



**AUDIT REPORT  
ON  
THE ACCOUNTS OF  
DISTRICT GOVERNMENT  
KARAK**

**AUDIT YEAR 2017-18**

**AUDITOR GENERAL OF PAKISTAN**

# TABLE OF CONTENTS

<b>ABBREVIATIONS AND ACRONYMS.....</b>	<b>i</b>
<b>Preface .....</b>	<b>ii</b>
<b>EXECUTIVE SUMMARY.....</b>	<b>iii</b>
<b>SUMMARY TABLES &amp; CHARTS.....</b>	<b>vi</b>
I: Audit Work Statistics.....	vi
II: Audit observation Classified by Categories .....	vi
III: Outcome Statistics.....	vii
IV: Table of Irregularities pointed out .....	viii
<b>CHAPTER 1 .....</b>	<b>1</b>
1.1 District Government Karak.....	1
1.1.1 Introduction.....	1
1.1.2 Comments on Budget and Expenditure (Variance Analysis) .....	1
1.1.3 Comments on the status of compliance with DAC / PAC Directives.....	2
<b>1.2 AUDIT PARAS .....</b>	<b>3</b>
1.2.1 Misappropriation.....	3
1.2.2 Irregularity/ Non compliance .....	4
1.2.3 Internal Control Weaknesses .....	20
<b>ANNEXURES.....</b>	<b>26</b>
Annex- 1 Detail of MFDAC Paras.....	26
Annex-2 Detail of developmental schemes without TS.....	27
Annex-3 Detail of irregular tendering of works.....	28
Annex-4 Detail of non-imposition of penalty .....	29
Annex-5 Detail of non-functioning of water supply schemes .....	30
Annex-6 Detail of non-deduction of GST.....	31
Annex-7 Detail of non-utilization of fund .....	32
Annex-8 Detail of unauthorized expenditure.....	33
Annex-09 Detail of works executing TST instead of Premix .....	34
Annex-10 Detail of payments from lapsed Deposits.....	35
Annex-11 Detail of unutilized machinery and equipment .....	36
Annex-12 Detail of overpayments .....	37
Annex-13 Detail of non-deduction of Government taxes .....	38
Annex-14 Detail of less deduction of income tax .....	39

## ABBREVIATIONS AND ACRONYMS

AA	Administrative Approval
ADP	Annual Development Programme
AOM&R	Annual Ordinary Maintenance and Repair
AIR	Audit and Inspection Report
BOQ	Bill of Quantity
B&R	Buildings & Roads
CPWA Code	Central Public Works Account Code
C&W	Communication and Works
DAC	District Accounts Committee
DC	Deputy Commissioner
GFR	General Financial Rules
GST	General Sales Tax
KPPPRA	Khyber Pakhtunkhwa Public Procurement Regulatory Authority
LGA	Local Government Act
MFDAC	Memorandum for Departmental Accounts Committee
NIT	Notice Inviting Tender
PAC	Public Accounts Committee
PAO	Principal Accounting Officer
PC-1	Planning Commission-1
PCC	Plain Cement Concrete
PESCO	Peshawar Electric Supply Company
PHE	Public Health Engineering
RDA	Regional Directorate of Audit
RHC	Rural Health Center
TMA	Tehsil Municipal Administration
WAPDA	Water And Power Development Authority
WSS	Water Supply and Sanitation
XEN	Executive Engineer
ZAC	Zilla Accounts Committee

## **Preface**

Articles 169 & 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 the Khyber Pakhtunkhwa Local Government Act 2013 requires the Auditor General of Pakistan to conduct audit of the receipts and expenditure of District Fund and Public Account of District Government.

The report is based on audit of the accounts of various offices of District Government, Karak for the financial year 2016-17. The Director General of Audit, District Governments, Khyber Pakhtunkhwa conducted audit during 2017 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 the Annex-1 of the Audit Report. The audit observations listed in the Annex-1 shall be pursued with the Principal Accounting Officer at the DAC level. In all cases where the PAO does not initiate appropriate action the audit observations will be brought to the notice of District Accounts Committee through the next year's Audit Report.

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

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

The Audit Report is submitted to the Governor 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 Director General District Governments Audit, Khyber Pakhtunkhwa carries out the audit of twenty five District Governments. Regional Directorate of Audit (RDA) Kohat, on behalf of the DG District Governments Audit, Khyber Pakhtunkhwa carried out the audit of three District Governments namely Kohat, Karak and Hangu.

The Regional Directorate has a human resource of seven officers and staff with a total of 1,960 mandays. The annual budget amounting to Rs 11.996 million allocated to the office during financial year 2017-18. The office is mandated to conduct regularity (financial attest audit and compliance with authority audit) and performance audits of programs/projects.

District Government, Karak conducts its operations under Khyber Pakhtunkhwa Local Government Act 2013. It comprises one Principal Accounting Officer (PAO) covering seven groups of offices as mentioned in Chapter – 1 of this report. Financial provisions of the Act describe the Government fund as District Local Fund and District Public Account for which Annual Budget Statement is authorized by the District Council in the form of budgetary grants.

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

There are eighteen departments in District Karak out of which the accounts of four departments were examined in detail. These departments were selected for detailed audit by excluding the last year audited entities keeping in view the available man days.

The total expenditure of the District Karak for the Financial Year 2016-17, was Rs 2,012.659 million. Out of this RDA Kohat audited expenditure of Rs 1309.235 million which, in terms of percentage, was 65.050% of auditable expenditure.

The receipts of District Government Karak, for the Financial Year 2016-17, were Rs 16.660 million. Out of this RDA Kohat audited expenditure of Rs 9.996 million which, in terms of percentage, was 60% of auditable receipts.

The total expenditure and receipts of District Government Karak, for the Financial Year 2016-17, was Rs 2,029.319 million. Out of this RDA Kohat audited transactions of Rs 1,319.231 million which, in terms of percentage, was 65.008% of auditable amount.

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

Recovery of Rs 38.406 million was pointed out during the audit. Out of the total recoveries, Rs 34.732 million was not in the notice of the executive before audit. However no recovery was made till finalization of this report.

**c. Audit Methodology**

Audit was conducted after understanding the business processes of District Government Karak 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 in the Regional Directorate of Audit Kohat.

**d. Audit Impact**

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

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

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

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

**f. Key audit findings of the report;**

- i. Misappropriation was noted in one case amounting to Rs 3.00 million.<sup>1</sup>
- ii. Irregularities/ non-compliance were noted in eighteen cases amounting to Rs 916.285 million.<sup>2</sup>
- iii. Internal control weaknesses were noted in seven cases amounting to Rs 54.827 million.<sup>3</sup>

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

**g. Recommendations**

- i. Inquiries need to be held to fix responsibility for losses and wasteful expenditure.
- ii. Corrective actions need to be taken to stop the practice of violation of the rules and regulations in spending the public money.
- iii. Departments need to strengthen internal controls i.e. financial, managerial, operational, administrative and accounting controls etc to ensure that reported lapses are preempted and fair value for money is obtained from public spending.

