



**AUDIT REPORT
ON
THE ACCOUNTS OF
DISTRICT COUNCIL AND MUNICIPAL
COMMITTEES
DISTRICT HANGU
AUDIT YEAR 2015-16**

AUDITOR GENERAL OF PAKISTAN

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ABBREVIATIONS AND ACRONYMS

AP	Advance Para
ADP	Annual Development Programme
BOT	Build Operate and Transfer
CCO	Chief Coordination Officer
CMD	Chief Minister Directives
CMO	Chief Municipal Officer
CNG	Compressed Natural Gas
DAC	Departmental Accounts Committee
DDC	District Development Committee
DDO	Drawing and Disbursing Officer
GFR	General Financial Rules
GI	Galvanized Iron
LCB	Local Council Board
LGA	Local Government Act
MC	Municipal Committee
MFDAC	Memorandum for Departmental Accounts Committee
NIT	Notice Inviting Tender
NOC	No Objection Certificate
PAC	Public Accounts Committee
PAO	Principal Accounting Officer
PCC	Plain Concrete Cement
POL	Petrol Oil Lubricant
PVC	Poly Vinyl Chloride
RDA	Regional Directorate of Audit
S/F	Supply and Fixing
UCs	Union Councils
ZAC	Zilla Accounts Committee

PREFACE

Articles 169 and 170 of the Constitution of the Islamic Republic of Pakistan, 1973 read with Sections-8 and 12 of the Auditor-General (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 and Section 168 of Local Government Act 2012, require the Auditor-General of Pakistan to conduct audit of the receipts and expenditure of Local Fund of District Council and Municipal Committees.

The report is based on audit of the accounts of District Council and Municipal Committees, District Hangu for the Financial Year 2014-15. The Directorate General of Audit, District Governments, Khyber Pakhtunkhwa, Peshawar conducted audit on test check basis during 2015-16 with a view to reporting significant findings to the relevant stakeholders. The main body of the Audit Report includes only the systemic issues and audit findings carrying value of Rs 1 million or more. Relatively less significant issues are listed in the annexure-1 of the Audit Report. The Audit Observations listed in annexure-1 shall be pursued with the Principal Accounting Officer at the DAC level and in all cases where the PAO does not initiate appropriate action, the Audit observation will be brought to the notice of Public Accounts Committee through the next year's Audit Report.

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

The observations included in this Report have been finalized in the light of written replies of the Departments. DAC meetings could not be convened despite repeated requests.

The Audit Report is submitted to the Governor of Khyber Pakhtunkhwa in pursuance of Article 171 of the Constitution of the Islamic Republic of Pakistan, 1973 read with Khyber Pakhtunkhwa Local Government Act 2012 to be laid before appropriate legislative forum.

Dated:
Islamabad

(Rana Assad Amin)
Auditor General of Pakistan

EXECUTIVE SUMMARY

The Directorate General of Audit, District Governments, Khyber Pakhtunkhwa, Peshawar, is responsible to conduct the audit of all District Councils, Municipal Committees (MCs) and Union Councils (UCs). Its Regional Directorate of Audit Kohat has audit jurisdiction of District Councils, MCs and UCs of three Districts i.e. Kohat, Karak and Hangu.

The Regional Directorate has a human resource of 08 officers and staff, constituting 2008 man days. A budget of Rs 8.849 million was allocated during Financial Year 2015-16. It has the mandate to conduct financial attest audit, audit of sanctions, audit of compliance with authority and audit of receipts as well as the performance audit of entities, projects and programs. Accordingly Regional Director Audit Kohat carried out audit of the accounts of District Council and Municipal Committees Hangu for the Financial Year 2014-15 and the findings have been included in the Audit Report.

District Council Hangu and Municipal Committees in the District Hangu perform their functions under Khyber Pakhtunkhwa Local Government Act 2012. Administrative Secretary i.e Secretary Local Government and Rural Development Department, Khyber Pakhtunkhwa is the Principal Accounting Officer for these local bodies. According to financial provisions of the Act, the Secretary Local Government and Rural Development Department, Khyber Pakhtunkhwa authorizes the Annual Budget for these local bodies in the form of budgetary grants.

a. Scope of audit

The total expenditure of the District Council and Municipal Committees Hangu, for the Financial Year 2014-15, was Rs 382.455 million. Out of this, RDA Kohat audited an expenditure of Rs 305.964 million which, in terms of percentage, was 80% of the auditable expenditure.

The receipts of District Council Hangu and Municipal Committees in District Hangu for the Financial Year 2014-15, were Rs 660.479 million. Out of this, RDA

Kohat audited receipts of Rs 248.691 million which, in terms of percentage, was 40% of auditable receipts.

