



**AUDIT REPORT  
ON  
THE ACCOUNTS OF  
LOCAL GOVERNMENTS &  
KARAK DEVELOPMENT AUTHORITY  
DISTRICT KARAK**

**AUDIT YEAR 2019-20**

**AUDITOR GENERAL OF PAKISTAN**

## TABLE OF CONTENTS

ABBREVIATIONS AND ACRONYMS .....	i
Preface.....	iii
EXECUTIVE SUMMARY .....	iv
CHAPTER 1.....	1
Public Financial Management .....	1
1.1 Sectoral Analysis.....	1
1.2 Audit Paras.....	6
District Government.....	8
2.1 Introduction.....	8
2.2 Comments on Budget and Accounts (Variance Analysis) .....	9
2.3 Classified Summary of Audit Observations .....	10
2.4 Comments on the status of compliance with District Accounts Committee Directives .....	11
2.5 AUDIT PARAS .....	12
2.5.1 Irregularities.....	12
Procurement related irregularities.....	12
Management of Accounts with Commercial Banks .....	14
2.5.2 Value for money and service delivery issues.....	17
2.5.3 Others .....	21
Tehsil Municipal Administrations .....	24
3.1 Introduction.....	24
3.2 Comments on Budget and Accounts (Variance Analysis) .....	25
3.3 Classified Summary of Audit Observations .....	26
3.4 Comments on the status of compliance with Tehsil Accounts Committee Directives .....	27
3.5 AUDIT PARAS .....	28
3.5.1 Fraud, embezzlement and misappropriation.....	28
3.5.2 Irregularities.....	33
HR/Employees related irregularities.....	33
Management of Accounts with Commercial Banks .....	36
3.5.3 Others .....	37
CHAPTER-4.....	43
AD LGE &RDD .....	43
1.1 Introduction.....	43
4.2 Comments on Budget and Accounts (Variance Analysis) .....	45
4.3 Classified Summary of Audit Observations .....	46

4.4	Comments on the status of compliance with Village/Neighborhood Accounts Committee Directives .....	47
4.5	AUDIT PARAS .....	48
4.5.1	Irregularity .....	48
	HR/Employees related irregularities.....	48
4.5.2	Value for money and service delivery issues.....	50
	CHAPTER-5.....	52
	Karak Development Authority .....	52
5.1	Introduction.....	52
5.4	Comments on the status of compliance with Public Accounts Committee Accounts Committee Directives .....	55
5.5	AUDIT PARAS .....	56
5.5.1	Value for money and service delivery issues.....	56
5.5.2	Others .....	57
	Annexure -1MFDAC .....	59
	Annexure-2 Detail of unauthorized cash withdrawals from designated bank .....	61
	Annexure-3Detail of non-utilization of development fund.....	63
	Annexure-4Detail of loss to Govt due to deterioration of costly machinery .....	64
	Annexure-5Detail of un-authorized blockage of stock of medicines .....	66
	Annexure-6Detail of shops.....	68
	Annexure-7Detail of non-recovery of rental charges .....	69
	Annexure-8Detail of irregular expenditure on account of salaries/pension.....	71
	Annexure-9 Detail of irregular payment of salaries/pension.....	72
	Annexure-10Detail of Cash withdraw by TMO Banda Daud Shah .....	73
	Annexure-11 Non-recovery of receipts.....	75
	Annexure-12 Detail of Over payment to contractor .....	76
	Annexure-13 Non-recovery of penalty amount from the contractors.....	78

## ABBREVIATIONS AND ACRONYMS

AD	Assistant Director
ADP	Annual Development Programme
APPM	Accounting Practices and Procedures Manual
AIR	Audit and Inspection Report
AA	Administrative Approval
BHUs	Basic Health Units
CH	Civil Hospital
CPWD Code	Central Public Works Department Code
CTR	Central Treasury Rules
DAO	District Accounts officer
DAC	District Accounts Committee
DC	Deputy Commissioner
DDO	Drawing and Disbursing Officer
DEO	District Education Officer
DG	Director General
DGHS	Director General Health Services
DHO	District Health Officer
DHQ	District Headquarter
FAM	Financial Audit Manual
GPS	Global Positioning System
IHP	Integrated Health Project
INTOSAI	International Organization of Supreme Audit Institutions
KDA	Karak Development Authority
LAA	Local Area Authority
LGA	Local Government Act
LGE&RDD	Local Government Election & Rural Development Department
LGO	Local Government Ordinance
MCC	Medicines Coordination Cell

MFDAC	Memorandum for Departmental Accounts Committee
MRC	Medical Reimbursements Claims
NBP	National Bank of Pakistan
NC	Neighborhood Council
OPD	Outdoor Patient Department
PAC	Public Accounts Committee
PAO	Principal Accounting Officer
PC-1	Planning Commission-1
PD	Project Director
PESCO	Peshawar Electric Supply Company
PFC	Provincial Finance Commission
PLA	Personal Ledger Account
PTC	Parent Teacher Council
PSDC	Petroleum Social Development Committee
RDA	Regional Directorate of Audit
RHC	Rural Health Centre
SDO	Sub Divisional Officer
SIDB	Small Industries Development Board
TMA	Tehsil Municipal Administration
TMO	Tehsil Municipal Officer
TOR	Terms of Reference
TR	Treasury Rules
VC	Village Council
WAPDA	Water and Power Development Authority

## **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 and Karak Development Authority in district Karak 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 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 Annex-1 shall be pursued with the Principal Accounting Officers at DAC level. In all cases where the 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 districts of Khyber Pakhtunkhwa. Regional Directorate of Audit (RDA) Kohat, on behalf of the DG Audit District Governments, Khyber Pakhtunkhwa carried out the audit of Local Governments of three District Governments namely Kohat, Karak and Hangu.

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 Karak 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 of the District Government comprises one Principal Accounting Officer (PAO) i.e. Deputy Commissioner for the District Government, who is officer in charge of 10 various departments. The second tier of Town/Tehsil Municipal Administrations has one PAO i.e. Town/Tehsil Municipal Officer for each administration. There are three Tehsils administrations in district Karak. The third tier of village and neighborhood Councils has one PAO i.e. Assistant Director LGE&RDD. There are 61 VC's/NC's in district Karak.

In addition District Karak has one Development Authority i.e. Karak Development Authority with the Secretary LGE&RDD as its PAO.

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

This office is mandated to conduct audit of 76 formations working under 6 PAOs. Total expenditure and receipts of these formations were Rs.5,281.66million and Rs. 222.718 million respectively for the financial year 2018-19.

Audit coverage relating to 2018-19 comprises of 15 formations under 06 PAOs having a total expenditure of Rs. 1,330.292 million. In terms of percentage, the audit coverage for expenditure is 25.18%.

Audit coverage relating to 2018-19 comprises of 15 formations under 06 PAOs having a total receipts of Rs. 222.718 million. In terms of percentage, the audit coverage for receipts is 100%.

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

As a result of audit, a recovery of Rs. 79.257million 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 Government Karak with respect to their functions, control structure and key controls. This helped auditors in understanding the systems, procedures, environment, and 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**

Audit pointed out various irregularities of serious nature. In certain cases management has taken actions which are to be verified e.g. an amount of Rs. 9.585 million will be deposited into Government treasury and Rs. 3.212 million will be recovered from tenants of shops. Besides, instances of irregularities were highlighted in DAC and PAO agreed with the recommendations of Audit and decisions were taken to improve the financial management to rectify the irregularities.

Contrary to above, no tangible impact was visible in case of TMAs, AD LGE&RDD Karak and KDA Karak as the management failed to reply and the irregularities could not be discussed at the Departmental Accounts Committee.

**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 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 and 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 and timely reported.

In most of the offices the internal controls were not established to safeguard Government assets. 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 Karak.

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

- i. Non compilation/consolidation of accounts of local Governments- Rs. 187.841 million<sup>1</sup>
- ii. Misclassification of developmental expenditure of Rs. 282.991 million<sup>2</sup>
- iii. Misappropriation was noticed in 3 cases amounting to Rs4.628 million<sup>3</sup>
- iv. Irregularities were noticed in 9 cases amounting to Rs108.138 million.<sup>4</sup>
- v. Cases related to values for money were noticed in 6 cases amounting to Rs636.154 million.<sup>5</sup>
- vi. Others, including non-deposits and non-recovery were noticed in 12 cases amounting to Rs. 195.588 million<sup>6</sup>

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

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<sup>1</sup> Para 1.2.1

<sup>2</sup> Para 1.2.2

<sup>3</sup> Para 3.5.1.1 to 3.5.1.3

<sup>4</sup> Para 2.5.1.1 to 2.5.1.4, 3.5.2.1 to 3.5.2.4, 4.5.1.1

<sup>5</sup> Para 2.5.2.1 to 2.5.2.3, 4.5.2.1 to 4.5.2.2, 5.5.1.1

<sup>6</sup> Para 2.5.3.1 to 2.5.3.3, 3.5.3.1 to 3.5.3.7, 5.5.2.1 to 5.5.2.2

**g. Recommendations**

- i. Disciplinary actions need to be taken to stop the practice of violation of the rules and regulations in spending the public money.
- ii. Strenuous efforts need to be made by the departments to recover long outstanding dues on account of rent of shops.
- iii. Lapsed deposits need to be timely credited into treasury.
- iv. Departments need to strengthen internal controls i.e. financial, managerial, operational, administrative and accounting controls etc. to ensure that lapses of the kind reported in this audit report are preempted and fair value for money is obtained from public spending.

# CHAPTER 1

## Public Financial Management

### 1.1 Sectoral Analysis

#### Introduction

After promulgation of Local Government Act, 2013, Local Government elections were held in 2015, which resulted in formation of three tiers of Government in each district of Khyber Pakhtunkhwa. Consequent upon, District Government, Tehsil Municipal Administrations and Village/Neighborhood Councils were established in District Karak. In the light of LGA 2013, District Karak is headed by Deputy Commissioner who is Principal Accounting Officer of the budget grant allocated to the 10 offices devolved at district level. Similarly, Tehsil Municipal Administration is headed by Tehsil Municipal Officer who is the Principal Accounting Officer for the Tehsil Municipal Administration whereas Assistant Director LGE&RDD is the Principal Accounting Officers for Village/Neighborhood Councils.

In District Karak, Funds amounting to Rs. 5755.42 million were allocated to 76 formations working under 06 PAOs. Out of which, expenditure of Rs. 5,281.66 million was made resulting into saving of Rs473.76 million. Receipts of Rs. 222.718 million were collected through these formations during the financial year 2018-19. Audit coverage relating to expenditure for the current audit year comprises 15 formations of 06 PAOs having a total expenditure of Rs.1,330.292 million for the financial year 2018-19. In terms of percentage, the audit coverage for expenditure is 25.18% of auditable expenditure. Similarly, audit coverage for receipts is 100%.

According to Section 36(3) of Local Government Act 2013, the District Accounts Officer was required to consolidate accounts of Local Government on quarterly and annual basis. However, District Accounts Officer, Karak did not reflect Rs. 187.841 million into the consolidated financial statement of Local Government, Karak. Similarly, the development expenditure of Rs. 282.991

million was presented under operating expenses, whereas, this should have been presented under the head “Physical Assets and Civil Works”.

District Government, Karak 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, Karak 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, Karak 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 Karak like other districts. Statistics show that there are 777 primary, 90 middle, 84 secondary and 17 higher secondary schools in District Karak. The estimated Teacher Student Ratio is 1:41 at primary, 1:63 at middle, 1:27 at secondary and 1:26 at the level of higher secondary schools. District Karak literacy rate is 58% the Gross Enrollment Rate (GER) is 97%, and the Net Enrollment Rate (NER) is 88% at the primary level. On budgetary front, District Education office, Karak succeeded in spending 100% of the District ADP and 94% non-salary budgets.

Annual average of teacher's attendance rate and student attendance rate as per independent Monitoring Unit (IMU) data were approximately 86% & 73% respectively. Furthermore, 75% schools in district Karak 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 32%.