---

<sup>1</sup>Para 1.2.1.1

<sup>2</sup>Para 1.2.2.1 to 1.2.2.18

<sup>3</sup>Para 1.2.3.1 to 1.2.3.7

## SUMMARY TABLES & CHARTS

### I: Audit Work Statistics

(Rs in million)

S#	Description	No.	Budget		
			Expenditure	Receipts	Total
1	Total Entities (PAO) in Audit Jurisdiction	01	2,012.659	16.660	2,029.319
2	Total departments in audit jurisdiction	18	2,012.659	16.660	2,029.319
3	Total Entities (PAO) Audited	01	1309.235	9.996	1,319.231
4	Total departments Audited	04	1309.235	9.996	1,319.231
5	Audit & Inspection Reports	04	1309.235	9.996	1,319.231
6	Special Audit Reports	-	-	-	-
7	Performance Audit Reports	-	-	-	-
8	Other Reports	-	-	-	-

### II: Audit observation Classified by Categories

(Rs in million)

S#	Description	Amount Placed under Audit Observation
1	Unsound asset management	32.317
2	Weak financial management	158.821
3	Weak Internal controls relating to financial management	27.096
4	Others	755.878
<b>Total</b>		<b>974.112</b>

**III: Outcome Statistics****Rs in million)**

S#	Description	Expenditure on Acquiring Physical Assets (Procurement)	Civil Works	Receipts	Others	Total Current year 2016-17	Total Previous Year 2015-16
1	Outlays Audited	--	807.749	9.996	501.486	1319.231	1,278.97
2	Amount Placed under Audit Observation /Irregularities of Audit	--	778.748	--	195.364	974.112	780.022
3	Recoveries Pointed Out at the instance of Audit	--	38.406	--	--	38.406	152.899
4	Recoveries Accepted /Established at the instance of Audit	--	--	--	--	--	--
5	Recoveries Realized at the instance of Audit	--	--	--	--	--	--

#### IV: Table of Irregularities pointed out

<b>(Rs in million)</b>		
<b>S#</b>	<b>Description</b>	<b>Amount Placed under Audit Observation</b>
1	Violation of Rules and regulations, principle of propriety and probity in public operation	887.00
2	Report cases of fraud, embezzlement, thefts and misuse of public resources.	3.00
3	Accounting Errors (accounting policy departure from NAM <sup>1</sup> , misclassification, over or understatement of account balances) that are significant but are not material enough to result in the qualification of audit opinions on the financial statements.	0
4	Quantification of weaknesses of internal control systems.	45.706
5	Non-production of record	-
6	Others, including cases of accidents, negligence etc.	38.406
7	Recoveries and overpayment, representing cases of establishment overpayment or misappropriations of public monies	-
<b>Total</b>		<b>974.112</b>

#### 5: Cost Benefit Ratio

<b>(Rs in million)</b>		
<b>S #</b>	<b>Description</b>	<b>Amount</b>
1	Outlays Audited (item 1 of Table 3)	1,278.97
2	Expenditure on audit	10.650
3	Recoveries realized at the instance of audit	0
	Cost-Benefit Ratio	1:0

---

<sup>1</sup> The Accounting Policies and Procedures prescribed by the Auditor General of Pakistan which are IPSAS(Cash).

## CHAPTER 1

### 1.1 District Government Karak

#### 1.1.1 Introduction

Activities of District Governments are managed through offices of Deputy Commissioner and District Officers under Khyber Pakhtunkhwa Local Government Act 2013. Each group of District Offices consists of District Officer (DO). The DO by means of a standing order distributes the work among officers, branches, and/or sections of each district office. The offices which manage the activities of District Government are Deputy Commissioner (DC), XEN C&W, XEN Public Health, District Officer Agriculture, Education, Health, Water Management, Fisheries, Population Welfare, LG&RDD, Sports, Live Stock, Soil Conservation, Cooperation, Social Welfare, Public Transport and Municipal Services.

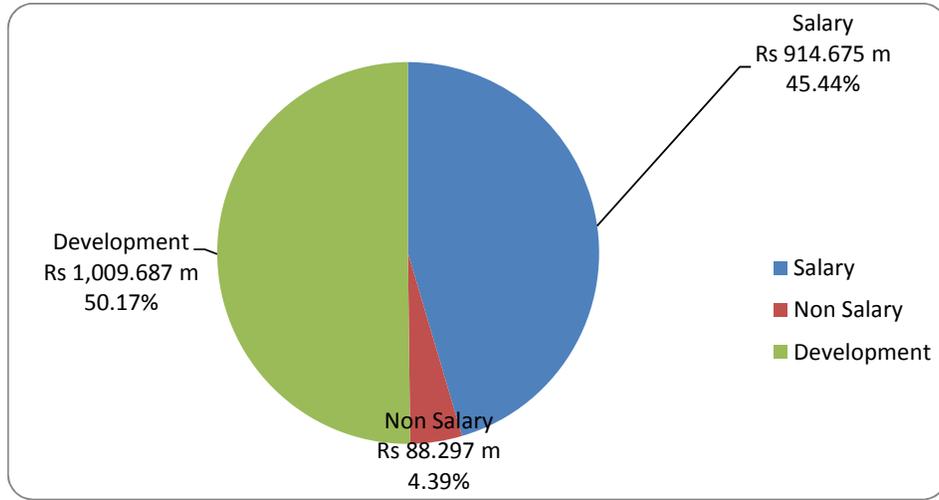
#### 1.1.2 Comments on Budget and Expenditure (Variance Analysis)

(Amount in Rs)

2015-16	Budget	Expenditure	Excess/( Saving)	%age
Salary	820,107,120	914,675,638	94,568,518	11.53
Non-salary	116,228,027	88,296,631	-27,931,396	-24.03
Developmental Account-I	891,925,100	891,917,537	-7,563	0.00
Developmental Account-IV	220,858,000	117,769,961	-103,088,039	-46.68
<b>Total</b>	<b>2,049,118,247</b>	<b>2,012,659,767</b>	<b>-36,458,480</b>	<b>-1.78</b>
<b>Receipts</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

The savings of Rs 36.458 million indicate inefficiency in the capacity of District Government Departments to utilize the amount allocated.

### EXPENDITURE 2016-17



Detail is given at Annex-B

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

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

S#	Audit Year	PAC/DAC meeting convened/Not convened
1	2002-03	Not 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	Not convened
11	2012-13	Not convened
12	2013-14	Not convened
13	2016-17	Not convened

## **1.2 AUDIT PARAS**

### **1.2.1 Misappropriation**

#### **1.2.1.1 Suspected misappropriation-Rs 3.00 million**

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

Deputy Commissioner, Karak executed work “Renovation of Circuit House/Annexy of DC Residence” through executing agency TMA Karak during 2016-17 out of Gas Royalty fund of the financial year 2015-16. During physical verification, it was observed that no work was carried out in Circuit House Karak. The PC-1, TS, Agreement file, progress report was not provided to audit for verification of the expenditure. The only work in circuit house was carpeting and installation of 2 ACs were noticed, which was executed by C&W Karak out of District ADP fund. Stock register of circuit house was also not maintained to be verified.