The total expenditure and receipts of District Council and Municipal Committees, District Hangu, for the Financial Year 2014-15 was Rs 1004.183 million. Out of this, RDA Kohat audited the expenditure and receipts of Rs 554.655 million.

b. Recoveries at the instance of audit

Recovery of Rs 34.131 million was pointed out during the audit. However, no recovery was made till the finalization of this report. Out of the total recoveries Rs 5.856 million was not in the notice of the executives prior to audit.

c. Audit Methodology

Audit was conducted after understanding the business processes of District Council and Municipal Committees, District Hangu, with respect to its functions, control structure, prioritization of risk areas by determining their significance and identification of key controls. This helped auditors in understanding the systems, procedures, environment, and the audited entity before starting field activity. Audit used desk audit techniques for analysis of compiled data and review of permanent files/record. Desk Audit greatly facilitated identification of high-risk areas for substantive testing in the field.

d. Audit Impact

Audit pointed out various irregularities of serious nature to the management. However, no impact was visible as the irregularities could not come to the light in the proper forum i.e DAC.

e. Comments on Internal Control and Internal Audit department

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

One of the basic components of Internal Control System, as envisaged under Para 13 of GFR Volume-I, is Internal Audit which was not found prevalent in District Council and Municipal Committees, District Hangu. Neither rules for internal audit have been framed nor internal audit report as required was provided to audit.

f. Key Audit Findings

- i. Irregularity non-compliance of Rs 129.551 million were noted in eleven cases.¹
- ii. Weak internal controls of Rs 238.097 million were noted in ten cases².

g. Recommendations

- i. Concerted efforts need to be made to recover long outstanding dues.
- ii. All sectors of MCs/District Council need to strengthen internal controls i.e. financial, managerial, operational, administrative and accounting controls etc to ensure that reported lapses are preempted and fair value for money is obtained from public spending.
- iii. Deduction of taxes and depositing in Government treasury needs to be ensured.
- iv. Inquiries need to be held to fix responsibility for losses, irregular payments and wasteful expenditure.

¹ Para: 1.2.1.1, to 1.2.1.4, 1.4.1.1, to 1.4.1.4, 1.5.1.1 & 1.5.1.2

² Para: 1.2.2.1, 1.2.2.2, 1.2.2.3, 1.3.1.1, to 1.3.1.4, 1.4.2.1 & 1.5.2.1

SUMMARY TABLES AND CHARTS

Table 1: Audit Work Statistics

(Rs in million)			
S. No	Description	No.	Budget
1	Total Entities in (PAO) in Audit Jurisdiction	01	1004.183
2	Total formations in audit jurisdiction	04	1004.183
3	Total Entities in (PAO) Audited	01	554.655
4	Total formations Audited	04	554.655
5	Audit and Inspection Reports	04	554.655
6	Special Audit Reports	--	--
7	Performance Audit Reports	--	--
8	Other Reports (relating to MC)	--	--

Table 2: Audit observations classified by categories

(Rs in million)		
S. No	Description	Amount placed under Audit Observation
1	Unsound asset management	--
2	Weak financial management	261.154
3	Weak Internal controls relating to financial management	66.027
4	Others	40.467
Total		367.648

Table 3: Outcome Statistics**(Rs in million)**

S. No	Description	Expenditure on Acquiring Physical Assets Procurement	Civil Works	Receipts	Others	Total for the year 2014-15	Total for the year 2013-14
1	Outlays Audited	-	229.98	248.691	75.984	554.655	190.548
2	Amount Placed under Audit Observation /Irregularities of Audit	-	205.198	121.570	40.881	367.648	142.975
3	Recoveries Pointed Out at the instance of Audit	-	5.856	28.275	-	34.131	31.411
4	Recoveries Accepted /Established at the instance of Audit	-	-	-	-	-	-
5	Recoveries Realized at the instance of Audit	-	-	-	-	-	-

Table 4: Table of Irregularities pointed out**(Rs in million)**

S. No	Description	Amount Placed under Audit Observation
1	Violation of Rules and regulations, principle of propriety and probity in public operation	267.49
2	Reported cases of fraud, embezzlement, thefts and misuse of public resources.	--
3	Accounting Errors(accounting policy departure from NAM, misclassification, over or understatement of account balances) that are significant but are not material enough to result in the qualification of audit opinions on the financial statements.	--
4	Quantification of weaknesses of internal control systems.	66.027
5	Recoveries and overpayment, representing cases of established overpayment or misappropriations of public monies.	34.131
6	Non production of record	--
7	Others, including cases of accidents, negligence etc.	--
Total		367.648

Table 5: Cost- Benefit**(Rs in million)**

S.No	Description	Amount (Rs in million)
1	Outlay Audited	554.652
2	Expenditure on Audit	0.638
3	Recoveries realized at the instance of Audit	-
4	Cost -Benefit Ratio	1:0

CHAPTER-1

1.1 District Council and Municipal Committees, Hangu

1.1.1 Introduction

District Hangu has two Tehsil i.e. Hangu and Thall. There is a District Council and three Municipal Committees. District Council has a Chief Coordination Officer, District Officer (Finance), District Officer (Infrastructure) and District Officer (Regulation). Municipal Committees have Chief Municipal Officers, Municipal Officers (Finance), Municipal Officers (Infrastructure) and Municipal Officers (Regulation). District Council Hangu has one Drawing and Disbursing Officer (DDO) i.e. Chief Coordination Officer and Chief Municipal Officers are the DDOs of Municipal Committees. According to 1998 population census, the population of Hangu is 315,000.