## **Health**

Health is another important sector of District Karak with a total of 32 health facilities spread across the district among which 19 BHUs, 02 CDs, 04 RHC and 04 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, 4,546 babies were born in health centers/ lab investigations and diagnostic facilities were also fully utilized as 39,894 lab tests, 9,980 X-rays, 1,638 ultrasounds and 397 ECGs were done in both primary and secondary health centers in district Karak. Figures of immunization are also very impressive as 1254 pregnant women received TT-2 vaccines, 4,137 kids under 12 months received full immunization. 2354 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 facilities were frequently visited by patients so they also generated good revenue from OPD services, indoor patients' treatment and other lab investigations etc.

## **Social Welfare**

In social Welfare and Women Empowerment sector, budgetary allocations were focused on providing social cushion to the deprived and

marginalized segments of society especially, women and children. In the proposed development plan, the department had continued to proceed with its ongoing projects which included schemes for the wellbeing and safeguarding of destitute women, orphans, beggars, drug addicts and special persons.

There were three (1) Darul Kafala 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 Karak no beggar were benefited from this facility. Rehabilitation center for drug addicts has 12 beds and it had treated 17 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 Municipal Administrations, District Karak did not fulfill some primary requirements 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. 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, Karak 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- Rs187.841 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 Karak 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 Rs187.841 million and Rs161.678 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 Government Act 2013 by Local Governments in District Karak 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 omission.

#### **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 Rs282.991 million**

### **Criteria**

According to Para 4.1.1.3 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 Karak for the financial year 2018-19, audit observed that the statement of cash receipts and payment did not show the correct position as the development expenditure of Rs. 282.991 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 Karak 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 these omission.

### **Recommendation**

The budgeting practices of the district Government 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, 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 planned formations expenditure 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	4	1,078.00	Nil

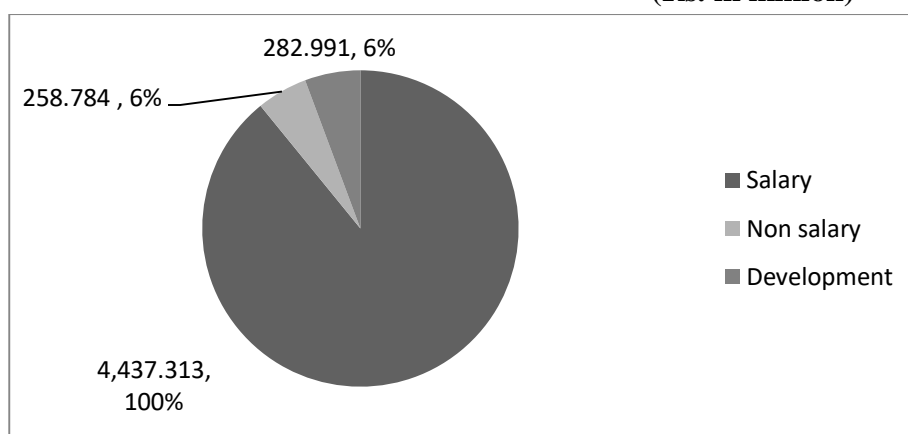
**2.2 Comments on Budget and Accounts (Variance Analysis)****(Rs. in million)**

District Government Karak				
2018-19	Budget	Actual Expenditure/ Receipts	(Saving)/Excess	%age
Salary	4,442.537	4,437.313	(5.22)	(0.12)
Non-salary	264.969	258.784	(6.19)	(2.33)
Developmental	411.965	282.991	(128.97)	(31.31)
<b>Total</b>	<b>5,119.471</b>	<b>4,979.088</b>	<b>(140.38)</b>	<b>(2.74)</b>
<b>Receipts</b>				

The savings of Rs140.38 million indicates inefficiency of District Government Departments to utilize the allocated amount.

## EXPENDITURE 2018-19

(Rs. in million)



### 2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs. 514.71 million were raised in this audit report. This amount also includes recoverable of Rs12.797 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rs. in million)		
S.No.	Description	Amount (Rs.)
1.	<b>Irregularities</b>	
A	Procurement related irregularities	4.905
B	Management of Accounts with Commercial Banks	33.774
2.	Value for money and services delivery issues	466.797
3.	Others, including cases of accidents, negligence etc.	9.318
<b>Total</b>		<b>514.794</b>

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

The audit reports pertaining to following years have been submitted to the Governor of Khyber Pakhtunkhwa. Details of District Accounts Committee meetings are given below:

<b>S#</b>	<b>Audit Year</b>	<b>District Accounts Committee meeting</b>
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
14	2017-18	Not Convened
15	2018-19	Not Convened

## **2.5 AUDIT PARAS**

### **2.5.1 Irregularities**

#### **Procurement related irregularities**

##### **2.5.1.1 Unauthorized drawl on account of purchase of furniture-Rs. 3.00 million**

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

DEO Male Karak drew Rs. 3,000,000 in advance on account of purchase of furniture under a developmental scheme titled “1500145-standardization of 200 higher secondary schools in KP Phase-I(provincial ADP No. 209)”. The following irregularities were noticed.

- i. The cheque was issued in the name of DDO instead of supplier concerned and deposited in the designated bank account of DEO Male Karak.
- ii. As per supply order dated 20-6-2019 advance bill was required to be submitted by SIDB Karak according to the rate list provided on 18-6-2019 but the same was not submitted.

Unauthorized drawl occurred due to lack of administrative and financial control which may lead to misappropriation.

When pointed out in August 2019, the management stated that due to short time period and fear of lapse of the fund, supply order was placed before the SIDB, Karak.

It was decided in DAC meeting held on 20.11.2019 that the supply and payment process shall be completed and progress reported to audit.

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

**AIR Para No. 1 (2018-19)**

**2.5.1.2 Unverified expenditure on account of purchase of medicines-  
Rs. 1.905 million**

According to DG Health Khyber Pakhtunkhwa letter No. 1805-1909/DD (Preq/Reg/Drugs) dated 11.09.2018, Purchasing Entities shall submit mandatory quarterly reports regarding clinical efficacy/or other parameters of the relevant items in this list as used at their end and in case of failure, disciplinary action may be initiated against the In-charge/Head of Purchasing Entity. Purchasing Entities shall also ensure to deliver a copy of each and every supply order as well as of the Supply Completion Certificate/s to the office of MCC, DGHS Office, Peshawar for the purpose of surveillance, monitoring, evaluation and future procurement planning.

DHO Karak purchased medicines for Rs. 1,905,950 under integrated health project during 2018-19. The following observations were noticed.

- i. DHO Karak neither submitted “Progress Report of fund utilization” nor quarterly reports regarding clinical efficacy of the purchased medicine. Delivery challans of the items purchased from the suppliers were not available on the record.
- ii. Audit could not physically verify the purchased items in the store as the purchased items were not marked “IHP medicines/items”.
- iii. Supply orders as well as “Supply Completion Certificate/s” were not submitted to concerned offices.
- iv. In support of the payments only previous year’s bills were produced to audit.
- v. The sanction of the competent authority to incur the expenditure was for previous year only.

The Doubtful expenditure on account of purchase of medicine under IHP/Integrated fund occurred due to weak internal controls which resulted in violation of Government rules.

When pointed out in July 2019, the management stated that the expenditure were incurred after fulfillment of codal formalities. The reply was not tenable as no evidence in support of reply was provided to audit.

It was decided in DAC meeting held on 19.11.2019 that detail verification of the payments may be carried out by audit department, however record was not provided for verification till finalization of this report.

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

**AIR Para No. 12 (2018-19)**

### **Management of Accounts with Commercial Banks**

#### **2.5.1.3 Unauthorized cash withdrawals from designated bank account-Rs. 30.295 million**

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

DHO Karak and DEO Male Karak drew Rs. 16,024,620 and Rs. 14,270,752 respectively from Government Treasury on account of non-salary components and deposited the same into designated bank accounts during 2018-19 as evident from the bank statement. Cash payment were made to employees/vendors concerned instead of direct bank transfer.(Detail given in annex-2).

Unauthorized cash withdrawals from designated bank account occurred due to non-compliance of rules which may lead to misappropriation.

When pointed out in July 2019, the DHO Karak stated that Payment was made through vouchers and payment register to concerned staff. DEO Male stated that payments will be made through cross cheques in future. The reply was not tenable as the payments were made through DDO instead of direct credit system.



It was decided in DAC meeting held on 19.11.2019 that detail verification of the payments made may be carried out by audit department, however record for verification was not provided till finalization of this report.

Audit suggests implementation of DAC decision.

**AIR Para No. 5 &9 (2018-19)**

**2.5.1.4 Unauthorized retention of money in designated account-  
Rs. 3.479 million**

According to Government of Khyber Pakhtunkhwa, Finance Department vide notification No. 2/3(F/L)/ FD/2106/Vol-X dated Peshawar the 14<sup>th</sup> July 2017, it has come to notice of the Government of KP most of DDOs of departments/offices/bodies/ organization in KP have kept substantial amount of Government money in various banks where budget is appropriated for current financial year only. This is a serious irregularity and miss-appropriation of Government money. The balance of designated bank accounts, if any, remaining on June 30<sup>th</sup> will not be available without its revival in next financial year by the finance department.

DHO Karak for the year 2018-19, did not spent an amount of Rs. 3,479,933 lying in the designated bank account No. 4009427361 as on 30.06.2019. The amount was drawn in advance from Government Treasury and retained in designated bank account since June, 2014. The relevant auditable record of the advance drawl and deposits in the designated bank account was not provided to audit for verification.

Unauthorized retention of money in designated bank account occurred due to non-compliance of rules, which resulted in violation of Government rules.

When pointed out in July 2019, the management stated that the then DHO had recruited paramedics/class-iv on fixed pay out of conditional grant provided by the provincial Government. During the month of June, 2014 the pay of some employees were stopped by the then DHO due to their absence from duty and the amount was retained in designated bank account. Reply was not tenable as the amount should have been credited into Government treasury.

It was decided in DAC meeting held on 19.11.2019 that the amount may be deposited into Government treasury; however the DAC decision was not implemented till finalization of this report.

Audit recommends depositing the amount in Government treasury besides inquiry and fixing responsibility on the person(s) at fault.

**AIR Para No. 5 (2018-19)**

**2.5.2 Value for money and service delivery issues**  
**2.5.2.1 Non-utilization of development fund-Rs413.36 million**

According to clause 2 of the terms and conditions mentioned in release order issued by Deputy Commissioner Karak vide No. 2377/DA/Release/GR dated 3.6.2019 the executing agencies shall complete the schemes before 30<sup>th</sup> June of the current financial year and savings if any, may be surrendered and intimated before closing of the financial year.

According to rule 75 (4) of Khyber Pakhtunkhwa District Government Budget rules 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 provided.

DC, Karak received Rs. 372,075,062 and Rs. 10,026,230 under Oil and Gas Production Bonus and 10% Oil & Gas Royalty respectively. The amount was not utilized during 2018-19 despite having sufficient time. (Detail given in annex-3).

Similarly, DEO Male Karak and DEO Female Karak failed to utilize an amount of Rs. 1,070,000 and Rs. 30,189,000 respectively on account of conditional grant during 2018-19.

Non-utilization of funds occurred due to non-adherence of rules which resulted in deprivation of general public of the benefits of developmental activities.

When pointed out in July 2019. The Deputy Commissioner stated that the funds would be utilized as per policy. The DEO Male and female Karak stated that the execution of work was stopped for the engagement of the technical engineering firm. Reply was not tenable as the funds were not utilized.

It was decided in DAC meeting held on 19.11.2019 that the funds may be utilized without further delay, however the DAC decision was not implemented till finalization of this report.

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

**AIR Para No. 2, 3, 3&5 (2018-19)**

### **2.5.2.2 Wasteful expenditure on account of purchase of machinery & equipment-Rs. 30.556 million**

According to Para 5.5.1 (a) FAM assets are safeguarded against loss due to waste, abuse, mismanagement, errors, fraud and other irregularities.

