019		500,000	50,000
4	PCC Road Khan Garai	27-4-2018	27-8-2018		1,000,000	100,000
5	PCC Road Qazi Abad	27-4-2018	27-8-2018		1,000,000	100,000
6	Const: of Culvert Banrgai	27-4-2018	27-8-2018		500,000	50,000
7	PCC Roads in VC Chakdara	10-10-2017	31-3-2018	6-12-2018	1,550,000	155,000
8	Const: work at Masjid Amlook Dara	27-4-2018	27-4-2019	In Progress	1,000,000	100,000
9	PCC Road Jabagai Majeedullah Koroona	27-4-2018	27-4-2019	In Progress	1,000,000	100,000
10	DWSS Open Well Shah Wazir Khan Koroona	27-4-2018	27-4-2019	In Progress	500,000	50,000
11	PCC Road Gawardesh, Manai	20-11-2017	31-3-2018	In Progress	1,500,000	150,000
12	PCC Road Jabo	20-11-2017	31-3-2018	In Progress	1,000,000	100,000
13	Const: of Boundary Wall for Farm Service Centre Timergara	10-11-2017	31-3-2018	In Progress	2,000,000	200,000
14	PCC Road Aashaq Banda	10-11-2017	31-3-2018	In Progress	500,000	50,000
15	Sanitation Scheme VC Bishigram	10-11-2017	31-3-2018	In Progress	1,000,000	100,000
16	PCC Road mohallah Abdur rauf Koroona	10-11-2017	31-3-2018	In Progress	500,000	50,000
17	PCC Road at Parkho	10-11-2017	31-3-2018	5-1-2019	500,000	50,000
Total						2,975,000