1.1.2 Comments on Budget and Accounts (Variance Analysis)

An amount of Rs 541.032 million was allocated as grant in aid by the Provincial Government to District Council Hangu and Municipal Committees of District Hangu. An amount of Rs 119.447 million was realized from own sources during the Financial Year 2014-15. Thus making a total of Rs 660.479 million available with District Council Hangu and Municipal Committees of District Hangu. Out of this an expenditure of Rs 382.455 was incurred by the District Council and Municipal Committees Hangu with a saving of Rs 278.025 million during financial Year 2014-15. Detail is given below:

(Rs in million)

2014-15	Budget	Expenditure	Excess (+) / Saving (-)	% age
Salary	93.866	81.44	(12.426)	0.132
Non-salary	87.158	45.479	(41.679)	0.478
Developmental	479.456	255.536	(223.92)	0.467
Total	660.48	382.455	-278.025	1.077

Detail of receipts realized during Financial Year 2014-15

(Rs in million)

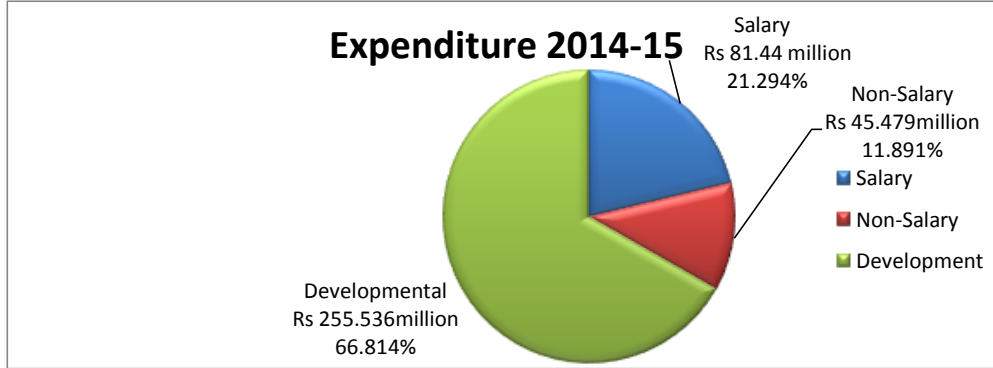
2014-15	Provincial Grant in Aid	Realization from own sources	Total
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Receipts	541.032	119.447	660.479
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The huge savings of Rs 278.025 million in all heads of accounts indicate weakness in the capacity of these local institutions to utilize the amount allocated.

EXPENDITURE FOR THE YEAR 2014-15

(Rs in million)



1.1.3 Comments on the status of compliance with PAC Directives

The audit report pertaining to the Audit Year 2014-15 has been submitted to the Governor of Khyber Pakhtunkhwa. Detail of PAC meetings are given below:

S. No.	Audit Year	PAC meeting convened /Not convened
1	2014-15	Not Convened

MUNCIPAL COMMITTEE HANGU

1.2 Municipal Committee Hangu

1.2.1 Irregularity & Non- Compliance

1.2.1.1 Irregular Expenditure Due to Non Completion of Developmental Schemes-Rs 24.200 Million & Non Imposition of Penalty- Rs 2.420 Million

As per condition 06 of the work order forms dated 07-01-2015 the time allowed for the completion of work was 06 months. According to Clause 6 of the work order and Clause 2 of the Contract Agreement, penalty of 1% per day and up to maximum of 10% of the tender cost may be imposed for delay in completion of work.

CMO Hangu, during 2014-15 awarded various developmental works valuing Rs 24,200,000 under CMD funds to different contractors (Detail given at annexure-02). The contractors failed to complete the works in stipulated period mentioned in the work orders. Neither penalty @ 10% amounting to Rs 2,420,000 was imposed nor were extensions given. The works were still not complete when the audit was being done in August 2015

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

When pointed out in August 2015, management stated that detail reply would be furnished after scrutiny of record. However, no reply was furnished till finalization of this report.

Request for convening of DAC meeting was made on 21-08-2015, but no response was received from the Principal Accounting Officer, as a result DAC meeting could not be convened till finalization of this report.

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

AP No.15 (2014-15)

1.2.1.2 Loss to Government On Account Of Rent Of Shops -Rs 1.166 Million

According to clause 08 of the Agreement Deed for the lease of Municipal Committee shops “The monthly rent of shops are to be increased by 10% annually”. According to Local Government Act 2012 Clause 179 (Collection and Recovery of Taxes, etc.) under sub clause (2) All arrears of taxes, rents and other moneys claimable by a Local Council under this Act shall be recoverable as arrears of land revenue.

CMO Hangu during 2014-15 received Rs 2,191,255 on account of rent of shops but failed to collect the rent of shops at increased rates resulting into loss of Rs 1,166,642 (Detail given at annexure-03).

Non recovery of rent of shops at enhanced rates occurred due to violation of agreement which deprived the local authority from significant own source revenue.

When pointed out in August 2015, management stated that detail reply would be furnished after scrutiny of record. However, no reply was furnished till finalization of this report.

Request for convening of DAC meeting was made on 21-08-2015, but no response was received from the Principal Accounting Officer, as a result DAC meeting could not be convened till finalization of this report.

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

AP No.03 (2014-15)

1.2.1.3 Irregular Expenditure -Rs 5.00 million

According to Para 56 of CPWD Code, no work shall be executed without Administrative Approval /TS and Budget allotment. According to Khyber Pakhtunkhwa Public Procurement Regulatory Authority Rules 2014 (Rule 1 of chapter II) “methods of procurement of goods” the procuring entity shall use open competitive bidding as the principal method of procurement for the procurement of goods & services over the value of Rs 100,000.

CMO Hangu during the year 2014-15 paid Rs 5,003,151 on account of various works contracts or through departmental employees. Some of the works were split up (Detail as per annexure-04). Following irregularities were noticed:

1. The works contracts were awarded and expenditure was incurred without Administrative Approval, Technical Sanction and PC-I.
2. Expenditure was incurred without making Entries in Measurement Book.
3. Open tender system was not adopted to obtain economical rates.