DHO Karak purchased machinery and equipment for Rs. 30,556,110 and issued to the health facilities concerned during the year 2010-11, 2012-13 & 2015-16. The machinery and equipment were lying idle in the health facilities till date of audit in August, 2019 (Detail given in annex-4).

Non usage of machinery occurred due to lack of administrative control resulting in wasteful expenditure of Rs. 30.556 million.

When pointed out in July 2019, the management stated that the machinery and equipment were purchased for various health facilities but due to one reason or other the same were not utilized. Reply was not tenable as no justifiable reasons for non-utilization was given.

It was decided in DAC meeting held on 19.11.2019 that strenuous efforts may be made by the department to utilize the costly machinery within a month under intimation to audit, however DAC decision was not implemented till finalization of this report. The management needs to ensure proper utilization of the machinery.

Audit recommends utilization of the machinery as per DAC decision.

**AIR Para No. 6 (2018-19)**

### **2.5.2.3 Un-authorized blockage of stock of medicines-Rs. 22.881 million**

According to Clause B of the MCC approved rates of Drugs/Medicines vide No. 1805-1909/DD(preq/Reg/Drugs) dated 11-9-2018, the purchasing entities shall place supply order of the needed items directly to the suppliers while keeping in view the basic principles and procedures for the procurement of various items e.g realistically calculated quantities as per needs availability of released budget, storage facilities and space etc.

DHO Karak incurred expenditure of Rs22,881,188 under newly created DDO codes for CHs, RHCs, BHUs and Type-C Hospital during the year 2018-19. Detail given in annexure-5.

The following irregularities were noticed:

- i. Centralized purchase of Drugs and Medicines were made by DHO Office under separate DDO codes without considering actual demand of the concerned facilities. Same items and same quantity of medicines were purchased for same category of health facilities without keeping in view the OPD and disease based needs of these facilities functioning in different locations.
- ii. The Drugs and Medicines purchased for all facilities were stored for the whole year in the main store of the DHO Office instead of supplying directly to concerned facilities.
- iii. Only 30% to 40% medicines were issued to facilities and the remaining balance was lying undistributed in main store.

Unauthorized blockage of stock occurred due to poor administrative control which resulted in deprivation of health facilities to the patients.

When pointed out in July 2019, the management stated that the Government only allotted DDO codes to health facilities whereas drawing and disbursement officers were not yet notified. All the medicines were purchased by the DHO and stocked in the main medicines store and properly issued through stock register.

Reply was not tenable as facilities wise medicines were not supplied according to their own budget, instead it was stored in the main store at DHO office.

It was decided in DAC meeting held on 19.11.2019 that detail verification of the medicines purchased and issued to the health facilities as per their budget and utilization of the same may be carried out by audit department, however, the department did not produce the relevant record for verification till finalization of this report. Therefore, the DAC decision could not be implemented.

Audit suggests implementation of DAC decision.

**AIR Para No. 1 (2018-19)**

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

#### **2.5.3.1 Non-deposit of receipts on account of rent of shops into Government treasury -Rs. 6.106 million**

According to serial No. 10 of the Finance Department Austerity Measures for the year 2018-19, "No department shall retain receipts in Bank Accounts but must remit into Provincial Account".

DC, Karak collected Rs. 6,106,006 as rent of 23 shops in civil hospital Takht-e-Nasrati and retained the same in designated NBP bank account No 40009475943 instead of depositing in Government Treasury.

Illegal retention of receipts in designated bank account occurred due to weak financial and administrative control which resulted in loss to Government.

When pointed out in July 2019, the management stated that proper approval of the District Council being competent forum has already been obtained. The reply was not tenable as receipts may be deposited in the Government treasury only.

It was decided in DAC meeting held on 19.11.2019 that the amount may be deposited into Government treasury, contrary to above DAC decision was not implemented till finalization of this report.

Audit suggests implementation of DAC decision.

**AIR Para No. 6 (2018-19)**

#### **2.5.3.2 Less realization of rent of shops-Rs. 2.160 million**

According to TOR No (b) and (a) issued by Deputy Commissioner Karak vide letter No. 932/S/EA-General, dated 06.05.2009 the allottee of shops shall be bound to pay rent at the rate of Rs1000 and Rs. 1500 per month and 25% increase in the rent of shops will be made after 3 years.

DC, Karak allotted 23 shops in Takht-e-Nasrati on monthly rent of Rs. 1000 and Rs. 1500 according to the original Terms of Reference (TOR) mentioned above, however, the TORs were later on revised after allotment and

monthly rent was reduced to Rs. 400, Rs. 600 &Rs. 800, resulting in loss of Rs. 2,159,520 (Detail given in annex-6).

Less realization of rent of shops occurred due to weak financial control which resulted in loss to Government.

When pointed out in July 2019, the management stated that the rates of Rs. 400 and Rs600 were approved by the Nazim District Government Karak instead of Deputy Commissioner, Karak. The reply was not tenable as the original rates were approved by District Council.

It was decided in DAC meeting held on 19.11.2019 that recovery may be made from the allottees or officers/ officials at fault, however the DAC decision was not implemented till finalization of this report.

Audit suggests inquiry into matter besides recovery of the amount and action against the person(s) at fault.

**AIR Para No. 2 (2018-19)**

### **2.5.3.3 Non-recovery of rental charges amounting to Rs. 1.052 million**

Section 41 of Local Government Act 2013 provides, “every official or servant of a local Government, every member of a local council, and every person charged with administration and management of property of a local Government shall be personally responsible for any loss or waste, financial or otherwise, of any property belonging to a local Government which is a direct consequence of decisions made by him personally or under his directions in violation of this Act or any other law for the time being in force or which accrues Khyber Pakhtunkhwa Local Government Act, 2013 as a result of his negligence or misconduct, and shall be liable to pay such surcharge as may be determined by the respective Accounts Committee and such amount shall be recoverable as arrears of land revenue.

DC Karak did not recover the rental charges amounting to Rs. 1,052,400 of the commercial shops of Ajmal Market Karak owned by the Government from the allottees upto June, 2019. (Detail given in annexure-7)



Non-recovery of rent occurred due to weak financial and administrative control which resulted in loss to Government.

When pointed out in July 2019, the management stated that the amount will be recovered through Tehsildar Karak in due course of time. Reply was not tenable as the outstanding amount was not recovered.

It was decided in DAC meeting held on 19.11.2019 that the amount may be recovered before the closing of the Financial Year 2019-20.

Audit suggests implementation of DAC decision.

**AIR Para No. 9 (2018-19)**

## **CHAPTER-3**

### **Tehsil Municipal Administrations**

#### **3.1 Introduction**

District Karak has three Tehsils i.e. Karak, Takht-e-Nasrati and Banda Daud Shah. The office of a Tehsil Municipal Administration is managed by the Tehsil Municipal Officer. He is assisted by a Tehsil Officer (Finance), a Tehsil Officer (Regulation) and a Tehsil Officer (Infrastructure).

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

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

- (h) Regulate markets and services, issue licenses, permits, grant permissions and impose penalties for violation thereof;

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

Sr. No.	Description	Total Nos	Audited	Expenditure audited FY 2018-19 (Rs. in million)	Revenue /Receipts audited FY 2018-19 (Rs. in million)
1	Authorities/Autonomous Bodies etc under the PAO	3	3	161.678	196.775

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

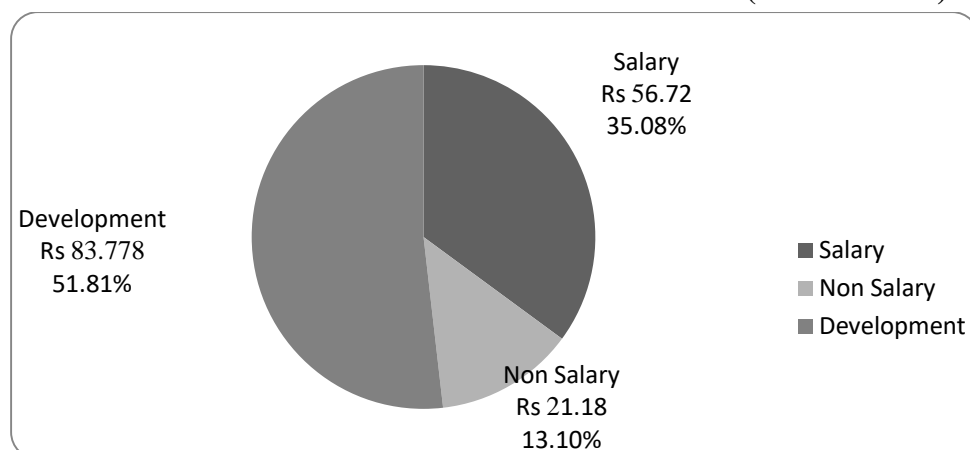
(Rs. in million)

TMAs				
2018-19	Budget	Actual Expenditure/Receipts	Excess/(Saving)	%age
Salary	91.03	56.720	(34.310)	37.69
Non salary	59.760	21.180	(38.580)	64.56
Development	173.982	83.778	(90.204)	51.85
<b>Total</b>	<b>324.772</b>	<b>161.678</b>	<b>(163.094)</b>	<b>50.21</b>
Receipts	272.462	196.775	(75.690)	28.00

The savings of Rs. 163.094 million indicates inefficiency of the Tehsil Municipal Administrations to utilize the amount allocated.

## EXPENDITURE 2018-19

(Rs. in million)



### 3.3 Classified Summary of Audit Observations

Audit observations amounting to Rs. 232.456 million were raised in this audit report. This amount also includes recoverable of Rs. 38.559 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rs. in million)

Sr. No.	Classification	Amount
1	Reported cases of fraud, embezzlement and misappropriation	4.628
2	<b>Irregularities</b>	-
A	HR/Employees related irregularities	54.118
B	Management of Accounts with Commercial Banks	14.111
3	Others, including cases of accidents, negligence etc.	159.599
<b>Total</b>		<b>231.006</b>

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

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

<b>Sr. No.</b>	<b>Audit Year</b>	<b>TAC meeting</b>
1.	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	Not convened
11	2013-14	Not Convened
12	2016-17	Not Convened
13	2017-18	Not Convened

### **3.5 AUDIT PARAS**

#### **3.5.1 Fraud, embezzlement and misappropriation**

##### **3.5.1.1 Suspected misappropriation on repair of transformers–Rs. 1.990 million**

According to the abridge condition under the WAPDA Act, 1958, printed on every application form of electricity service connection, before any electrical wiring or energy consuming apparatus is connected to the authorities mains, the same shall be subject to inspection and testing by the authority and the whole of the service line, together with any wire meters and other apparatus installed on the premises of the consumer shall be property of the Authority. Moreover the consumer shall be solely responsible for and shall pay for any loss of or damage to any electric supply lines, main fuses meters and /or other apparatus belonging to the authority on the consumer premises whether caused maliciously or through culpable negligence or default on the part of the consumer or any of his employees or whether arising out, theft or any other cause beyond the control of the authority, always accepting reasonable wear and tear and loss or damages.

According to para-5 of CPWD code 2.5 & 2.6, work shall not be started before obtaining Technical Sanction.

According to condition 3 of the Administrative approval tendering process will only be started once site plane with exact location and GPS coordinates are given.

According to condition 4 of the Administrative approval issued by DC Karak vide No. 308/AA/F&P/KK dated 28.03.2017 payment will be made on work done basis subject to physical verification by the concerned monitoring committee.