Misappropriation occurred due to non-compliance of rules, which resulted in loss to Government.

The Irregularity was pointed out to the Management in October 2017, Management stated that reply will be submitted after scrutiny of record, but reply was not submitted.

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

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

**AIR Para No. 41 (A/C-1) (2016-17)**

## **1.2.2 Irregularity/ Non compliance**

### **1.2.2.1 Irregular expenditure without Technical Sanction- Rs 662.852 million**

According to Para 32 of CPWA Code states that expenditure can only be incurred on a work if sanction, either special or general of the competent authority has been obtained authorizing the expenditure. No work shall be executed without Administrative Approval / Technical Sanction and Budget allotment.

Executive Engineer C&W Division, Karak spent Rs 662.858 on various developmental schemes without obtaining technical sanction from the competent authority as per detail given at annexure-2. These schemes were also not monitored from the District Monitoring Team constituted by the Deputy Commissioner Karak for transparent and efficient utilization of developmental funds.

Irregular expenditure without technical sanction and monitoring occurred due to non-compliance of rules, which resulted in violation of Government rules regarding ascertaining the estimate of actual quantities to be executed during the work based on engineering specifications and schedule of rates.

The Irregularity was pointed out to the Management in August 2017, Management stated that reply will be submitted after scrutiny of record, but reply was not submitted.

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

Audit recommends to inquiry by the competent forum into the actual quantities required to be executed and action against person (s) at fault.

**AIR Para No. 03 (A/C-1) (2016-17)**

### **1.2.2.2 Irregular tendering of works-Rs 75.717 million**

According to KPPPRA Rules 2014 (Rule 1 of Procurement planning Chapter V) "Miscellaneous Provision", each procuring entity shall plan its procurements with due consideration to transparency, economy, efficiency and

timeliness, and shall ensure equal opportunities to all prospective bidders in accordance with section 22 of the Act.

Executive Engineer PHE Division, Karak awarded various works during 2016-17. The tender forms were issued manually against the policy of the Government, which dictates E-tendering procedure. (Detail given at annexure-3)

Irregular expenditure without technical sanction and monitoring occurred due to non-compliance of rules, which resulted in violation of Government rules.

The Irregularity was pointed out to the management in November 2017, management stated that reply will be submitted after scrutiny of record, but reply was not submitted.

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

Audit recommends to regularize the expenditure and to take action against person (s) at fault.

**AIR Para No.50 (A/C-1) (2016-17)**

**1.2.2.3 Unauthorized acquisition of land due to high rate assessment–  
Rs 64.858 million**

According to Section 4 of the Land Acquisition Act 1894, the District Collector or Board of Revenue is empowered to acquire land i.e. residential, agriculture and commercial for public use and pay compensation in lieu thereof after issuance of notification under the above Act. The compensation should, however, be restricted to one-year average cost “Ausat Yak Sala” to be worked out for the respective mozas by the Revenue Department.

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

Deputy Commissioner, Karak acquired 500 Kanal land for the Khushal Khan Khattak University Karak at Makhloot area (Barani, Banjar Qadeem and Gher Mumkin) at Mooza Karak during 2016-17.

Scrutiny of record revealed that the rate of Makhloot land at Mooza Karak was fixed for Rs 616,045 per Kanal as per “Ausat Yak Sala” based on 158

mutations of land in the said Mooza for the year 2015-16 but later on, another “Ausat Yak Sala” based on only 6 mutations of land in the said Mooza was prepared and fixed high rate of Rs 745,762 per kanal. The land was acquired on the basis of high rate of Rs 745,762 vide notification number 1913/CMR-KT dated 8-6-2017. As a result Government was put into loss of Rs 64,858,500 (745,762 - 616,045=129,717 x 500= 64,858,500)

Astonishingly it was noticed that both “Ausat Yak Sala” were prepared by the same revenue staff with their signatures.

Unauthorized acquisition of land occurred due to weak internal control, which resulted in loss to Government.

The Irregularity was pointed out to the Management in October 2017, Management stated that reply will be submitted after scrutiny of record, but reply was not submitted.

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

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

**AIR Para No.42 (A/C-1) (2016-17)**

**1.2.2.4 Non imposition of Penalty due to non-completion of work-Rs 24.153 million**

As per Work Order Form No.1288/2.M dated 28-05-2013 time allowed for the completion of work was 06 months period.

Executive Engineer C&W Division, Karak awarded the following works for the estimated cost of 241,538,390. The contractors failed to complete the work in stipulated period of time and the works were still in progress till the date of audit in August, 2017. The department neither took any action nor imposed penalty on contractor for Rs 24,153,839. (Detail given at annexure-4)

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

The Irregularity was pointed out to the Management in August 2017, Management stated that reply will be submitted after scrutiny of record, but reply was not submitted.

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

Audit recommends early completion of the schemes and imposition of penalty besides action against the person (s) at fault.

**AIR Para No. 06 (A/C-1) (2016-17)**

#### **1.2.2.5 Unauthorized advance drawl without tender-Rs 15.393 million**

According to Para 279 of GFR the drawl of money government treasury in anticipation of the work done is prohibited.

According to treasury Rule 290 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.

Deputy Commissioner, Karak received provincial release for Rs 8.893 million to Account-IV under head A03963-Feeding Diet Food Charges for 6<sup>th</sup> Housing & Population Censes-2017. The DC Karak drew the amount in advance from Government treasury instead of purchasing food items through open tender system. The amount was then transferred to DPO Karak vide Cheque No. 064723 dated 25-4-2017. The DPO disbursed the said amount in cash of Rs 8,490 per head among the Police Personnel deployed during 6<sup>th</sup> Housing & Population Censes-2017. Further, Sales tax for Rs 1,511,810 and income tax for 332154 were also deducted at source.

Moreover, Deputy Commissioner Karak received provincial release for Rs 6.5 million to Account-IV under head A03904-Hiring of Vehicle for 6<sup>th</sup> Housing & Population Censes-2017. The DC Karak drew the amount in advance from Government treasury vide Cheque No. 645722 dated 25-7-2017. The DC Karak spent the amount through limited quotation instead of open tender system. Further, Sales tax for Rs 975,000 was deducted at source and income tax for Rs 292,500 was not deducted from supplier concerned.

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

The Irregularity was pointed out to the Management in October 2017, Management stated that reply will be submitted after scrutiny of record, but reply was not submitted.