Irregular expenditure occurred due to weak internal control which resulted into non-compliance of Government rules.

When pointed out in August 2015, management stated that detail reply would be furnished after scrutiny of record. However no reply was furnished till finalization of this report.

Request for convening of DAC meeting was made on 21-08-2015, but no response was received from the Principal Accounting Officer, as a result DAC meeting could not be convened till finalization of this report.

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

AP No.05 (2014-15)

1.2.1.4 Doubtful Expenditure of Rs 1.485 Million Under Head POL

According to Para 10 (i) of General Financial Rules Volume I every public officer is expected to exercise the same vigilance in respect of expenditure incurred from public moneys, as a person of ordinary prudence would exercise in respect of expenditure of his own money. Para 96 of the GFR Vol.-I requires that money should not be spent hastily or in ill-considered manner just because it is available or that the lapse of a grant could be avoided.

CMO Hangu during 2014-15 spent Rs 1,485,330 on account of POL charges of various MC's vehicles (Detail given at annexure-05).

The following irregularities were noticed;

1. Log book of these vehicles were not maintained during the year.
2. MC Hangu shown these vehicles for sprinkling water in various areas of Hangu and for carrying water to different destinations such as Mosques, Homes, offices and group latrines without obtaining any request/ acknowledgement from the concerned and despite the fact that Hangu is a rainee area.

Doubtful expenditure occurred due to weak financial control which resulted into violation of government rules.

When pointed out in August 2015, management stated that detail reply would be furnished after scrutiny of record. However, no reply was furnished till finalization of this report.

Request for the convening of DAC meeting was made on 21.08.2015 but no response was received from the Principal Accounting Officer, as a result DAC meeting could not be convened till finalization of this report.

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

AP No.04 (2014-15)

1.2.1.5 Irregular Execution of Work of Rs 24.754 Million Without Technical Sanction

According to Rule 178 GFR Volume 1 read with para 56 of CPWD Code work may not be commenced or liability incurred unless the work is administratively and technically sanctioned by competent authority.

CMO Hangu during 2014-15 awarded developmental schemes of Rs 50.00 million under CMD and ADP funds to contractors. Payments of Rs 24,754,000 for the execution of schemes were made to contactors without obtaining technical sanctions from the competent authority (Detail given at annexure-06).

Irregular expenditure occurred due to non compliance of rules which resulted in execution of works without Technical Sanctions.

When pointed out in August 2015, management stated that detail reply would be furnished after scrutiny of record. However, no reply was furnished till finalization of this report.

Request for the convening of DAC meeting was made on 21.08.2015 but no response was received from the Principal Accounting Officer, as a result DAC meeting could not be convened till finalization of this report.

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

AP No.11 (2014-15)

1.2.2 Internal Control Weaknesses

1.2.2.1 Non-Recovery of Outstanding Government Dues-Rs 13.505 million

According to Para 8 and 26 of the General Financial Rules Volume I, each administrative department is required to see that the dues of the Government are correctly and promptly assessed, collected and paid into Government Treasury. According to Local Government Act 2012 Clause 179 (Collection and Recovery of Taxes, etc.) under sub clause (2) All arrears of taxes, rents and other moneys claimable by a Local Council under this Act shall be recoverable as arrears of land revenue.

CMO Hangu persistently failed to recover long outstanding water user charges from the user of water supply schemes. The amount accumulated upto 30th June, 2015 was Rs 13,505,720 as per following details.

S.No	Period	Connections (Domestic)	Total Amount outstanding (Rs)
01	2014-15	1080 connections @ Rs 150 PM * 12	1,944,000
02	Previous Years Outstanding	1080 connections @ Rs 150 PM	11,791,370
03	Less: Recovery in 2014-15	--	(230,650)
		Total	13,505,720

An amount of Rs 4,476,264 was spent on account of pay and allowances of water supply branch during the year along with Rs 1,170,855 on account of annual maintenance & repair of water supply schemes whereas the recovery statement of the water supply branch shows an amount of Rs 230,650 being 1.679%. if the power charges are added to this amount, the recovery percentage would become more negligible.

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

When pointed out in August 2015, management stated that detail reply would be furnished after scrutiny of record. However no reply was furnished till finalization of this report.

Request for convening of DAC meeting was made on 21-08-2015, but no response was received from the Principal Accounting Officer, as a result DAC meeting could not be convened till finalization of this report.

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

AP No.02 (2014-15)

1.2.2.2 Loss to Government Due to Delay in Completion of Shopping Plaza- Rs 4.350 Million & Non Deduction of Old Material Cost & Income Tax -Rs 691,120

According to the Agreement for construction of Municipal Shopping Plaza the investor was required to complete construction of MC Shopping Plaza upto 30-06-2014. According to Para 8 and 26 of the General Financial Rules Volume I, each administrative department to see that the dues of the Government are correctly and promptly assessed, collected and paid into Government Treasury

CMO Hangu awarded the construction of shopping plaza comprising of 63 Nos Shops and 24 Nos Flats to an investor on BOT basis during the year 2012-13. The approval was given by LCB vide letter No.AOII/LCB/9-23/2010 dated 11-05-2012 and the investor was required to complete the shopping plaza upto 30-06-2014. The investor failed to complete the work in stipulated time and caused a loss of Rs 4,350,000 in the shape of non collection of premium and rent of shops & flats depriving the Municipal Committee Hangu of their needful receipts as per following details:

Shops	Flats	Premium per Shop based on local market price	Monthly Market rates of Rent based on local market rate	Total Premium	Total Annual Rent based on prevailing market rate	MC Share in premium @ 20% as per agreement	MC Share in Rent @ 50% as per agreement
63 Nos	-	100,000	5,000	6,300,000	3,780,000	1,260,000	1,890,000

-	24	100,000	5,000	2,400,000	1,440,000	480,000	720,000
Total Loss Suffered By MC due to non completion of Shopping Plaza						1,740,000	2,610,000

The term and conditions of the BOT agreement did not include any penalty clause for delayed in completion of the project, thus extending undue favour to the contractor. Furthermore an amount of Rs 691,120 as was agreed in the agreement on account of old material cost and income tax on sale of material was not recovered.