Tehsil Municipal Officer Karak incurred an expenditure of Rs1,990,000 on “Repair of Transformers at different locations out of District ADP during 2018-19. The following irregularities were noticed:

- i. According to WAPDA Act as mentioned above, PESCO was responsible for repair of transformers, hence repair by TMA was irregular and illegal.
- ii. Proper PC-I showing item wise description, item code, unit, quantity and rate with identification of specific location of the work was not prepared
- iii. No specific locations of the repair work were shown in the documents.
- iv. Physical verification by the monitoring committee was not available on record.
- v. No complaint/demand of the local inhabitants/PESCO was available. Re-checking report of repaired transformers from SDO PESCO was not obtained.
- vi. Item wise PESCO approved rates were required to be applied but the contractor was paid a lump sum amount for each transformer repaired.
- vii. Old material cost @ of 5% was required to be deducted from the contractor bill which has not done.

Irregularity occurred due to non-compliance of Government instructions, which resulted in violation of Government rules.

When pointed out in October 2019, the management did not reply.

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

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

**AIR Para No.13 (2018-19)**

### **3.5.1.2 Suspected misappropriation of Rs. 1.188 million**

According to clause-6 of Khyber Pakhtunkhwa Public Procurement of Goods, Works and Services Rules, 2014, save as otherwise provided hereinafter and subject to the provisions of rule 10, the procuring entity shall use open competitive bidding as the principal method of procurement for the procurement

of goods and services over the value of Rs. 100,000 (rupees one hundred thousand).

According to CPWA Code Para 54 for every work it is necessary to obtain, in the first instance, the concurrence of the competent authority of the administrative department requiring the work.

According to CTR 283, each head of office is responsible for the amount drawn is duly paid to the person entitled to receive it and obtain acquaintance on bill or TR Form-28.

TMO Banda Daud Shah during 2019-18 paid an amount of Rs. 888,395 to the sub engineer for carrying out certain activities under green Pakistan movements. Similarly, an amount Rs. 300,000 was also paid to sub engineer for provision of drinking water /Seating and Shelter during General Election 2018 as per detail below.

**i. Green Pakistan Movement:**

S#	Cheque No	Date	Amount (Rs.)
1	14560560	04.03.2019	250,000
2.	32777183	11.04.2019	203,345
3	32777185	15.04.2019	76,550
4	32777194	17.04.2019	85,500
5	41087626	06.05.2019	200,000
6	41087630	13.05.2019	73,000
<b>Total</b>			<b>888,395</b>

**ii. Provision of drinking water /Seating and Shelter during General Election 2018;**

S#	Cheque No	Date	Amount (Rs.)
1	69581770	18.07.2018	100,000
2	69581771	22.07.2018	150,000
3	69581773	31.07.2018	50,000
<b>Total</b>			<b>300,000</b>

**Audit observed:**

- i. The expenditure was incurred without adopting open tender system.
- ii. The codal formalities such as preparation of PC-I, AA, detail design and Technical Sanction were not fulfilled.



- iii. The amount was shown paid in cash on Removal of Garbage and Bushes, loading through Excavator, hire charges of tractor, Supply of water through water tankers and engagement of daily paid labour but neither information of owners of the machinery, to whom the payments were shown made, was available nor any valid payee receipt in support of the claims was obtained. Further, no muster roll was prepared for payment of labour charges.

In light of the above, chances of misappropriation cannot be ruled out.

Irregularity occurred due to non-compliance of Government instructions, which may result in misappropriation.

When pointed out in October 2019, the management did not reply.

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

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

**AIR Para No. 8 (2018-19)**

**3.5.1.3 Less collection of entry fees - Rs. 1.450 million**

According to Para 3 policy guidelines of contracts circulated by Government of Khyber Pakhtunkhwa LGE&RD Department via Nol. AO-II/LCB/6-11/2018 Dated 02.05.2018 the successful bidder will deposit 5% security and Para 19 provides that contract once awarded to a party shall not be subletted to any other party. If the original contractor is not interested to continue then contract should be cancelled and re-auctioned at his risk and cost. The agreement shall have to be entered into with original highest bidder and not with his partner or agent.

TMO, Banda Daud Shah awarded the contract of Entry Fees for 2018-19 to contractor Mr. Javid Khan at Rs. 5,003,000 per annum. The contractor expressed his inability to run the contract and handed over to another person. The TMO instead of cancellation of the contract and re-auction, started the collection departmentally. The receipts for the month of May & June were not deposited into Government treasury. The TMO not only failed to forfeit the Security

deposited of contractor @ 5% i.e. Rs. 250,150 but also failed to deposit the recovery made for the month of May and June 2019 amounting to Rs. 1,200,000 approximately.

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

When pointed out in October 2019, the management did not reply.

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

Audit recommends recovery from the person (s) at fault.

**AIR Para No. 7 (2018-19)**

## **3.5.2 Irregularities**

### **HR/Employees related irregularities**

#### **3.5.2.1 Irregular expenditure on account of salaries/pension from developmental funds - Rs. 32.507 million.**

Para 2 of the Finance Department release order No. BO(PFC-III)/1-5/TMAs-ADP/2018-19 dated 26.09.2018 states that the grant for ADP to the Tehsil/Town Administrations shall be credited in their PLAs (non-lapsable) by the Accountant General/District Accounts Officers through internal Transfer entries. The amount shall be utilized only for the execution of Development schemes/activities in accordance with guide lines issued by planning & Development Department and observance of all codal formalities as required under Rules.

TMO Karak during financial year 2018-19 transferred an amount of Rs.32,506,857 out of PFC award for the year 2017-18 and 2018-19 to the designated bank account No. 0049000000819000 (operated for Local Fund of the Administration) for the purpose of payment of staff salaries, pension and other recurring expenditure contrary to the above instruction of Finance Department. (Detail given in annex-8)

Irregularity occurred due to non-compliance of Government instructions, which resulted in unauthorized utilization of money allocated for development targets on irrelevant objects.

When pointed out in October 2019, the management did not reply.

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

Audit recommends corrective measures to prevent non-compliance of Government rules/instruction and action against the person(s) at fault.

**AIR Para No. 5 (2018-19)**

### 3.5.2.2 Irregular payment/expenditure on account of Salaries/pension from developmental funds- Rs. 11.200 million

Para 2 of the Finance Department release order No. BO(PFC-III)/1-5/TMAs-ADP/2018-19 dated 26.09.2018 states that the grant for ADP to the Tehsil/Town Administrations shall be credited in their PLAs (non-lapsable) by the Accountant General/District Accounts Officers through internal Transfer entries. The amount shall be utilized only for the execution of Development schemes/activities following guidelines issued by the Planning & Development Department and observance of all codal formalities as required under Rules.

TMO B.D Shah during financial year 2018-19 transferred an amount of Rs.32,506,857 out of PFC award for the year 2017-18 and 2018-19 to the designated bank account No. 0049000000819000 (operated for Local Fund of the Administration) for payment of Staff Salaries, pension and other recurring expenditure contrary to the above instruction of Finance Department.

S#	Date	PLA Cheque #	Purpose for which transferred to Local Fund Account	Amount(Rs.)
1.	27.09.2018	453760	Transferred to local fund account	400,000
2.	27.11.2018	453769	Transferred to local fund account	6,000,000
3.	20.03.2019	453795	Transferred to local fund account (Pay and others)	2,000,000
4.	19.04.2019	454804	Transferred to local fund account	1,800,000
5.	15.05.2019	4544813	Transferred to local fund account	1,000,000
<b>Total</b>				<b>11,200,000</b>

Irregularity occurred due to non-compliance of Government instructions, which resulted in unauthorized utilization of money allocated for development targets on irrelevant objects.

When pointed out in October 2019, the management did not reply.

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

Audit recommends corrective measures to prevent non-compliance of Government rules/instruction and action against the person(s) at fault.

**AIR Para No. 4 (2018-19)**

**3.5.2.3 Irregular payment/expenditure on account of salaries/pension from developmental funds Rs. 10.411 million**

Para 2 of the Finance Department release order No. BO(PFC-III)/1-5/TMAs-ADP/2018-19 dated 26.09.2018 states that the grant for ADP to the Tehsil/Town Administrations shall be credited in their PLAs (non-lapsable) by the Accountant General/District Accounts Officers through internal Transfer entries. The amount shall be utilized only for the execution of Development schemes/activities in accordance with guide lines issued by planning & Development Department and observance of all codal formalities as required under Rules.

TMO Takht-e- Nasrati during financial year 2018-19 paid/transferred an amount of Rs. 10,411,088 out of developmental fund/PFC award for the year 2018-19 for the purpose of payment of Staff Salaries, pension, other recurring expenditure and unspecified purposes contrary to the above instruction of Finance Department. (Detail given in annex-9)

Irregularity occurred due to non-compliance of Government instructions, which resulted in unauthorized utilization of money allocated for development targets on irrelevant objects.

When pointed out in October 2019, the management did not reply.

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

Audit recommends corrective measures to prevent noncompliance of Government rules/instruction and action against the person(s) at fault.

**AIR Para No. 4 (2018-19)**

## **Management of Accounts with Commercial Banks**

### **3.5.2.4 Unauthorized cash withdrawals from designated bank account-Rs14.111 million**

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

TMO, Banda Daud Shah paid Rs.14,111,333 in cash to the concerned employees/vendors instead of direct bank transfer. (Detail given in annex-10)

Unauthorized cash withdrawals occurred due to non-compliance of Government instructions, which may lead to misappropriation.

When pointed out in October 2019, the management did not reply.

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

Audit recommends inquiry to fix responsibility on person(s) at fault.

**AIR Para No. 2 (2018-19)**

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

#### **3.5.3.1 Unclassified expenditure out of PLA-Rs. 91.852 million**

According to APPM 2.3.2.2 the information in the accounts and the supporting subsidiary record shall be accurate, representing the actual substance of past events without undue error or omission. This shall include correct and consistent classification of transactions and the recognition of the revenues and expenditure in the correct time period. This objective shall be addressed by regular, complete and up to date bank reconciliation.

TMO, Karak incurred expenditure for Rs. 91,852,264 out of PLA on account of Gas Royalty, Gas Production Bonus, 30% ADP, CMD, Octroi Share, Grants in aid etc. during 2018-19. The following irregularities were noticed;

- i. Only cash book was maintained for PLA. No object wise classification was made to specify the nature of expenditure.
- ii. The opening balance as on 1-7-2018 was shown as Rs. 102,561,536 and closing balance as on 30-6-2019 was shown as Rs. 74,135,682 in the cash book. The source and head wise details of the balances were not known to audit to verify the available budget in a particular head of account.
- iii. The TMO Karak incurred expenditure without observing the budget to meet a particular purpose out of particular fund.
- iv. The expenditures were not reconciled with NBP as well as with DAO Karak as both had not maintained any record in support of payments.

Irregularity occurred due to non-compliance of Government instructions, which resulted in violation of Government rules.

When pointed out in October 2019, the management did not reply.

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

Audit recommends reconciliation and proper maintenance of accounting record.

**AIR Para No. 12 (2018-19)**

### **3.5.3.2 Unclassified closing balance of PLA-Rs. 30.638 million**

According to APPM 2.3.2.2 the information in the accounts and the supporting subsidiary record shall be accurate, representing the actual substance of past events without undue error or omission. This shall include correct and consistent classification of transactions and the recognition of the revenues and expenditure in the correct time period. This objective shall be addressed by regular, complete and up to date bank reconciliation.

PLA Cash book maintained by the TMA Takht-e-Nasrati has shown a closing balance of Rs. 3,0737,611 as on 30.06.2019 under heading "CMD/Production bonus/Gas Royalty". The balance was required to be properly classified under proper heads of funds with year wise breakup which was neither available in the PLA Cash book nor in any other accounts record of the TMA. Further, the expenditure was not reconciled with NBP as well as with DAO Karak as both had not maintained any record in support of payments.

Irregularity occurred due to non-compliance of Government instructions, which resulted in violation of Government rules.

When pointed out in October 2019, the management did not reply.

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

Audit recommends reconciliation and proper maintenance of accounting record accordingly.

**AIR Para No. 6 (2018-19)**

### **3.5.3.3 Non-realization of outstanding Government dues on account of revenue contracts-Rs. 7.645 million**

According to Rules 51(1) of the Revenue Receipts Management of the TMA Budget Rules 2016, the TO(R) shall be responsible to ensure that all revenue dues is claimed, realized and credited immediately into Tehsil Fund under proper receipt head.