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

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

**AIR Para No. 44&45 (A/C-1V) (2016-17)**

**1.2.2.6 Irregular expenditure under head consultancy charges-Rs 14.731 million and non-recovery of sales tax-Rs 1.921**

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

According to Para 5 of the Khyber Pakhtunkhwa Revenue Authority Notification No. F-16(4)KPRA/Notification/WH/1383 dated 31.08.2015, a withholding agent, on receipt of taxable services, other than advertisement services, from an unregistered person, deduct sales tax at the applicable rate of the value of taxable services provided to him from the payment due to the service provider and the amount of sales tax for the purpose of this paragraph shall be worked out on the basis of gross value of taxable services.

Executive Engineer C&W Division, Karak paid Rs 14,731,519 to the consultants firms during 2016-17 (Detail given at annexure-6). The following irregularities were observed:

1. An amount of Rs 13,437,978 as shown payment of salary costs / remuneration without mentioning the names to whom the payment was made.
2. An amount of Rs 1,293,541 was shown paid as Direct (Non-salary) costs without any detail breakup in light of the agreement.
3. No evidences of salaries paid to the employees at the rates claimed from the department were available on record.

4. Actual payee receipts and bank statement of the employees are not available to authenticate the salaries.
5. Sales tax on service amounting to Rs 1,921,464 were not recovered from the contractor bills

Irregular expenditure and non-recovery of sales tax occurred due to negligence and weak financial control, which resulted into loss and violation of government rules.

The Irregularity was pointed out to the Management in August 2017, Management stated that reply will be submitted after scrutiny of record, but reply was not submitted.

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

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

**AIR Para No. 17 (A/C-1) (2016-17)**

#### **1.2.2.7 Unauthorized award of work-Rs 10.622 million**

According to procurement planning chapter V (Miscellaneous Provisions) of Khyber Pakhtunkhwa Public Procurement Regulatory Authority 2014, each procuring entity shall plan its procurements with due consideration to transparency, economy, efficiency and timeliness, and shall ensure equal opportunities to all prospective bidders in accordance with section 22 of the Act.

According to NIT condition No.10&11 the bidders who quote their bids/rates more than 10% below the engineer estimates shall submit an additional security in the form of call deposit equal to 8% of the bid cost. In case the bid was not accompanied by the additional security then the bid shall be considered as non-responsive and the second lowest bidder and so on will be considered accordingly.

Executive Engineer C&W Division, Karak awarded work “Up gradation of GGPS Gurguri to Middle” to contractor “M/s Lawaghar & Co.” for the estimated cost of Rs 10.622 million during 2016-17. The bidder offered rate for Rs 9,081,810 on 13-7-2016 which was 14.5% below. The tender was opened on 2-8-2016 instead of 13-7-2016 without any reason/justification available on record. The additional 8% security amounting to Rs 850,000 was not deposited on 13-7-2017, instead it was deposited on 1-9-2016 after award of work. Audit holds that unauthorized work was awarded in violation of the NIT.

Unauthorized payment occurred due to weak internal control, which resulted in violation of Government orders.

The Irregularity was pointed out to the Management in August 2017, Management stated that reply will be submitted after scrutiny of record, but reply was not submitted.

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

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

**AIR Para No.14(A/C-I) (2016-17)**

**1.2.2.8 Irregular release and execution of work on account of electrification-Rs 8.0 million**

According to rule 10 of Khyber Pakhtunkhwa Local government (site development scheme) Rules, 2005, the developer shall submit to MC the detail design and specification of electricity. MC may sanction design and specifications after obtaining comments from concerned departments and authorities. The electric network shall be implemented in accordance with policy, design and specification as approved by WAPDA or any other agency so notified by government. The development work shall be commenced after sanction of the above design or specifications.

Deputy Commissioner, Karak released Rs 8000,000 to TMA Karak on account of electrification work “Maintenance and repair of Transformer at Tehsil Karak” out of Gas Royalty fund during 2016-17. Neither PC-1/design/specifications was sent to WAPDA for obtaining comments nor the

work was executed in accordance with policy, design and specifications as approved by WAPDA/PESCO. Further progress report was not submitted to verify the expenditure.

Unauthorized release of electrification work to TMA occurred due to weak administrative and financial control, which resulted in violation of Government rules.

The Irregularity was pointed out to the Management in October 2017, Management stated that reply will be submitted after scrutiny of record, but reply was not submitted.

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

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

**AIR Para No.38(A/C-I) (2016-17)**

**1.2.2.9 Unauthorized release for repair work in police department-Rs 7.0 million**

According to the Guidelines of Finance Department Khyber Pakhtunkhwa vide letter No.SO(DEV-IV)FD/4-3/2013-14/Guidelines dated 02-01-2014 for the release and utilization of funds out of 10% Oil & Gas Royalty the share so allocated to the Districts/Constituencies shall constitute the funds to be apportioned by the respective District Development Advisory Committees for recommendations of the schemes in the following eligible sectors/sub sector:

1. Drinking water supply schemes
2. Resurfacing and black topping of existing roads.
3. Construction with black topping of new roads
4. Brick Pavement/PCC of streets and drains.
5. Construction of garbage collection points
6. Lining of water courses/channels
7. Construction of flood protection spurs/walls
8. Construction of drinking water reservoir
9. Construction of irrigation water reservoir
10. Major repairs in primary/middle and high schools

11. Provision of furniture for middle and high schools
12. Purchase of land for eidgah/janazgah, graveyard
13. Provision of gas and electricity to rural areas
14. Construction of small dams
15. Purchase of land for higher educational institutions
16. Schemes identified through CM Directives

Deputy Commissioner, Karak released Rs 7,000,000 to TMA Karak on account of construction and repair of police officer bungalow, check posts and police stations across the district” during 2016-17 in contrary to the guidelines issued for the utilization of oil and gas royalty fund in the best interest of the public of the district.

Unauthorized expenditure occurred due to negligence and weak financial control, which resulted in violation of Government rules.

The Irregularity was pointed out to the Management in October 2017, Management stated that reply will be submitted after scrutiny of record, but reply was not submitted.

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

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

**AIR Para No.37(A/C-IV) (2016-17)**

**1.2.2.10 Blockage of Government money due to non-functioning of completed schemes-Rs 5.789 million**

According to Para 23 of GFR Vol-I every Government Officer should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government officer to the extent to which he contributed.

Executive Engineer PHE Division, Karak incurred expenditure of Rs 5,789,620 in the previous years and completed various water supply schemes, but

the schemes were still non-functional till date of audit i.e. November, 2017. (Detail given at annexure-5)

Non-functioning of completed schemes occurred due to non-compliance of rules, which resulted in Blockage of government money.

The Irregularity was pointed out to the Management in November 2017, Management stated that reply will be submitted after scrutiny of record, but reply was not submitted.

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

Audit recommends to functionalize the completed schemes and action against person (s) at fault.

**AIR Para No. 48 (A/C-1) (2016-17)**

**1.2.2.11 Overpayment due to execution of excess work-Rs 5.132 million**

According to Para 2.58 read with Para-2.100 of B&R Code, a work is given out on contract, BOQ be prepared and approved for all items of works and due to site requirements only 5% excess over technically sanctioned estimate was allowed.