Non completion of Municipal Committee's shopping plaza and non recovery of taxes occurred due to weak internal controls which resulted into loss to the government.

When pointed out in August 2015, management stated that detail reply would be furnished after scrutiny of record. However, no reply was furnished till finalization of this report.

Request for convening of DAC meeting was made on 21-08-2015, but no response was received from the Principal Accounting Officer, as a result DAC meeting could not be convened till finalization of this report.

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

AP No.12 (2014-15)

1.2.2.3 Non Utilization of Developmental Funds–Rs 52.373 Million

According to Para 12 of GFR Vol.-1, a controlling officer must see not only that the total expenditure is kept within the limits of the authorized appropriation but also that the funds allotted to spending units are expended in the public interest and upon objects for which the money was provided.

CMO, Hangu for the year 2013-14 and 2014-15 received Rs 105,000,000 from Provincial Government under CMD Special Package, CMD DDI and ADP funds. An amount of Rs 52,615,000 was spent during the year 2014-15 and left Rs 52,373,000 unspent balances being 50% of the total developmental budget released as per detail given in annexure-07.

Non utilization of funds occurred due to negligence, weak financial control and ill planning, which deprived the public of the timely benefit of the funds.

When pointed out in August 2015, management stated that detail reply would be furnished after scrutiny of record. However, no reply was furnished till finalization of this report.

Request for convening of DAC meeting was made on 21-08-2015, but no response was received from the Principal Accounting Officer, as a result DAC meeting could not be convened till finalization of this report.

Audit recommends timely utilization of developmental funds in current year besides action against the person(s) at fault.

AP No.20 (2014-15)

MUNICIPAL COMMITTEE THALL

1.3 Municipal Committee Thall

1.3.1 Internal Control Weaknesses

1.3.1.1 Non-Recovery of Outstanding Government Dues-Rs 3.821 Million

According to Local Government Act 2012 Clause 179 (Collection and Recovery of Taxes, etc.) under sub clause (2) All arrears of taxes, rents and other moneys claimable by a Local Council under this Act shall be recoverable as arrears of land revenue.

CMO, Thall during 2014-15 failed to recover long outstanding water charges An amount of Rs 3,821,500 has been accumulated till 30th June, 2015 as per detail given below.

S.No	Period	Connections (Domestic & Commercial)	Total Amount Outstanding (Rs)
01	Arrears as on 01-07-2014	926 Connections	1,612,600
02	839 Residential connections	839 @ Rs 200 PM*12	2,013,600
03	87 Commercial Connections	87 @ Rs 200 PM *12	208,800
04	Less: Recovery during 2014-15	Rs 13,500 annually	13,500
Total Arrear on account of water charges			3,821,500

An amount of Rs 4,269,078 was spent on account of pay & allowances of water supply branch staff during the year along with Rs 784,789 on account of electricity charges maintenance & repair charges . Recovery statement shows an amount of Rs 13,500 being 0.35% of the outstanding water charges for the year 2014-15.

Non recovery of water users charges occurred due to weak internal control, which deprived the Government from its due local revenue.

When pointed out in September 2015, management stated that detail reply would be furnished after scrutiny of record. However, no reply was furnished till finalization of this report.

Request for convening of DAC meeting was made on 04-09-2015, but no response was received from the Principal Accounting Officer, as a result DAC meeting could not be convened till finalization of this report.

Audit recommends recovery of water charges beside action against the person(s) at fault.

AP No.22 (2014-15)

1.3.1.2 Loss Due to Less Realization of Revenue-Rs 1.977 Million

According to Para 8 and 26 of the General Financial Rules Volume I, each administrative department to see that the dues of the Government are correctly and promptly assessed, collected and paid into Government Treasury.

CMO Thall during 2014-15 awarded the water rates contract for Rs 245,000 to a contractor. As per water supply branch water connection register there were 839 residential connections and 87 commercial connections which were required to generate an amount of Rs 2,222,400 (926*Rs 200 per connection*12 months) for the year 2014-15. Hence the award of contract at a very lowest rate of Rs 245,000 resulted into a loss of Rs 1,977,400 (Rs 2,222,400-Rs 245,000) which needs to be inquired besides action against persons at fault.

Less realization of revenue receipts occurred due to weak internal controls which resulted into loss to the government.

When pointed out in September 2015, management stated that detail reply would be furnished after scrutiny of record. However, no reply was furnished till finalization of this report.

Request for convening of DAC meeting was made on 04-09-2015, but no response was received from the Principal Accounting Officer, as a result DAC meeting could not be convened till finalization of this report.

Audit recommends recovery of water charges beside action against the person(s) at fault.