TMO, Karak failed to recover an amount of Rs7,644,580 outstanding as on 30.6.2019 on account of various revenue receipts contracts as detailed below:

S#	Particular of contract	Name of contractor	Net outstanding dues (Rs.) as on 30-06-2018	Outstanding (Rs.) for the current year 2018-19	Total outstanding (Rs.) as on 30.06.2019
1	General Bus Stand Karak	Noor Ahmad Khan	1,677,000	2,014,080	3,691,080
2	Municipal Plaza	SaimaUmer	0	154,000	154,000
3	Cess fees	Asif Ullah	3,799,500	0	3,799,500
<b>Total</b>					<b>7,644,580</b>

Non-realization of Government dues occurred due to weak internal and financial control, which resulted in loss to Government.

When pointed out in October 2019, the management did not reply.

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

Audit recommends recovery from the contractors.

**AIR Para No. 4 (2018-19)**

#### **3.5.3.4 Non-imposition of penalty-Rs. 19.529 million and non-realization of receipts from contractor-Rs. 4.967 million**

According to Para 6 of the Model terms and condition issued by the Local Council Board of Government of Khyber Pakhtunkhwa letter No. AO-II/LCB/6-11/2013 dated 01.06.2015, 2% penalty per day will be liable on contractor/firm fails to deposit the monthly installment. If the contractor/firm fails to clear dues by 10<sup>th</sup> of each month to which the monthly installment relates, the contract may be cancelled and his security and advances deposited shall be forfeited.

Tehsil Municipal Officer, Takht-e-Nasrati awarded receipts contracts to various contractors during the year 2018-19. However, the contractors not only failed to deposit the due amount of monthly installments in time but also could not deposit the total amount of the contract till closing of the financial year which resulted in non-realization of receipts worth Rs4,967,100. Local office neither

cancelled the contracts on risk and cost of contractors nor imposed penalty of Rs. 19,528,737. Detail of penalty is enclosed. (Detail given in annex-11)

Outstanding Government dues were not recovered due to weak internal and financial control, which resulted in loss to Government.

When pointed out in October 2019, the management did not reply.

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

Audit recommends recovery from the contractors.

#### **AIR Para No. 2 (2018-19)**

#### **3.5.3.5 Non-recovery of income tax-Rs. 1.949 million**

According to letter No. (Unit-49)/WHZ/2017-18/270 of income tax department, dated 12.07.2017, “the rate of collection of tax on auction under section 236A is 15% for non-filers”.

TMO Takht-e-Nasrati awarded following contracts for collection of own source tax during the year 2018-19 but income tax @ Rs. 15% amounting to Rs. 1,948,575 was not recovered from them.

S.No.	Name of Contract	Contract awarded to	Total value of Contract(Rs.)	Income tax not deducted(Rs.)
1	Lorry AddaLawaghar	Muhammad Ilyas	1,165,500	174,825
2	Lorry AddaAmbiri	Muhammad Ilyas	2,800,000	420,000
3	W.C.F Takht-e-Nusrati	Sirajud Din	3,300,000	495,000
4	W.C.F Ahmad Abad	Sirajud Din	5,500,000	825,000
5	Sign board	Muhammad Arshad	225,000	33,750
Total				1,948,575

Income tax was not recovered due to weak internal and financial control, which resulted in loss to Government.

When pointed out in October 2019, the management did not reply.

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

Audit recommends recovery from the contractors.

**AIR Para No. 3 (2018-19)**

**3.5.3.6 Overpayment to contractor-Rs. 1.616 million**

According to Para 220 and 221 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 quantities and rates are correctly entered and that all the calculations have been checked arithmetically.

TMO Takht-e-Nasrati over paid an amount of Rs. 1,616,253 in various works on account of 15% T.S and MB adjustments calculated on estimated cost of each developmental scheme despite the fact that contractors offered bid rate of 20% to 60% below of the estimated cost. (Detail given in annex-12)

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

When pointed out in October 2019, the management did not reply.

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

Audit recommends recovery from the contractors.

**AIR Para No. 10 (2018-19)**

**3.5.3.7 Non-recovery of penalty-Rs. 1.403 million**

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

Town Municipal Officer, B.D Shah awarded developmental works to various contractors under PFC fund during 2016-17 and 2017-18. The contractors failed to complete the schemes within stipulated period even after the closing of the financial year 2018-19 and TMO B.D Shah failed to recover penalty amount Rs.1,403,500 from the contractors.(Detail given in annex-13).

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

When pointed out in October 2019, the management did not reply.

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

Audit recommends recovery from the person (s) at fault.

**AIR Para No. 5 (2018-19)**

## CHAPTER-4

### AD LGE & RDD

#### 1.1 Introduction

Assistant Director Local Government, Election and Rural Development Department in District Karak has 61 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 Karak.

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 neighborhood councils
- iii. Matters related to local taxes, grants, budget of village and neighborhood 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 neighborhood councils
- vii. Review, evaluation and assessment of local Government system, processes and procedures in the district particularly at the village and neighborhood 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 neighborhood council, including education, health, public health engineering, agriculture, livestock, police and revenue, and hold them accountable by making inquiries and reports to the tehsil municipal administration, district Government or, as the case may be, the Government for consideration and action;
- ii. Providing effective forum for out of court amicable settlement of disputes and, for this purpose, constitute panels of members as conciliators;
- iii. Registration of births, deaths and marriages;
- iv. Implementation and monitoring of village level development works;
- v. Improving water supply sources, maintain water supply distribution system and take measures to prevent contamination of water;
- vi. Maintenance of village level infrastructure, footpaths, tracks, streets, playgrounds, graveyards, funeral places, eid-gah, parks, public open spaces and community 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

Reporting cases of handicapped, destitute and of extreme poverty to district Government.

#### **Detail of audit planned formations expenditure and receipts**

Sr No.	Description	Total Nos	Audited	Expenditure audited FY 2018-19 (Rs. in million)	Revenue /Receipts audited FY 2018-19 (Rs. in million)
1	Formations	62	7	59.027	Nil

#### **4.2 Comments on Budget and Accounts (Variance Analysis)**

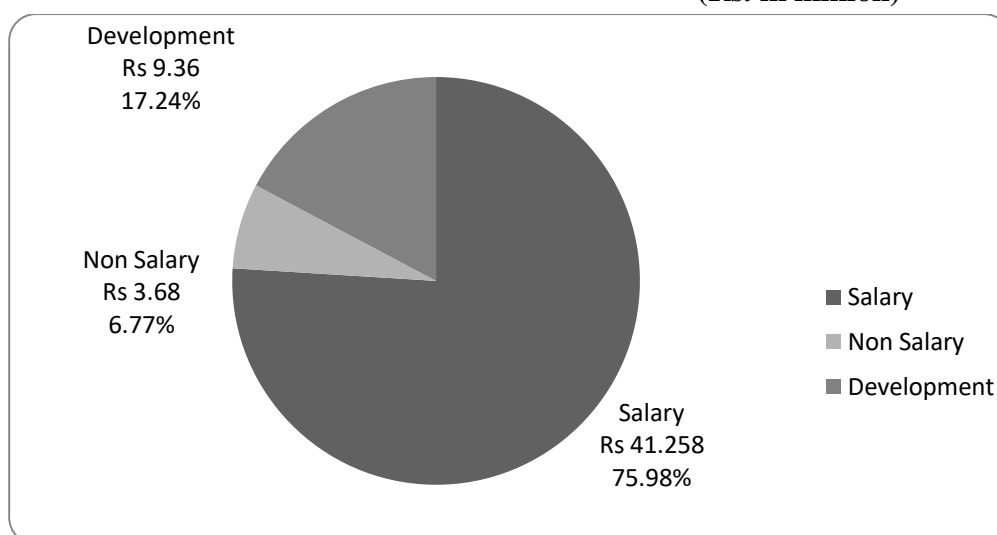
**(Rs. in million)**

AD LGE&RDD				
2018-19	Budget	Actual Expenditure/Receipts	Excess/(Saving)	%age
Salary	41.258	41.258	0	0.00%
Non salary	3.440	3.680	0.24	7.00%
Development	140.894	140.894	0	0
<b>Total</b>	<b>185.592</b>	<b>185.832</b>	<b>(4.26)</b>	<b>7.00%</b>

The savings of Rs4.26 million indicates inefficiency of the AD LGE&RDD to utilize the amount allocated.

## EXPENDITURE 2018-19

(Rs. in million)



### 4.3 Classified Summary of Audit Observations

Audit observations amounting to Rs71.387 million were raised in this audit report. This amount also includes recoverable of Rs1.230 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rs. in million)

Sr. No.	Classification	Amount
1	<b>Irregularities</b>	
A	HR/Employees related irregularities	1.230
2	Value for money and service delivery issues	70.157
<b>Total</b>		<b>71.387</b>



#### **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 VACs/NACs meetings are given below:

<b>Sr. No.</b>	<b>Audit Year</b>	<b>VACs/NACs meeting</b>
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

## **4.5 AUDIT PARAS**

### **4.5.1 Irregularity**

#### **HR/Employees related irregularities**

##### **4.5.1.1 Irregular and unjustified expenditure under head honoraria-Rs. 1.230 million**

According to CTR 296, controlling officer shall be responsible for seeing that the expenditure included in the bills, are of obvious necessity and are at fair and reasonable rates. Sanction and the requisite vouchers are all received and in order.

Serial No. 19 (c) Second Schedule of Government of Khyber Pakhtunkhwa Delegation of Powers and the Powers of Re-Appropriation Rules-2001 lies that, “Sanction for the honoraria must show specific detail of the work done.”

According to APPM 2.3.2.2 the information in the accounts and the supporting subsidiary record shall be accurate, representing the actual substance of past events without undue error or omission. This shall include correct and consistent classification of transactions and the recognition of the revenues and expenditure in the correct time period.

AD LGE&RDD spent an amount of Rs. 1,229,990 on account of honoraria out of District Council Fund during 2018-19. The following irregularities were noticed.

- i. Employees of DC office Karak were paid honoraria for Rs. 437,300.
- ii. An amount of Rs. 355,450 was paid to staff of Nazim and Naib Nazim Karak and an amount of Rs. 378,140 was paid to the staff of district council but detail justification, supporting documents, Sanction and payee receipt were not available on record.
- iii. An amount of Rs. 59,100 was paid to Mr. Munawar Islam Junior Clerk and Muhammad Zahoor Naib Qaisid (Rs. 29,550 each) on account of MRC. The expenditure was charged under object head A05270 (Honoraria of Nazims). It was also observed that MRC

Claims in support of the AC bill were found missing. The payments were made on request of the employees on simple paper.

Unjustified payment occurred due to weak financial and internal controls which resulted in violation of Government rules.

When pointed out in October 2019, the management did not reply.

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

Audit recommends recovery of the amount besides corrective measures and action against the person(s) at fault.

**AIR Para No. 7 (2018-19)**

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

### **4.5.2.1 Non utilization of fund – Rs. 64.745 million**

According to Finance department Khyber Pakhtunkhwa vide release No. FD/BO(PFC-III)/1-6/VCS/NCs/ADP/2017-18 dated 07-11-2018 the fund must be utilized during the financial year 2018-19.

AD LGE&RDD Karak received Rs. 140,894,000 from Finance department Khyber Pakhtunkhwa during 2018-19. The fund was transferred to the designated bank accounts of the respective Secretaries of the Village/Neighborhood Councils for meeting expenditure on account of development activities but they could only able to utilize the funds worth Rs. 76,148,693 and balance of Rs. 64,745,307 remained unutilized. As a result public were deprived from the benefit.

Non-utilization of funds occurred due to weak financial and administrative control which resulted in deprivation of general public of the benefits of developmental activities.

When pointed out in October 2019, the management did not reply.