Executive Engineer C&W Division, Karak paid an excess amount of Rs 5,132,000 to contractor during financial year 2016-17 in the following work for the execution of following item. The payment was over and above of the approved cost in BOQ and AA. The execution and payment of extra quantities were made at the cost of reducing costs of sub items of work “Slab/Pipes/Culverts” from Rs 3,809,000 to Rs 829,000 and amount of Rs 3,430,000 was approved for “Drainage work” but no work was carried out. As a result an over payment of Rs 5,132,000 was made.

<b>Description of work</b>	<b>Item</b>	<b>Amount approved for sub heads as per AA (Rs in million)</b>	<b>Amount paid for sub heads (Rs in million)</b>	<b>Overpayment (Rs in million)</b>
BTR Karak city to Rahmat Abad	Formation of embankment in common material	10,004,000	15,136,000	5,132,000

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

The Irregularity was pointed out to the Management in August 2017, Management stated that reply will be submitted after scrutiny of record, but reply was not submitted.

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

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

**AIR Para No. 12 (A/C-1) (2016-17)**

**1.2.2.12 Un-authorized expenditure on account of financial assistance- Rs 4.570 million**

According to P&D guideline 6.3 of Khyber Pakhtunkhwa, the broad sector wise allocation shall be made based upon priorities and needs of respective localities. Such allocation shall not be in contravention of identified/communicated provincial sector policies/priorities.

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

Deputy Commissioner, Karak drew Rs 4,570,000 and issued open cheques having Nos 0511646, 0511641 and 0511662 to AD LG&RDD Karak for further disbursement to affectees during 2016-17 out of District ADP fund of 2015-16. The following irregularities were noticed:

1. No survey report of revenue department/PDMA was available.
2. No demand/complaint from the affectees was available.
3. No list of damages/losses was available.
4. No APRs were available on record.
5. The progress report was also not available.

6. Utilization of District ADP for the purpose was unjustified as the Deputy Commissioner Karak has more than 10 million funds in PDMA account.

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

The Irregularity was pointed out to the Management in October 2017, Management stated that reply will be submitted after scrutiny of record, but reply was not submitted.

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

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

**AIR Para No. 43(A/C-IV) (2016-17)**

#### **1.2.2.13 Non-utilization of developmental fund-Rs 3.9 million**

According to Para 11 of GFR Vol.-I, each head of the department is responsible for enforcing financial order and strict economy at every step. Further, Para 12 of GFR Vol.-I requires that a controlling officer must see not only that the total expenditure is kept within the limits of the authorized appropriation but also that the funds allotted to spending units are expended in the public interest and upon objects for which the money was provided.

Deputy Commissioner, Karak released District ADP fund for Rs 3.9 million to executing agencies during 2015-16 but the funds were still not utilized till date of audit in October, 2017. As a result public were deprived from the benefits. (Detail given at annexure-7)

Non-utilization of District ADP occurred due to weak administrative and financial control, which resulted in loss to Government.

The Irregularity was pointed out to the Management in October 2017, Management stated that reply will be submitted after scrutiny of record, but reply was not submitted.

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

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

**AIR Para No. 35 (A/C-IV) (2016-17)**

**1.2.2.14 Unauthorized expenditure out of District ADP-3.819 million**

According to the Director General Local Government & Rural Development Department, Khyber Pakhtunkhwa vide letter No.DG(LGC)/District Karak/ADP 2016-17/2017 dated 4-5-2017 it was decided in 28<sup>th</sup> meeting of Local Government Commission that work on execution of developmental schemes under District ADP 2016-17 of District Karak may be stopped forthwith till further orders. The aforementioned decision may be implemented in letter and spirit.

Deputy Commissioner, Karak did not stop execution of developmental schemes under District ADP 2016-17 and the expenditure of Rs 3,819,567 was incurred during May and June 2017 through executing agencies TMA Banda Daud Shah in violation of the above orders. (Detail given at annexure-8)

Unauthorized expenditure occurred due to negligence and weak financial control, which resulted into violation of Government orders.

The Irregularity was pointed out to the Management in October 2017, Management stated that reply will be submitted after scrutiny of record, but reply was not submitted.

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

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

**AIR Para No.40(A/C-IV) (2016-17)**

**1.2.2.15 Unauthorized expenditure in violation of CM Directives-Rs 3.290 million**

According to Chief Minister Directives vide No. SO-VI/CMS/KPK/1-13/2016 dated 28-6-2016 Asphalt Wearing Course may be carried out instead of Triple Surface Treatment. If the cost of work is not covered in the permissible administratively approved cost, revised PC-1 may be submitted to the competent forum for arranging revised AA to regularize the issue.

Executive Engineer C&W Division, Karak executed three works during 2016-17. It was observed that despite the above directives by Chief Minister, TST was carried out instead of Asphalt wearing Course. As a result expenditure of Rs 3,290,734 was unauthorized. (Detail given at annexure-9)

Unauthorized payment occurred due to weak internal control, which resulted in violation of Government orders.

The Irregularity was pointed out to the Management in August 2017, Management stated that reply will be submitted after scrutiny of record, but reply was not submitted.

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

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

**AIR Para No.15(A/C-I) (2016-17)**

**1.2.2.16 Irregular payment out of lapsed deposits-Rs 1.802 million**

According to Para 399 of CPWA code, unclaimed Lapsable deposit for more than three year will be credited into revenue account.

Executive Engineer PHE Division, Karak paid an amount of Rs 1,802,042 to the contractor out of deposit-II and deposit-V after lapsed of three years without signature of Divisional Accounts Officer during 2016-17. (Detail given at annexure-10)

Irregular expenditure and non-recovery of sales tax occurred due to negligence and weak financial control, which resulted into loss and violation of government rules.

The Irregularity was pointed out to the Management in November 2017, Management stated that reply will be submitted after scrutiny of record, but reply was not submitted.

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

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

**AIR Para No.58(A/C-I) (2016-17)**

**1.2.2.17 Unauthorized expenditure on Non-devolved department-1.484 million**

According to the Finance Department Khyber Pakhtunkhwa vide letter No.BO(PFC-II)/FD/1-5/2015-16/PHE dated 13-1-2016 the following instructions and criteria shall be observed for carrying out M&R of works.

1. PC-1 will be in accordance with the approved annual plan.
2. The fund will be utilized only for the schemes of devolved entities.
3. The fund on account of M&R shall be properly justified and unnecessary expenditure should be discouraged.

Deputy Commissioner, Karak released RS 1,500,000 during 2016-17 out of District ADP 2015-16 to AD LG&RDD Karak for repair of two vehicles damaged during bomb blast on police station Karak. As per progress report AD LG&RDD Karak incurred expenditure for Rs 1,484,093. The fund was released to non-devolved department without PC-1 or any report submitted by Police department to District Government.

Unauthorized expenditure occurred due to lack of administrative and financial control, which resulted in violation of Government rules.

The Irregularity was pointed out to the Management in October 2017, Management stated that reply will be submitted after scrutiny of record, but reply was not submitted.