AP No.23 (2014-15)

1.3.1.3 Loss to the Government Due to Collection of Receipts Departmentally -Rs 2.811 Million

According to model terms and conditions for the contract of receipts / taxes for the year 2014-15 circulated by Local Council Board vide letter NII/LCB/6-11/2013 dated 20-12-2013 the auction proceeding shall take place in the respective local councils on the dates so fixed by the local council board Khyber Pakhtunkhwa and the same shall be finalized on before 30April 2014. In case any contract could not be auctioned on due date of auction, the CMO shall report it on the same day with cogent and plausible reasons of failure in auction process. In case of non-convincing implausible and non cogent reasons, action shall be initiated against the concerned CMO. Local print and electronic media shall be invited for participation in the auction proceedings. Proper video of the entire proceedings shall be made / recorded and the same shall be sent to the provincial Government at the time of obtaining approval of the contract form the competent authority.

CMO Thall during 2014-15 collected Rs 7,768,488 on account of Lorry Adda Entry Fee, Mutation Fee and Weekly Cattle Fair through MC staff departmentally. In the previous year collection through contractors was to the tune of Rs 9,200,000. The decision to collect the taxes departmentally resulted into loss to the government of Rs 2,811,512 detail given below.

S. No	Name of Contract	Auction Value 2013-14 collected through contractor	Required Auction Value for 2014-15 after 15% increase	Departmentally Collected during 2014-15	Difference/ Loss due to departmental collection (Rs)
01	Lorry Adda/ Entry Fee	7,100,000	8,165,000	6,279,770	1,885,230
02	Mutation	400,000	460,000	141,900	318,100
03	Cattle Fare	1,700,000	1,955,000	1,346,818	608,182
Total		9,200,000	10,580,000	7,768,488	2,811,512

Audit Observed that:

1. Schedule of the auction approved by Local Council Board was not available on record.

2. The CMO failed to auction the contract till the end of the financial year 2014-15 with implausible reason that no contractor participated in the auction process.
3. Local print and electronic media personnel were also not invited to participate in the auction process. No video recordings of the auction proceedings were available on record nor reported to the quarter concerned.

Less collection of revenue receipts occurred due to negligence, weak inefficient administrative and financial control which resulted in loss to the government.

When pointed out in September 2015, management stated that detail reply would be furnished after scrutiny of record. However, no reply was furnished till finalization of this report.

Request for convening of DAC meeting was made on 04-09-2015, 2015 but no response was received from the Principal Accounting Officer, as a result DAC meeting could not be convened till finalization of this report.

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

AP No.25 (2014-15)

1.3.1.4 Non Utilization of Development Fund & Unauthorized Retention in MC PLA account- Rs 31.696 Million

According to Para 12 of GFR Vol.-1, a controlling officer must see not only that the total expenditure is kept within the limits of the authorized appropriation but also that the funds allotted to spending units are expended in the public interest and upon objects for which the money was provided.

CMO Thall during the year 2014-15 received Rs 31,696,037 under CMD Priority Project Funds, CMD District Development Initiative and 30% share of District ADP. Instead of utilizing the developmental funds the CMO transferred the funds to MC PLA account just to avoid the lapse of fund as per detail given in annexure-08.

Non utilization of funds occurred due to negligence, weak financial control and ill planning, which deprived the public of the timely benefit of the funds.

When pointed out in September 2015, management stated that detail reply would be furnished after scrutiny of record. However, no reply was furnished till finalization of this report.

Request for convening of DAC meeting was made on 04-09-2015, but no response was received from the Principal Accounting Officer, as a result DAC meeting could not be convened till finalization of this report.

Audit suggests utilization of the fund in the current year and action against the person(s) at fault.

AP No.26 (2014-15)

1.3.1.5 Non Recovery of Government Taxes-Rs 1.120 Million

According to Para 8 and 26 of the General Financial Rules Volume I, each administrative department is required to see that the dues of the Government are correctly and promptly assessed, collected and paid into Government Treasury. As per letter No.AO-II/LCB/2-15/2008 dated 07-04-2008 requires TMAs to impose and collect NOC fee and annual renewal fee on the installation of CNG/ Petroleum Stations in the area under TMAs jurisdiction.

CMO, Thall during 2014-15 failed to recover Rs 1,120,000 as NOC and annual Renewal fee for the installation of Petrol Pumps falling under the MC jurisdiction as per detail given below.

S.No	Name of CNG/Petrol Pump	NOC Fee	Annual Renewal Fee	Outstanding Amount of NOC & Renewal Fee
01	Supper Thall Filling Station Thall	200,000	80,000	280,000
02	PSO Filling Station Tandoro	200,000	80,000	280,000
03	Aithemad Filling Station PSO Thall Cantonment	200,000	80,000	280,000
04	PSO filling Station Mamoon Khwarh	200,000	80,000	280,000
Total		800,000	320,000	1,120,000

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

When pointed out in September 2015, management stated that detail reply would be furnished after scrutiny of record. However, no reply was furnished till finalization of this report.

Request for convening of DAC meeting was made on 04-09-2015, but no response was received from the Principal Accounting Officer, as a result DAC meeting could not be convened till finalization of this report.

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

AP No.21 (2014-15)

DISTRICT COUNCIL HANGU

1.4 District Council Hangu
1.4.1 Irregularity & Non Compliance
1.4.1.1 Irregular Expenditure Due to Non Completion of Developmental Works -Rs 26.568 Million and Non Imposition of Penalty -Rs 3.400 Million

As per condition 06 of the work order form the time allowed for the completion of work was 06 months. According to Clause 6 of the work order and Clause 2 of the Contract Agreement, penalty @ 1% per day and up to maximum of 10% of the tender cost may be imposed for delay in completion of work.