Request for convening DAC meeting was made in October 2019, 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. 6 (2018-19)**

### **4.5.2.2 Blockage of Development/non-developmental fund-Rs. 5.412 million**

According to Government of Khyber Pakhtunkhwa LGE&RDD letter No. Director(LG)/District ADP/2015 dated 28-1-2015 all the schemes shall be completed within the same financial year.

Secretary & Nazim Village Council Rehmat Abad District Karak was provided with fund worth Rs. 1,697,500 and Rs. 381,797 under developmental and non-developmental heads respectively. In addition, an unspent opening

balance of Rs. 3,333,233 was also available with village council as on 01.07.2018. The amount was not spent during the financial year 2018-19 and thus resulted in unnecessarily block of public money worth Rs. 5,412,530.

Unauthorized blockage of stock occurred due to non-compliance of rules, which resulted in violation of Government rules.

When pointed out in October 2019, the management did not reply.

Request for convening DAC meeting was made in October 2019, 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. 9 (2018-19)**

## CHAPTER-5

### Karak Development Authority

#### 5.1 Introduction

Housing is a basic need and thousands of families are struggling to have a roof over their heads. Rapid population growth, scarcity of Government resources, urbanization and the development imbalances between urban and rural areas have compounded the housing problem. In big Cities/Towns this problem has become further worsen.

Karak Development Authority is now working under the Administrative control of Secretary Local Government, Elections and Rural Development Department, Government of Khyber Pakhtunkhwa.

#### Objectives:

- Launching KDA township Phase-II
- External Electrification in KDA
- Arrangement for solid waste Management, Dumping Ground and Land fill.
- Establishment Separate Grid Station
- Providing of sui Gas facility
- Development of new Tube Wells in existing networking
- Rehabilitation of existing water supply networking system
- Rehabilitation of sewerage system
- Construction of Roads/Rehabilitation of Roads.
- Arrangement of Additional operational equipment/Machinery for the efficient working of maintenance work.
- Construction of Sewerage Treatment Plant(STP)
- Extension & strengthening of power supply (PESCO)
- Disposal of commercial plot/Construction of commercial plaza
- Disposal of non-utility plots in education & health sector etc
- Disposal constructed shop/Flats
- Environmental Beautification.

**The Main Functions of this Authority are as under:-**

- i. To provide housing facilities in urban areas of District Karak
- ii. To provide infrastructure facilities like water supply, sewerage, drainage, gas, roads and electrification etc, in the housing schemes.
- iii. To execute all developmental schemes in the KDA Township duly financed by the Provincial/District Governments.
- iv. To execute all kinds of deposit works in urban area such as construction of urban roads, water supply schemes, sanitation schemes sewerage drainage, building, parking facilities, development of chowks, development of parks, green belts etc.
- v. Zoning and land use plans.
- vi. Any other objectives/functions assigned by District/Provincial Government.

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

Sr No.	Description	Total No.	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	1	1	31.587	25.943

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

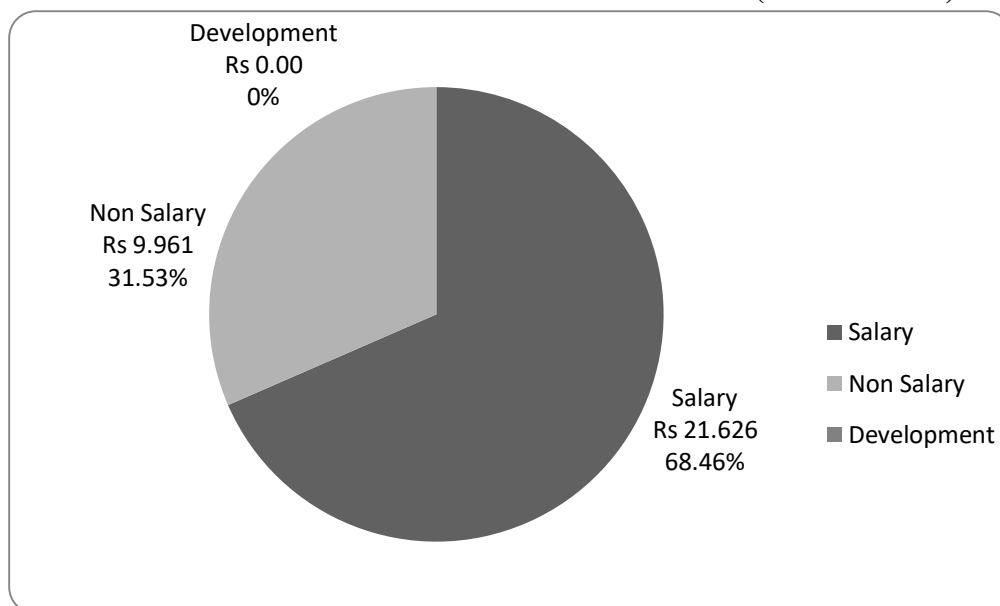
**(Rs. in million)**

KDA				
2018-19	Budget	Actual Expenditure/Receipts	Excess/(Saving)	%age
Salary	17.911	21.626	3.719	21.00%
Non salary	8.475	9.961	1.486	18.00%
Development	99.2	0	(99.2)	100.00%
Total	125.586	31.587	(93.999)	74.848%
Receipts	25.943	25.943	0	0.00%

The savings of Rs. 93.99 million indicates inefficiency of the Karak Development Authority to utilize the amount allocated.

## EXPENDITURE 2018-19

(Rs. in million)



### 5.3 Classified Summary of Audit Observations

Audit observations amounting to Rs. 125.871 million were raised in this audit report. This amount also includes recoverable of Rs. 26.671 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rs. in million)

Sr. No.	Classification	Amount
1	Value for money and service delivery issues	99.2
2	Others, including cases of accidents, negligence etc	26.671
<b>Total</b>		<b>125.871</b>



#### **5.4 Comments on the status of compliance with Public Accounts Committee Accounts Committee Directives**

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

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

## **5.5 AUDIT PARAS**

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

#### **5.5.1.1 Un-authorized withdrawal of development funds in advance-Rs. 99.200 million**

According to CTR 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.

PD Karak Development Authority Karak drew Rs. 99,200,000 from Government treasury in advance out of District ADP on simple receipts vide cheques No 0852703-8 dated 25-6-2019. The amount was deposited in the designated bank of Khyber account No. 6799008 on 26-6-2019 just to avoid lapse of funds. The amount was lying unspent till 30-6-2019.

Irregularity occurred due to weak administrative and internal controls, which may lead to misappropriation.

When pointed out in October 2019, the management stated that district ADP funds were received on 26-6-2019. After that tender process started and the work was in progress. Reply was not tenable as the funds were drawn from Government treasury in advance without work done.

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

Audit recommends inquiry into the matter.

**AIR Para No. 7 (2018-19)**

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

### **5.5.2.1 Non recovery of outstanding dues on account of non-user charges- Rs. 15.088 million**

According to rule 5c of Khyber Pakhtunkhwa District Government budget rules 2016, each controlling officer is responsible to see that the dues of the Government are correctly and promptly assessed, collected and paid into Government Treasury.

PD KDA Karak, did not recover non-user charges amounting to Rs. 15,088,112 from the allottees of plots during 2018-19 as detail below.

<b>S. No.</b>	<b>Category</b>	<b>No. of Plots</b>	<b>Amount due(Rs.)</b>
1	1 Kanal	126	9,683,688
2	10 Marla	40	2,288,523
3	7 Marla	37	1,284,150
4	5 Marla	35	1,316,205
5	3 Marla	10	515,546
<b>Total</b>			<b>15,088,112</b>

Non-recovery of non-users charges occurred due to Lack of administrative and internal control which resulted in loss to Government.

When pointed out in October 2019, the management stated that notices have been served to all defaulters and recovery was started. Reply was not tenable as evidence of recovery was not provided.

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

Audit recommends justification besides recovery of non-user charges from the individuals concerned.

**AIR Para No. 1 (2018-19)**

### **5.5.2.2 Loss to Government due to allotment of plots at nominal rates- Rs. 11.583 million**

Section 41 of Local Government Act 2013 provides, “every official or servant of a local Government, every member of a local council, and every

person charged with administration and management of property of a local Government shall be personally responsible for any loss or waste, financial or otherwise, of any property belonging to a local Government which is a direct consequence of decisions made by him personally or under his directions.”.

PD KDA, Karak allotted plots to the employees of the authority under 2% quota during 2018-19. The plots were allotted at very nominal cost and put the authority into loss of Rs. 11,583,200 as detail below.

S.No	Name & BPS	Size of plot	Plot No	Cost of plot(Rs.)	Reserved price (Rs.) for 2018-19	Loss to Authority( Rs.)
1	Zulfiqar Ahmed BPS-16	10 Marla	61	48,400	2,000,000	1,951,600
2	Fidaullah BPS-16	7 Marla	149	31,000	1700,000	1,669,000
3	Khuz Muhammad BPS-3	7 Marla	13	31,000	1700,000	1,669,000
4	MuqadisIqbal BPS-3	7 Marla	150	31,000	1700,000	1,669,000
5	Abdul Islam BPS-3	7 Marla	12	31,000	1700,000	1,669,000
6	Akbar Ali BPS-7	5 Marla	35	22,200	1500,000	1,477,800
7	FaridUllah BPS-4	5 Marla	76	22,200	1500,000	1,477,800
<b>Total</b>						<b>11,583,200</b>

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

When pointed out in October 2019, the management stated that 2% quota of residential plots were reserved for the employees of LAAs and the allotments were made to the employees with the approval from competent authority on the approved PC-1 rate. Reply was not tenable as the allotments were made in 2018-19 whereas the rates of PC-I were charged which was approved in 1993.

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

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

**AIR Para No. 9 (2018-19)**

## ANNEXURES

### Annexure -1

#### MFDAC

(Rs. in million)

S#	AIR No.	Department	Gist of Para	Amount
1	1	DC Karak	Unauthorized purchase of vehicles	23.676
2	4	-do-	Unauthorized release of Developmental fund	1.00
3	7	-do-	Loss to Government due to applying higher rates	0.721
4	8	-do-	Non recovery of rent	0.776
5	10	-do-	Non surrender of savings	1.799
6	11	-do-	Irregular and doubtful expenditure on TA	3.547
7	12	-do-	Non recovery of overpayment	0.620
8	2	DHO Karak	Loss to Government due non deduction of HRA	0.798
9	3	-do-	Unauthorized purchase of X-rays films	0.592
10	7	-do-	Irregular utilization of medicines	10.152
11	8	-do-	Loss to Government due non recovery of overpayment	0.580
12	10	-do-	Irregular issuance of medicines	3.393
13	11	-do-	Loss to Government due to non-auction of vehicles	0
14	3	DEO Male	Unauthorized cash withdrawals from banks	4.323
15	4	-do-	Unauthorized payment on account of furniture	64.019
16	1	DEO Female	Unauthorized withdrawal and transfer of District ADP to PTC account	3.00
17	2	-do-	Unauthorized drawal on account of purchase of furniture	2.00
18	4	-do-	Unauthorized retention of funds	0.450
19	5	-do-	Unauthorized withdrawal from Banks	2.345
20	1	TMA Karak	Unauthorized/Unjustified maintenance of Bank accounts	14.590
21	2	-do-	Unauthentic/unverified transactions	8.141
22	3	-do-	Misclassification of Receipts	3.520
23	6	-do-	Non-recovery of income tax	0.817
24	7	-do-	Non-Deduction of Professional Tax	0.043
25	8	-do-	Non-utilization of developmental funds	5.000
26	9	-do-	Unauthorized cash withdrawals from designated bank account	12.835
27	10	-do-	Non-retention of contracts receipts record	4.322
28	11	-do-	Loss to Government Due To Less Realization of	0.84