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

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

**AIR Para No. 39 (A/C-1V) (2016-17)**

**1.2.2.18 Unjustified expenditure on items non-provided in PC-I- Rs 1.252 million**

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

Executive Engineer PHE Division, Karak awarded work “W.S.S Ahmadi Banda A-C colony, B.D Shah” out of Pak MDG fund with administratively approved cost of Rs 7,256,000 to contractor on 11% below bid during 2016-17. The 11% saved amount was utilized on application from the contractor for various items of works costing Rs 1,252,810 instead of pointing out by the engineer in charge.

Irregular expenditure and non-recovery of sales tax occurred due to negligence and weak financial control, which resulted into loss and violation of government rules.

The Irregularity was pointed out to the Management in November 2017, Management stated that reply will be submitted after scrutiny of record, but reply was not submitted.

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

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

**AIR Para No. 51 (A/C-1) (2016-17)**

### **1.2.3 Internal Control Weaknesses**

#### **1.2.3.1 Loss to government due to deterioration of costly machinery- Rs 23.553 million**

According to Para 23 of GFR Vol.-I Every Government officer should realize fully and clearly that he will be held personally responsible for any loss sustained by government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other government officer as required under.

District Health Officer, Karak purchased machinery and equipment valuing Rs 23,553,652 during the year 2014-15 & 2015-16. During physical inspection of health facilities along with DHO Karak staff it was found lying unutilized for more than a year in the health facilities. (Detail given at annexure-11)

Non operationalization of machinery occurred due to negligence and weak administrative control, which resulted in loss to Government.

The Irregularity was pointed out to the Management in September 2017, Management stated that reply will be submitted after scrutiny of record, but reply was not submitted.

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

Audit recommends to operationalize machinery and action against the person(s) at fault.

**AIR Para No. 21 (A/C-1V) (2016-17)**

#### **1.2.3.2 Non-credit of Lapsed Deposit in to Government Treasury of worth-Rs 19.178 million**

According to Para 399 of CPWA Code, balances unclaimed for more than three (3) complete financial years should be credited to government.

Executive Engineer C&W Division, Karak failed to credit unclaimed balances of Rs 6,598,713 and Rs 639,236 to the government revenue account

during 2016-17 as lapsed deposit lying in PW- Deposit-II & V respectively for more than three complete financial years.

Similarly, Executive Engineer PHE Division, Karak failed to credit unclaimed balances of Rs 6,934,443, Rs 4,513,817 and Rs 493,000 to the government revenue account during 2016-17 as lapsed deposit lying in PW- Deposit-II, III & V respectively for more than three complete financial years.

Non-crediting of lapsed deposits into Government revenue occurred due to weak financial and internal control, which resulted in loss to Government.

The Irregularity was pointed out to the Management in November 2017, Management stated that reply will be submitted after scrutiny of record, but reply was not submitted.

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

Audit recommends credit of lapsed deposit to revenue and action against the person(s) at fault.

**AIR Para No. 1 & 56 (A/C-1) (2016-17)**

**1.2.3.3 Non deduction of voids from contractor's bills -Rs 3.103 million**

According to clause 20(d) of the contract agreement, 11% voids were required to be deducted from the contractor's bill.

Executive Engineer C&W Division, Karak executed sub item of work "Formation of embankment in common material" in various developmental works during 2016-17 (as per detail given at annex-12). The local office failed to deduct 11% voids from the contractor's bills which resulted in loss of Rs 3,103,658 to the government exchequer needs recovery.

Non deduction of voids from contractor's bills occurred due weak internal control, which resulted into loss to the Government.

The Irregularity was pointed out to the Management in August 2017, Management stated that reply will be submitted after scrutiny of record, but reply was not submitted.

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

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

**AIR Para No. 04 (A/C-1) (2016-17)**

**1.2.3.4 Loss to government due to non-functioning of machinery and equipment-Rs 2.975 million**

According to Para 23 of GFR Vol.-I Every Government officer should realize fully and clearly that he will be held personally responsible for any loss sustained by government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other government officer as required under.

District Health Officer, Karak purchased seven solar refrigerators in June, 2013 for Rs 2,975,000. During the physical verification it was noticed that the refrigerators and solar systems were not properly installed and were not functioning since installation till the date of audit in September, 2017. As a result, the solar systems were obsolete without utilization and refrigerators were deteriorating.

Non-functioning of machinery occurred due to negligence and weak administrative control, which resulted in loss to Government.

The Irregularity was pointed out to the Management in September 2017, Management stated that reply will be submitted after scrutiny of record, but reply was not submitted.

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

Audit recommends to operationalize the machinery and action against the person(s) at fault.

**AIR Para No. 28 (A/C-IV) (2016-17)**

### **1.2.3.5 Less deduction of Government taxes-Rs 2.471 million**

According to Finance Act 2014 and clarified by office of the DC (IR) withholding unit-II (WHZ) Regional Tax Office Peshawar vide letter No. WHU-II/RTO-PR/2014-15/27 dated: 18.7.2014 rate of tax on contract have been changed from 6% to 7% on companies.

Executive Engineer PHE Division, Karak awarded contracts for installation of various water supply schemes to various firms/ suppliers during 2016-17. The income tax was deducted @ 4% instead of 7.5%, as a result the income tax was less deducted for Rs 1,759,836. Further, sales tax @ 1/5<sup>th</sup> was also not deducted for Rs 712,507. (Detail given at annexure-13)

Non deduction of taxes occurred due weak internal control, which resulted into loss to the Government.

The Irregularity was pointed out to the Management in November 2017, Management stated that reply will be submitted after scrutiny of record, but reply was not submitted.

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

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

**AIR Para No. 55 (A/C-1) (2016-17)**

### **1.2.3.6 Loss to government due to overpayment by allowing higher rates-Rs 2.344 million**

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

Executive Engineer C&W Division, Karak made payment for the following items to contractor in the work “dualization of BTR from NHA to Karak city” at the rate mentioned against each during 2016-17. Whereas, payment on account of same items were made to the same contractor in the work “Const: BTR city to Rahmat abad” at exorbitant rates during the same period.

The rates for both works were accepted at the same day i.e 02-06-2015. Thus the Government was put into loss of Rs 2,344,500 as per detail given below:

Item of work	Rate paid in work "BTR city to Rahmat abad (Rs)	Exorbitant rate in work "Dulization of BTR from NHA to karak city (Rs)	Difference (Rs)	Qty m <sup>3</sup>	Overpayment (Rs)
Water bound macadam base course	1,650/m <sup>3</sup>	1,900/m <sup>3</sup>	250	9378	2,344,500

Overpayment occurred due to lack of administrative and financial control, which resulted in to loss to Government.

The Irregularity was pointed out to the Management in August 2017, Management stated that reply will be submitted after scrutiny of record, but reply was not submitted.