CCO District Council Hangu, in the month of May 2014 awarded developmental works worth Rs 34,000,000 funded under District Development funds, Zilla Tax Funds and 10% Oil & Gas Royalty Funds to contractors. Out of the total allocated fund Rs 26,568,000 was spent on the execution of development works leaving a balance of Rs 7.432 million as unutilized. Neither the contractors applied for the extension of the time period nor extension given was available on record. All the works as per work order were required to be completed upto 30-06-2015 which were not completed. Penalty @ 10% of Rs 3,400,000 was not imposed on contractors for delay as detailed at annexure-09.

Non completion of work and non imposition of penalty occurred due to non compliance of rules, which resulted in loss to Government.

When pointed out in October 2015, management stated that detail reply would be furnished after scrutiny of record. However, no reply was furnished till finalization of this report.

Request for convening of DAC meeting was made on 06-11-2015, but no response was received from the Principal Accounting Officer, as a result DAC meeting could not be convened till finalization of this report.

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

AP No.43 (2014-15)

1.4.1.2 Irregular and Doubtful Payment on Account of M&R Charges - Rs 2.70 Million

According to Khyber Pakhtunkhwa Public Procurement Regulatory Authority Procurement Rules 2014 (Rules 4 Method of advertisement of Chapter III) "Procurement of Works and Services" the procurement entity shall engage in open competitive bidding if the cost of the object to be procured is more than the financial limit which is applicable under rule 10. Procurement from Rs. 100,000/- to Rs. 2.5 million shall be posted on the procuring entity's website or Authority website or both. According to KPPRA Rules 2014 (Rule 1 of Procurement planning Chapter V) "Miscellaneous Provision", each procuring entity shall plan its procurements with due consideration to transparency, economy, efficiency and timeliness, and shall ensure equal opportunities to all prospective bidders in accordance with section 22 of the Act. Response time for receipt of bids or proposals: under no circumstances the response time shall be less than fifteen days for national competitive bidding from the date of publication of advertisement or notice in the national newspaper.

Chief Municipal Officer Hangu during 2014-15 spent Rs 2,700,000 million under head maintenance & repair works. The expenditure was held irregular as the tendering process was defective due to the following reasons:

1. NIT was floated in single Urdu news paper i.e. Ausaf.
2. NIT was published on 02.05.2015 with opening date of 05.05.2015 and thus a very short time of only 3 days were allowed for submission of tender.
3. Expenditure incurred without according technical sanction from competent authority.
4. Work plan for execution of schemes under M & R was not available on record of local office.

Irregular payment occurred due to weak internal control which resulted into violation of government rules.

When pointed out in October 2015, management stated that detail reply would be furnished after scrutiny of record. However, no reply was furnished till finalization of this report.

Request for convening of DAC meeting was made on 06-11-2015, which was not convened till finalization of this report.

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

AP No.48 (2014-15)

1.4.1.3 Irregular Expenditure -Rs 7.00 Million on Developmental Work & Non Recovery of Professional Tax and Stamp Duty-Rs 36,750

According to Para 56 of CPWD Code work may not be commenced or liability incurred unless the work is administratively and technically sanctioned by competent authority. According to Khyber Pakhtunkhwa Public Procurement Regulatory Authority Procurement Rules 2014 (Rules 5 of Chapter V) "Response Time "the procuring entity may decide the response time for receipt of bids or proposals including proposals for pre-qualification from the date of publication of an advertisement or notice, keeping in view the contract's complexity, and urgency. However, under no circumstances the response time shall be less than fifteen days for national competitive bidding and thirty days for international competitive bidding from the date of publication of advertisement or notice in the national newspaper.

CCO District Council Hangu, in the month of May 2014 awarded developmental work "pavement of street and drain at UC Darsamand" for Rs 7,000,000 under 70% District ADP to a contractor. The work was administratively sanctioned on 19-04-2014 whereas the fund was released by Finance Department Khyber Pakhtunkhwa on 04-03-2014. Instead of utilizing the fund in the year 2013-14 the amount of Rs 7,000,000 was kept in PLA account of CCO and was transferred to next financial year 2014-15 without revival from Finance Department Khyber Pakhtunkhwa.

Furthermore Audit observed that:

1. As per NIT of the scheme date of opening of tender was next to the publishing of NIT in the newspapers. Thus resulting into limited competition violating KPPRA Rules.
2. The work was not technically sanctioned by the competent authority.

3. PC-I of the scheme was not approved by the competent authority.
4. BOQ of the scheme was also not available on record
5. Government taxes i.e professional tax worth Rs 18,000 and stamp duty worth Rs 18,750 was not deducted from the bill.

Irregular expenditure and non recovery of government taxes occurred due to non compliance of rules which resulted into loss to the government.

When pointed out in October 2015, management stated that detail reply would be furnished after scrutiny of record. However, no reply was furnished till finalization of this report.

Request for convening of DAC meeting was made on 06-11-2015, but no response was received from the Principal Accounting Officer, as a result DAC meeting could not be convened till finalization of this report.

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

AP No.40 (2014-15)

1.4.1.4 Irregular Execution of Works -Rs 14.593 Million Without Technical Sanction

According to Para178 of GFR Volume-I read with 56 of CPWD Code that work may not be commenced or liability incurred unless the work is administratively and technically sanctioned by competent authority.