			Receipts	
29	14	-do-	Wasteful expenditure on account of pay and allowance of water supply staff	6.813
30	1	TMA BD Shah	Non-preparation of financial statement for financial transactions	89.994
31	3	-do-	Non-retention of contracts receipts record	57.010
32	6	-do-	Loss to Government due to non Deduction of Sales Tax	0.265
33	9	-do-	Irregular and unjustified advance payment to PESCO	1.7
34	1	TMA TakhteNasrati	Non-preparation of financial statement for financial transactions worth	172.536
35	5	-do-	Non-retention of contracts receipts record	8.023
36	7	-do-	Unauthorized cash withdrawals from designated bank account	19.078
37	8	-do-	Unauthentic closing balances under developmental funds	77.498
38	9	-do-	Excess expenditure than the approved in the PC-I	2.277
39	11	-do-	Unjustified delay in execution and completion of developmental schemes	5.130
40	12	-do-	Loss to Government due to non Deduction of Sales Tax	0.303
41	13	-do-	Non accountal of profit on bank accounts	0.992
42	1	AD LGE&RDD	Irregular expenditure on privileges of Nazim&NaibNazims	1.764
43	2	-do-	Irregular expenditure on account of Advertisement in newspaper	1.290
44	3	-do-	Suspected misappropriation on Honoraria and TA Claims of District Councilours	2.209
45	4	-do-	Irregular and unauthentic expenditure under the head other	1.230
46	5	-do-	Suspected misappropriation of	1.053
47	8	-do-	Un-verified expenditure	2.279
48	10	-do-	Unauthorized cash withdrawals from designated bank account	2.213
49	2	KDA Karak	Non Recovery of water supply charges	0.627
50	3	-do-	Non-deposit of stamp duty into Government Treasury	0.178
51	4	-do-	Irregular and wasteful expenditure on pay &allowances of work charge employees	0.962
52	5	-do-	Non-deposit of Capital Value Tax into Government Treasury	0.804
53	6	-do-	Non-Deposit of Gain Tax into Government Treasury	0.160
54	8	-do-	Unauthorized cash withdrawals from designated bank account	2.553
55	10	-do-	Loss to Government due to unauthorized allotment of Plots	1.660

**Annexure-2**  
**Para 2.5.1.3**

**Detail of unauthorized cash withdrawals from designated bank**

<b>DHO Karak</b>			
<b>S. No</b>	<b>Date</b>	<b>Cheque No</b>	<b>Amount (Rs.)</b>
1	3-7-18	93153046	3,000,000
2	20-8-18	93153058	200,000
3	26-9-18	93153061	2,532,600
4	22-11-18	93153065	533,620
5	3-12-18	93153071	477,500
6	28-12-18	93153076	533,620
7	12-2-19	93153083	1,259,000
8	15-4-19	93153098	387,880
9	8-5-19	93153101	563,833
10	16-5-19	93153104	468,130
11	24-5-19	93153107	445,323
12	31-5-19	42184828	492,622
13	10-6-19	42184830	334,619
14	20-6-19	93153111	535,265
15	21-6-19	93153113	809,791
16	24-6-19	93153115	315,000
17	24-6-19	93153114	558,587
18	25-6-19	93153118	262,440
19	25-6-19	93153117	263,990
20	28-6-19	93153121	1,800,000
21	28-6-19	93153122	250,800
<b>DEO Male Karak</b>			0
1	11-6-19	0812064	1200,000
2	19-6-19	0812327	600,000
3	19-6-19	0812304	400,000
4	20-6-19	0812428	86,140
5	26-6-19	0852578	747,394
6	26-6-19	0852578	126,733
7	24-6-19	0852562	402,101
8	26-6-19	0852770	250,000
9	14-5-19	0850959	123,520
10	4-4-19	0850529	1,500,000
11	3-4-19	0850525	1,600,000
12	11-4-19	0850595	500,000

13	21-1-19	0810335	534,864
14	28-1-19	0810355	3500,000
15	16-11-18	081094	2200,000
16	2-11-18	0810910	500,000
<b>Total</b>			<b>30,295,372</b>



**Annexure-3****Para 2.5.2.1****Detail of non-utilization of development fund**

<b>S. No.</b>	<b>Name of Fund</b>	<b>Bank account No.</b>	<b>Date of Receipt</b>	<b>Amount Received/ Opening Balance</b>	<b>Amount Utilized</b>	<b>Balance (Rs.)</b>
01	Production Bonus	400947154	24.04.2019	208,780,337	12,852,755	195,927,582
02	Social Welfare Ob	4133585965	01.04.2019	18,629,365	0	18,629,365
03	Social Welfare Ob	4133585965	01.07.2018	19,074,840	0	19,074,840
04	Social Welfare fund	3009423142	28.01.2019	25,454,608	0	25,454,608
05	Social Welfare fund	3009423142	01.07.2018	83,397,903	0	83,397,903
06	Production Bonus	4009450415	01.07.2018	18,513,523	0	18,513,523
07	Social Welfare fund	79005909	14.02.2019	1,039,500	0	1,039,500
08	Social Welfare fund	79005909	01.07.2018	52,37,689	0	52,37,689
09	Social Welfare Ob	CD 06755-00-7	10.06.2019	10,000,000	0	10,000,000
<b>Total</b>						<b>372,075,062</b>

**Annexure-4****Para 2.5.2.3****Detail of loss to Government due to deterioration of costly machinery**

S.No	Health Facility	Machinery/Equipment	Qty	Amount(Rs.)	Received Date	Current status
01	C H Gurguri	X-ray Machine	01	3,500,000	28-11-2011	Non functional
02	-do-	Anesthesia Machine	01	1,850,000	28-11-2011	-do-
03	-do-	Automatic viaring processor	01	333,000	28-11-2011	-do-
04	-do-	Dental Unit	01	415,000	28-11-2011	-do-
05	-do-	Hydraulic operation table	01	463,000	28-11-2011	-do-
06	-do-	Cardiac defibrillator	02	900,000	28-11-2011	-do-
07	Type D hospital Takhte Nasrati	Infusion Pump	02	1,230,000	2012-13	-do-
08	-do-	Succation machine	02	50,966	2012-13	-do-
09	-do-	Hydraulic operation table	02	688,682	2012-13	-do-
10	-do-	Electric Surgical Unit	02	306,000	2012-13	-do-
11	-do-	Cardiac defibrillator	01	488,000	2012-13	-do-
12	-do-	Fracture OT Table	01	339,000	2012-13	-do-
13	-do-	Anesthesia Machine	02	4,590,000	2012-13	-do-
14	-do-	Photo Therapy unit	02	55,000	2012-13	-do-
15	Type D Hospital Latamber	Oxygen concentrator	02	143,558	4-8-2015	-do-
16	-do-	Infusion pump	02	246,000	4-8-2015	-do-
17	-do-	Cardiac Monitor	02	430,000	4-8-2015	-do-
18	-do-	ECG Machine	02	167,200	4-8-2015	-do-
19	-do-	Electric Surgical Unit	02	306,000	4-8-2015	-do-
20	-do-	Hydraulic operation table	02	688,682	4-8-2015	-do-
21	-do-	Anesthesia Machine	02	4,590,000	4-8-2015	-do-
22	-do-	Cardiac defibrillator	03	1,464,000	4-8-2015	-do-
23	Type D Hospital Sabir Abad	Portable X-ray Plant	01	2,118,405	4-8-2015	-do-

24	-do-	Ultrasound Machine	01	1,445,000	4-8-2015	-do-
25	-do-	Blood Bank	01	738,188	4-8-2015	-do-
26	-do-	Oxygen concentrator	01	71,749	4-8-2015	-do-
27	-do-	Anesthesia Machine	01	1,390,000	4-8-2015	-do-
28	-do-	Cardiac Monitor	01	215,000	4-8-2015	-do-
29	-do-	Autoclave	01	145,000	4-8-2015	-do-
30	-do-	Dental X-ray Machine	01	420,000	4-8-2015	-do-
31	-do-	Suction Machine	01	50,966	4-8-2015	-do-
32	-do-	Baby Suction Machine	01	20,114	4-8-2015	-do-
33	-do-	ECG Machine	01	83,600	4-8-2015	-do-
34	-do-	Dental Unit	01	539,000	4-8-2015	-do-
35	-do-	Photo Therapy	01	55,000	4-8-2015	-do-
<b>Total</b>				<b>30,536,110</b>		

**Annexure-5****Para 2.5.2.3****Detail of un-authorized blockage of stock of medicines**

S.No	Health Facilities	A03927-Cost of Drug & Medicines (Rs.)
1	DDO CODE NO.KK-6913-BHU BANGI KILLA	850,984
2	DDO CODE NO.KK-6914-BHU CHOWKARA	683,453
3	DDO CODE NO.KK-6915-BHU DABLI LAWAGHER	844,907
4	DDO CODE NO.KK-6916-BHU DARISH KHEL	850,984
5	DDO CODE NO.KK-6917-BHU DUBB	850,984
6	DDO CODE NO.KK-6918-BHU EASAK CHONTHRA	850,984
7	DDO CODE NO.KK-6919-BHU GHUNDI MIR KHAN KHEL	850,984
8	DDO CODE NO.KK-6920-BHU JATTA ISMAIL KHEL	850,984
9	DDO CODE NO.KK-6921-BHU JEHangIRI	850,984
10	DDO CODE NO.KK-6922-BHU KANDO KHEL	850,984
11	DDO CODE NO.KK-6923-BHU KHOJAKI KILLA	847,203
12	DDO CODE NO.KK-6924- BHU KHURRAM	850,984
13	DDO CODE NO.KK-6925-BHU MAKORI	850,984
14	DDO CODE NO.KK-6926-BHU MITHA KHEL	851,052
15	DDO CODE NO.KK-6927-BHU MONA KHEL	842,705
16	DDO CODE NO.KK-6928-BHU SHAHEEDAN	850,984
17	DDO CODE NO.KK-6929-BHU SHAMSHAKI	848,408
18	DDO CODE NO.KK-6930-BHU WARANA	837,943
19	DDO CODE NO.KK-6931-BHU ZARA GANDI	850,984
20	DDO CODE NO.KK-6266- CIVIL HOSPITAL BAHADER KHEL	724,997
21	DDO CODE NO.KK-6267- CIVIL HOSPITAL GURGURI	463,796
22	DDO CODE NO.KK-6268-CIVIL HOSPITAL TERRI	724,997
23	DDO CODE NO.KK-6932-RHC AHMED ABAD	499,969
24	DDO CODE NO.KK-6933-RHC JANDRI	500,000
25	DDO CODE NO.KK-6934- RHC NARI PANOS	500,000
26	DDO CODE NO.KK-6935- RHC SHNAWA GUDI KHEL	499,968

27	DDO CODE NO.KK-6936-TYPE "C" HOSPITAL TAKHTI NASRATI	2,999,982
<b>Total</b>		<b>22,881,188</b>

**Annexure-6**  
**Para 2.5.3.2**

**Detail of shops**

S. No.	Category	Period	Total Months	No. of Shops	Rent required (Rs.)	Rent Received (Rs.)	Difference (Rs.)	Less recovery (4*5*8) (Rs.)
1	2	3	4	5	6	7	8	9
1	A	01.11.2010 to 31.10.2013	36	4	1,000	400	600	86,400
2	B	01.11.2010 to 31.10.2013	36	4	1,000	400	600	86,400
3	C	01.11.2010 to 31.10.2013	36	5	1,000	600	400	72,000
4	D	01.11.2010 to 31.10.2013	36	6	1,500	600	900	194,400
5	E	01.11.2010 to 31.10.2013	36	4	1,500	800	700	100,800
6	A	01.11.2013 to 31.10.2016	36	4	1,250	400	850	122,400
7	B	01.11.2013 to 31.10.2016	36	4	1,250	400	850	122,400
8	C	01.11.2013 to 31.10.2016	36	5	1,250	600	650	117,000
9	D	01.11.2013 to 31.10.2016	36	6	1,875	600	1,275	275,400
10	E	01.11.2013 to 31.10.2016	36	4	1,875	800	1,075	154,800
11	A	01.11.2016 to 30.06.2019	32	4	1,563	520	1,043	133,440
12	B	01.11.2016 to 30.06.2019	32	4	1,563	520	1,043	133,440
13	C	01.11.2016 to 30.06.2019	32	5	1,563	870	693	110,800
14	D	01.11.2016 to 30.06.2019	32	6	2,344	870	1,474	282,960
15	E	01.11.2016 to 30.06.2019	32	4	2,344	1040	1,304	166,880
<b>Total</b>								<b>2,159,520</b>