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

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

**AIR Para No. 13 (A/C-1) (2016-17)**

**1.2.3.7 Loss to government due to less deduction of income Tax-Rs 1.203 million**

According to Deputy Commissioner (IR) withholding unit-II (WHZ) regional tax office Peshawar letter No. WHU-II/RTO-PR/2014-15/27 dated 18-7-2014 the rate of withholding tax is 7.5% on contracts.

Executive Engineer C&W Division, Karak paid Rs 240,712,404 to various contractors for execution of various works during 2016-17. Income tax was deducted @ 7% instead of 7.5%, as a result an amount of Rs 1,203,562 was less deducted which needs recovery. (Detail given at annexure-14)

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

The Irregularity was pointed out to the Management in August 2017, Management stated that reply will be submitted after scrutiny of record, but reply was not submitted.

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

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

**AIR Para No. 16(A/C-1) (2016-17)**

## ANNEXURES

Annex- 1

### Detail of MFDAC Paras

(Amount in Rs. million)

S#	AIR Para No	Department	Gist of Para	Nature of Audit Observation	Amount
1	02	XEN, C&W Karak	Non Deduction of Professional Tax worth from contractors Bills	Violation of rules	0.90
2	05	-do-	Irregular expenditure without agreement	Violation of rules	41.833
3	08	-do-	Unauthorized expenditure on previous years liability	Violation of rules	1.104
4	09	-do-	Premature release of security	Violation of rules	1.4
5	10	-do-	Irregular inclusion of cost factor in PC-I cost	Violation of rules	2.48
6	22	DHO	Miss-classification of expenditure	Violation of rules	2.148
7	23	-do-	Non deduction of sales tax on cost of other stores-Rs 365,182	Violation of rules	0.365
8	25	-do-	Loss to government of Rs 48,108 by non depositing receipt into government treasury	Violation of rules	0.048
9	27	-do-	Non realization of revenue due to mismanagement of assets.	Violation of rules	
10	29	-do-	Non auction of valuable items amounting to Rs 510,000	Violation of rules	0.51
11	31	-do-	Suspected miss-appropriation on account of purchase of X-rays films-Rs 98,690	Violation of rules	0.98
12	36	DC	Non deduction of House Rent Allowance-Rs 63,600 million	Violation of rules	0.63
13	52	PHE	Less deduction of income tax-Rs 364,500	Violation of rules	0.364
14	53	-do-	Loss to government due to non deduction of professional tax into Government Treasury-Rs 311,200	Violation of rules	0.311
15	54	-do-	Suspected misappropriation of Rs 554,256	Violation of rules	0.554
16	57	-do-	Improper maintenance of Deposit Registers.	Violation of rules	

**Annex-2**  
**Para No.1.2.2.1**

**Detail of developmental schemes without TS**

(Amount in Rs. Millions)

ADP No.	Name of Schemes	Expenditure
302	Establishment of GGPS Gharbi Tarka Khoi	12.999
302	Establishment of GGPS Warana Ahmad Abad	3.562
326	Establishment of Model School at Karak	67.044
344	Reconstruction of GHS Tarki Khel	10.962
344	Reconstruction of GGHS Warana Musakan	10.964
347	Standardization of 5 No. GHSS/GHSS in Karak	176.696
626	Provision of missing facilities in GGDC T. Nasrati	20.760
983	Feasibility, Design & Construction/ supervision of 4 No. Roads in PK-41	63.239
985	Feasibility, Design & Dualization of Road from Indus Highway Chowk Karak City (4.225-KM).	231.545
987	Const: of BTR Sarki Lawagher to Alam Shiri	65.087
<b>Total</b>		<b>662.858</b>

**Annex-3**  
**Para No.1.2.2.2**

**Detail of irregular tendering of works**

(Amount in Rs. Millions)

<b>S. No</b>	<b>Name of Schemes</b>	<b>Estimated Cost</b>
1	S/I of solar based pumping unit	20.00
2	W.S.S Karter Banda Keri Bhand.	
3	W.S.S Akarwala.	
4	W.S.S Tanga Zanay.	
5	Ziari Wala.	
6	Topi Kili.	
7	W.S.S Ashraf Khan Korrana main road Chokara.	10.717
8	Ayub Gul Koroona Eider Khel Swat Khel.	15.00
9	W.S.S Donga Makori.	15.00
10	W.S.S Shuki Mulagi	15.00
<b>Total</b>		<b>75.717</b>

**Annex-4**  
**Para No.1.2.2.4**

**Detail of non-imposition of penalty**

(Amount in Rs)

S.#	Name of work	Date of commencement	Date of completion	Estimated cost	Penalty
1	Const./Rehab: of BTR T.Nasrati to Bogara	04-03-16	03-06-17	57,431,756	5,743,175
2	Estab: of GGDC B.D Shah(Exam: hall, Auditorium & Lecturer hostel)	05-08-13		60,106,645	6,010,664
3	Feasibility, design and const: of 4 No. roads in PK-41	19-06-15	18-06-17	124,000,000	12,400,000
<b>Total</b>					<b>24,153,839</b>

**Annex-5**  
**Para No.1.2.2.6**

**Detail of non-functioning of water supply schemes**

<b>S. No</b>	<b>Name Of Scheme</b>	<b>Expenditure (Rs)</b>
1	Dabli Lawaghar	586,297
2	Chowkara	552,852
3	Awal Badshah Koorona, Nari Khwar	458,990
4	Ahmed Abad	1,094,165
5	Gurguri	1,240,435
6	Ghurghushi	1,788,991
7	Monaka Banda	67,890
<b>Total</b>		<b>5,789,620</b>

**Annex-6**  
**Para No.1.2.2.7**

**Detail of non-deduction of GST**

(Amount in Rs)

<b>S.No</b>	<b>Name of work</b>	<b>Name of Consultant</b>	<b>Payment</b>	<b>Sales tax</b>
1.	F/S & design of Standardization of GHSS/GGHSS in Karak	NESPAK	6398979	834,649
2.	F/S & design of Const: of Model School Karak	Allied Consultants	1903,249	248,249
3.	F/S, design & supervision of Const: of BTR Kamali Banda	MAK	1196653	156,085
4.	F/S, design & supervision of Const: of Judicial Complex	Shaz Consultant	3188782	415,928
5.	F/S, design for Rehb: of BD Shah Gurguri road	DMC	1045586	136,380
6.	Const: of Commerce College	PEPAC	998,000	130,173
<b>Total</b>			<b>14,731,249</b>	<b>1,921,464</b>

**Annex-7**  
**Para No.1.2.2.10**

**Detail of non-utilization of fund**

<b>S.No</b>	<b>Sector</b>	<b>Executing Agency</b>	<b>Project name</b>	<b>Release (Rs)</b>
1	Health	TMA Karak	Renovation/improvement/rehabilitation of Dispensary at Sabirabad	1,000,000
2	Health	TMA Karak	Approach to BHU GMK Khel	1,000,000
3	Building	TMA Karak	Repair/rehabilitation/renovation/furniture of Circuit house Kharak	1,000,000
4	Health	TMA BD	Provision of solar panel to RHC J.I Khel	700,000
5	Health	DHO	Provision of Transformer of X-ray machine, Generator, Chairs	200,000
<b>Total</b>				<b>3,900,000</b>

**Annex-8**  
**Para No.1.2.2.11**

**Detail of unauthorized expenditure**

**(Amount in Rs)**

<b>S.No</b>	<b>Name of scheme</b>	<b>Dated</b>	<b>Amount</b>
1	Solarization of CH Gurguri	22-6-2017	460,750
2	Construction of causeway at UC Bahadar Khel	23-5-2017	989,909
3	Renovation of CH Teri	26-5-2017	752,769
4	Installation of HP/PP at UC Nari Panos	26-5-2017	1,381,089
5	Repair of BHU Nari Panos	26-5-2017	235,050
<b>Total</b>			<b>3,819,567</b>

**Annex-09**  
**Para No.1.2.2.12**

**Detail of works executing TST instead of Premix**

Name of work	Vr. No. & date	TST Qty m <sup>2</sup>	Rate Rs/m <sup>2</sup>	Amount (Rs)
Construction/Rehabilitation of road from Rehmat Abad to Karak city	17KR 27-3-17	3870	555	2,147,850
AOM&R Nari Panus to Khuram road	40KB 20-6-17	3667.28	263.232 (438.72 below 40%)	965,945
AOM&R Guguri by pass road to Terri chowk	41KB 20-6-17	669.14	263.232 (438.72 below 40%)	176,939
<b>Total</b>				<b>3,290,734</b>

**Annex-10**  
**DP No.1.2.2.15**

**Detail of payments from lapsed Deposits**

<b>2<sup>nd</sup> Deposit</b>			
<b>S#</b>	<b>Item No</b>	<b>Year</b>	<b>Drawn In 2016-17 (Rs)</b>
1	1/19	9/2011	147,446
2	3/40	11/2011	586,972
3	13/64	2012	33,400
4	19/73	2013	44,000
5	20/75	2013	653,824
6	23/78	2013	47,000
7	30/85	2013	21,400
<b>5<sup>th</sup> Deposit</b>			
1	3/7	2013	68,000
2	4/8	2013	200,000
<b>Total</b>			<b>1,802,042</b>

**Annex-11**  
**Para No.1.2.3.1**

**Detail of unutilized machinery and equipment**

S.No	Health Facility	Machinery/Equipment	Quantity	Value in Rs	Current status
1	Type D Hospital Sabir Abad	Blood bank refrigerator	01	7,381,888	Laying in the store
2	-do-	Hydrolic OT Table	02	688,682	-do-
3	-do-	Portable Lamp	01	683,582	-do-
4	-do-	Ultrasound Machine	01	1,085,000	-do-
5	-do-	ECG Machine	02	94,500	-do-
6	-do-	Infusion pump	02	492,000	-do-
7	-do-	Cardiac Monitor	02	860,000	-do-
8	-do-	Electric surgical unit	02	306,000	-do-
9	-do-	Bronchoscope	01	1,579,000	-do-
10	-do-	Anesthesia Machine	02	2,780,000	-do-
11	WCH	Ultrasound Machine	03	2,170,000	--
12	THQ BD Shah	ICU Ventilator	02	4,348,000	-do-
13	RHC Shnawa Gudi Khel	Ultrasound Machine	01	1,085,000	-do-
<b>Total</b>				<b>23,553,652</b>	

**Annex-12**  
**Para No.1.2.3.3**

**Detail of overpayments**

<b>Name of Scheme</b>	<b>Item of work</b>	<b>Qty Paid M3</b>	<b>Voids Qty M3</b>	<b>Rate Rs/M3</b>	<b>Amount of voids (Rs)</b>
BTR Odin shah to Kari	Formation of Embankment barrow common material	5090	560 M3	710 /M3	397,600
BTR Lashti Koroona to Inzer	-do-	3668	403	710/M3	286,130
BTR Wanki Siraj Khel to Zarki	-do-	2565	282	710/M3	200,220
BTR Dawla to Chokara	-do-	3547	390	438/M3	170,820
BTR Lashti Koroona to Inzer	-do-	4700	517	319/M3	164,923
BTR T. Nasrato Zarki	-do-	5407	595	319/M3	189,805
BTR T. Nasrati to Bogara	-do-	19572	2172	780/M3	1,694,160
Total					3,103,658

**Annex-13**  
**Para No.1.2.3.3**

**Detail of non-deduction of Government taxes**

<b>S. No</b>	<b>VR/Cheque No &amp; date</b>	<b>Company</b>	<b>Difference of S/Tax (Rs)</b>	<b>Difference of I/Tax (Rs)</b>
1	02/01.06.2017	Flow Pak	5,913	41,895
2	321/08.06.2017	TSK	66,954	210,000
3	33-T/ 08.06.2017	TSK	46,590	144,375
4	34-T/08.06.2017	TSK	92,509	204,063
5	A542360/ 13.06.2017	TSK	17,480	38,558
6	A542300/ 13.06.2017	TSK	12,750	28,125
7	A542360/ 13.06.2017	TSK	13,464	29,700
8	A5442360 / 13.06.2017	TSK	16,660	36,750
9			86,558	190,938
10	43/20.06.2017	Solar tack	34,000	75,000
11	44/20.06.2017	Nizam Energy	27,200	60,000
12	A542366 20.06.2017		34,000	75,000
13	11/BD 06.06.2017	ALTIMATE Energy	82,280	181,500
14	12/BD 06.06.2017		54,304	119,790
15	A541776 22.06.2017	TSK	27,145	72,225
16	A541776 22.06.2017	TSK	59,082	157,200
17	A541776 22.06.2017	TSK	35,618	94,762
<b>Total</b>			<b>712,507</b>	<b>1,759,836</b>

**Annex-14**  
**Para No.1.2.3.7**

**Detail of less deduction of income tax**

<b>Name of work</b>	<b>Name of contractor</b>	<b>Payment made</b>	<b>I/T deducted</b>	<b>I/T required to be deducted</b>	<b>I/T short deducted</b>
Stand: of GHSS Karak City	Lawagher Cont: Co.	49,019,347	3,431,354	3,676,451	245,097
Stand: of GHSS Dabli Lawagher	Lawagher Cont: Co.	37,242,779	2,606,994	2,793,208	186,214
Const: of Muhafiz Khana Record Room	Lawagher Cont: Co.	11,795,926	825,714	884,694	58,980
Const: of J. Judicial Complex	Lawagher Cont: Co.	101,012,850	7,070,899	7,575,963	505,064
Stand: of GHSS Kandu Khel	Alfathah Cont: Co.	25,793,703	1,805,559	1,934,527	128,968
Const: Model School in Karak	Alfathah Cont: Co.	15,847,799	1,109,345	1,188,584	79,239
<b>Total</b>		<b>240,712,404</b>	<b>16,849,865</b>	<b>18,053,427</b>	<b>1,203,562</b>