**Annexure-7**

**Para 2.5.3.3**

**Detail of non-recovery of rental charges**

S.No	Name of Allottee/ Defaulter	Rate per month (Rs.)	Total outstanding upto 6/2018 (Rs.)	Outstanding during 2018-19	Total outstanding upto 6/2019 (Rs.)
1	Arab Gulr.oMithaKhel ( Transferred from ZafarAzam s/o SherAzam r/o Takhti e Nasrati	200	22,400	2,400	24,800
2	Zahir Shah s/o GulKhanan r/o Awazi Banda Tehsil Takht e NasratiDistt: Karak	200	73,600	2,400	76,000
3	Mr. Taleem Khan s/o Khawaja Mohammad Khan r/o Kamali Banda ( Advocate Karak)	200	70,200	2,400	72,600
4	Ali Hassan s/o Abdul Janan r/o ahmad Abad.	200	49,200	2,400	51,600
5	Mr. Noor Rehman s/o ahmad Khan of TopiKilla ( Advocate Karak)	200	68,800	2,400	71,200
6	Mr. Farooq Khan s/o AbdurRehman r/o ZarkiNasratti.( Advocate) TakhteNasrati.	200	72,800	2,400	75,200
7	Mehar Amin s/o Gul Min r/o Lagharhi Banda.	200	41,200	2,400	43,600
8	Muhammad Hassan s/o Abdul Janan r/o Ahmadabad. ( Transferred from Mr Abdul Majid Khan s/o Mir Janan r/o SooratiKilla	200	69,600	2,400	72,000
9	Haji AbdurRehman s/o Abdul Hanan r/o Ahmad Abad c/o Rehmania Medicos Karak.	200	72,800	2,400	75,200
10	Mr. GhulamMohio Din s/o Merajud Din r/o Latamber ( Advocate Karak)	200	71,200	2,400	73,600
11	Javid Hassan Advocate s/o Abdur Rashid r/o Karak.	200	36,400	2,400	38,800
12	Mashah Jan r/o Gurguri Tehsil Banda Daud Shah Distt: Karak	200	68,400	2,400	70,800

13	Nadir Shah s/o Zahir Shah r/o Awazi Banda YousafKhel.	200	74,400	2,400	76,800
14	Arab Gul	200	51,400	2,400	53,800
15	Gul Shah Baz r/o SaiKot	200	74,400	2,400	76,800
16	Mohammad Younas s/o Jana Mir r/o Warana	400	94,800	4,800	99,600
<b>TOTAL</b>					<b>1,052,400</b>



**Annexure-8****Para 3.5.2.1****Detail of irregular expenditure on account of salaries/pension**

<b>S#</b>	<b>Date</b>	<b>PLA Cheque No.</b>	<b>Purpose for which transferred to Local Fund Account</b>	<b>Amount(Rs.)</b>
1.	09.08.2018	A418685	Municipal Services	4,000,000
2.	11.09.2018	A418687	Salary & Pension	10,000,000
3.	20.12.2018	A418691	Salary and Pension	5,500,000
4.	03.04.2019	A454621	Salary and Pension	2,200,000
5.	10.04.2019	A454622	Municipal Services	800,000
6.	30.04.2019	A454639	Municipal Services	525,927
7.	30.04.2019	A454640	Pension Commutation	1,133,574
8.	30.04.2019	A454641	Pension Commutation	840,225
9.	30.04.2019	A454642	Pension Commutation	837,535
8.	30.04.2019	A454643	Pension Commutation	838,857
9.	30.04.2019	A454644	Pension Commutation	300,606
10.	24.05.2019	A454669	Salary	2030,133
11.	28.06.2019	A454924	Municipal Services	3500,000
<b>Total</b>				<b>32,506,857</b>

**Annexure-9**  
**Para 3.5.2.3**

**Detail of irregular payment/expenditure on account of salaries/pension**

<b>S#</b>	<b>Date</b>	<b>PLA Cheque No.</b>	<b>Paid/transferred to and Purpose</b>	<b>Amount(Rs.)</b>
1.	17.12.2018	454343	Paid to Secretary LCB for 2% LCB fool fund/Pension contribution PUGF staff	2,500,000
2.	17.12.2018	454344	-do-	2,500,000
3.	11.04.2019	454711	Transferred to the designated bank account No. 1918003111916667 (operated for Local Fund of the Administration) for pay & pension of staff	1,000,000
4.	16.04.2019	454716	Transferred to Director Information Khyber Pakhtunkhwa Peshawar (Purpose not known)	1,411,088
5.	25.04.2019	454728	Transferred/paid to Director Local Fund, KPK, Peshawar as Audit Fee	500,000
6.	20.06.2019	454794	Transferred to the designated bank account No. 1918003111916667 (operated for Local Fund of the Administration) purpose not known.	2,500,000
<b>Total</b>				<b>10,411,088</b>

**Annexure-10****Para 3.5.2.4****Statement showing detail of Cash withdraw by TMO Banda Daud Shah**

<b>S.No</b>	<b>Date</b>	<b>Cheque No</b>	<b>Amount (Rs.)</b>
1	06.07.2018	69581769	63,000
2	09.07.2018	69581768	479,770
3	08.07.2018	69581770	100,000
4	23.07.2018	69581771	150,000
5	02.08.2018	69581773	50,000
6	07.08.2018	69581775	256,642
7	08.08.2018	69581782	411,623
8	10.08.2018	69581792	500,000
9	16.08.2018	69581783	120,677
10	17.08.2018	69581785	111,668
11	30.08.2018	69581788	60,000
12	03.09.2018	69581794	164,974
13	18.09.2018	69581802	87,703
14	28.09.2018	69581806	103,714
15	01.10.2018	69581810	139,315
16	04.10.2018	69581813	156,080
17	08.10.2018	69581819	246,787
18	15.10.2018	69581823	127,000
19	22.10.2018	69581825	74,486
20	29.10.2018	14560477	161,870
21	31.10.2018	14560480	136,640
22	20.11.2018	14560487	305,912
23	23.11.2018	14560491	206,280
24	30.11.2018	14560495	144,000
25	07.12.2018	14560500	287,739
26	11.12.2018	14560513	707,250
29	03.01.2019	14560521	92,074
30	04.01.2019	14560528	278,616
31	04.01.2019	14560523	113,000
32	17.01.2019	14650533	669,146
33	31.01.2019	14560540	151,581
34	12.02.2019	14560542	600,000

35	13.02.2019	14560545	106,450
36	22.02.2019	14560554	113,360
37	28.02.2019	14560559	250,000
38	05.03.2019	14560560	250,000
39	06.03.2019	14560562	158,398
40	08.03.2019	14560563	175,596
41	15.03.2019	14560569	390,000
42	19.03.2019	14560570	390,000
43	25.03.2019	14560574	127,648
44	02.04.2019	14560575	114,086
45	02.04.2019	32777180	425,730
46	11.04.2019	32777183	203,345
47	15.04.2019	32777188	157,200
48	19.04.2019	32777196	270,000
49	23.04.2019	32777197	188,675
50	03.05.2019	32777199	1,847,046
51	03.05.2019	32777198	273,625
52	06.05.2019	41087626	200,000
53	28.05.2019	41087638	277,984
54	28.05.2019	41087639	858,028
55	25.06.2019	41087654	76,615
<b>Total</b>			<b>14,111,333</b>

**Annexure-11****Para 3.5.3.4****Non-recovery of receipts**

S #	Name Contract	Name of contractor	Auction value(Rs.)	Advance Payment(Rs.)	Recovery through installment(Rs.)	Total Recovery made(Rs.)	Balance outstanding (Rs.)	Penalty for delay payment(Rs.)	Total Recovery(Rs.)
1	W.C.F Takht-e-Nasrati	SirajUd Din S/Mosam Din	3,300,000	660,000	1,388,200	2,048,200	1,251,800	5,552,624	6,804,424
2	W.C.F Ahmad Abad	-do-	5,500,000	1,100,000	2,564,000	3,664,000	1,836,000	5,454,570	7,290,570
3	Lorry AddaLawaghar	Muhammad Ilyas S/O Mir Aqibat Khan	1,165,500	233,100	260,600	493,700	671,800	2,590,542	3,262,342
4	Lorry AddaAmbiri	-do-	2,800,000	560,000	1,032,500	1,592,500	1,207,500	5,931,001	7,138,501
						<b>Total</b>	<b>4,967,100</b>	<b>19,528,737</b>	<b>24,495,837</b>

**Annexure-12****Para 3.5.3.6****Detail of Over payment to contractor**

S#	Name of Scheme	Contractor	Estimated	Approved rate of contract	Overpayment(Rs.)
1	Constt: of PCC Street at Warana Ahmad Abad	Ocean Builder	1.53m	44.83% below	179,992
2	PCC Street Malik Riaz Khan Korona	JunaidRehman	0.85 m	35% below	125,808
3	Installation of Pipe line Master Gul Mir Khan Korona	Ocean Builder	0.30 m	34.84% below	34,902
5	Installation of pressure pumps at Khairullah Korona	JunaidRehman	0.70 m	55% below	103,320
6	Constt: PCC Street C/o of Waqas Nazim	JuanidRehman	0.65 m	46.65% below	95,120
7	Installation of pressure pumps at UC Warana Ahmad Abad	JunaidRehman	0.572	51.65% below	106,275
8	Installation of pressure pumps for Basir Khan	JunaidRehman	0.60 m	51.65% below	87,800
9	Installation of solar system for pressure pump at Sajawal Usman	JunaidRehman	0.7 m	42% below	102,986
10	Installation of pipe line at UC Jehangiri	JunaidRehman	0.40 m	50.65% below	58535
11	Installation of pressure pumps at Mumtaz Khan house	JunaidRehman	0.75 m	60% below	109755
12	PCC Street at Rashid Nawaz Korona	Ocean Builder	0.80 m	33.32% below	118308
11	PCC Street and pressure pumps	M/s Rafeullah & Brothers	1.00 m	48.48% below	147450

12	PCC Street and pressure pumps at UC Khojaki	JunaidRehman	1.13 m	35% below	107468
13	PCC Street and pressure pumps at UC warana Ahmad Abad	Malik Ashfaq Khan	1.13 m	20% below	165363
14	PCC Street at Government High School SirajKhail	JunaidRehman	0.50 m	48% below	73171
<b>Total</b>					<b>1,616,253</b>

**Annexure-13****Para 3.5.3.7****Non-recovery of penalty amount from the contractors**

<b>S#</b>	<b>Name of Scheme/Work</b>	<b>E/cost(Rs.)</b>	<b>Physical Progress</b>	<b>10% penalty Rs.</b>
1	Installation of H. Pumps at Tehsil BD Shah	1,950,000	90%	195,000
2	Street Pavement at Tehsil Banda Daud Shah	3,500,000	80%	350,000
3	Street Pavement at UC NariPanoos, Jatta, Bahader Khel	2,640,000	90%	264,000
4	Improvement and Beautification of Office Building TMA Banda Daud Shah	1,160,000	90%	116,000
5	Purchase /supply of Sewing Machine Banda Daud Shah	1,750,000	90%	175,000
6	Purchase/supply of Sports equipment at Tehsil Banda Daud Shah	200,000	95%	20,000
7	Irrigation Scheme/Solorization at Sheikhan Umar Gul	1,300,000	90%	130,000
8	Instt: of H. Pumps/P. Pump at Bahader Khel, Gurguri	1,535,000	80%	153,500
<b>Total</b>				<b>1,403,500</b>