CCO District Council Hangu during 2013-14 awarded developmental works of Rs 15,000,000 under District Developmental Programme. Out of the total fund received Rs 14,593,000 was incurred on the execution of developmental works without obtaining technical sanction from competent authority as per detail given in annexure-10.

Irregular execution of work occurred due to non compliance of rules which resulted in expenditure without Technical Sanctions.

When pointed out in October 2015, management stated that detail reply would be furnished after scrutiny of record. However, no reply was furnished till finalization of this report.

Request for the convening of DAC meeting was made on 06.11.2015 but no response was received from the Principal Accounting Officer, as a result DAC meeting could not be convened till finalization of this report.

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

AP No.42 (2014-15)

1.4.2 Internal Control Weaknesses

1.4.2.1 Non Utilization of Developmental Fund Worth Rs 33.624 million

According to Para 12 of GFR Vol.-1, a controlling officer must see not only that the total expenditure is kept within the limits of the authorized appropriation but also that the funds allotted to spending units are expended in the public interest and upon objects for which the money was provided.

CCO District Council Hangu during the year 2014-15 received Rs 22,774,000 under 70% District ADP and Rs 10,850,000 under 10% Oil & Gas royalty from Provincial Finance Department Khyber Pakhtunkhwa vide order No.BO(PFC-II)/FD/3/2014-15/ADP dated 07-01-2015 & letter No. SO(DEV-IV)/FD/7-30/2014-15 dated 18-08-2014 respectively. The amount received was not utilized till the completion of audit in October 2015.

Non utilization of developmental funds occurred due to weak internal controls which deprived the public from timely benefit of the development funds.

When pointed out in October 2015, management stated that detail reply would be furnished after scrutiny of record. However, no reply was furnished till finalization of this report.

Request for convening of DAC meeting was made on 06-11-2015, but no response was received from the Principal Accounting Officer, as a result DAC meeting could not be convened till finalization of this report.

Audit recommends timely utilization of developmental funds besides action against the person(s) at fault.

AP No.39 (2014-15)

MUNICIPAL COMMITTEE DOABA

1.5 Municipal Committee Doaba

1.5.1 Irregularity & Non- compliance

1.5.1.1 Irregular Expenditure Due to Execution of Works -Rs 2.403 Million in Excess of the PC-I, BOQ and Estimates

According to Para 56 of CPWD Code, if subsequent to the grant of technical sanction, material structural alterations are contemplated, orders of the original sanctioning authority should be obtained, even though no additional expenditure may be involved by the alterations.

CMO Doaba during 2014-15 paid Rs 2,403,514 for the execution of sub items of works in excess of the BOQ, Estimates and PC-I in various developmental works as per detail given in annexure-11.

Irregular execution of items of works occurred due to non compliance of rules which resulted in irregular expenditure.

When pointed out in October 2015, management stated that detail reply would be furnished after scrutiny of record. However, no reply was furnished till finalization of this report.

Request for convening of DAC meeting was made on 06-11-2015, but no response was received from the Principal Accounting Officer, as a result DAC meeting could not be convened till finalization of this report.

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

AP No. 49(2014-15)

1.5.1.2 Irregular Award of Developmental Scheme - Rs 8.45 Million and Unauthorized Creation of Liability - Rs 5.376 million

According to Rule 6, Chapter III, method of advertisement of Khyber Pakhtunkhwa Public Procurement Regulatory Authority Rules 2014, for all procurement exceeding Rs 2.50 million shall be advertised in print media, appearing in at least one national English and one Urdu daily newspaper with nationwide circulation along with advertising the same either on the procuring entity or Authority website or both. Further Para 178(iii) of GFR Vol.-I states that no work should be commenced or liability incurred in connection with it until administrative approval and sanction has been obtained from the competent authority, a properly detailed design and estimate has been sanctioned and funds to cover the charge have been provided by the competent authority.

CMO Doaba during 2014-15 executed two developmental works “Installation of 12 Nos Pressure Pump at Doaba” and “Installation of 13 Nos Pressure Pump at Doaba” funded under Provincial ADP No.685/13082 for “improvement of water supply, sewerage drainage system in District Hangu” for Rs 4,060,000 and Rs 4,399,000 respectively through contractors. Audit observed that:

1. NIT was floated in only one local Urdu news paper instead of one national English and one Urdu daily news paper with nationwide circulation.
2. Approved PC-I & TS of the schemes were not available on record.
3. Works tendered before the receiving/ release of fund.
4. Developmental works tendered and awarded to Contractor vide work order No.37 dated 15-05-2015 without the release of funds by Finance Department Khyber Pakhtunkhwa.
5. Work amounting to Rs 2,580,728 and Rs 2,795,768 executed without recording measurement entry in the MB in both schemes vide contractors first running bill also resulting into creation of unauthorized liability in anticipation of funds.
6. All the Bidding documents were received by hand instead of registered courier on 29-04-2015 before the due date i.e 05-05-2015 therefore tender document received through hand before due date were required to be rejected.
7. No Diary number was allotted to the tender documents.
8. NTN certificates and Sales tax registration certificates were also not available on record.

Irregular awarding of contracts for works and creation of liability occurred due to non compliance of rules which resulted in irregular expenditure.

When pointed out in October 2015, management stated that detail reply would be furnished after scrutiny of record. However, no reply was furnished till finalization of this report.

Request for convening of DAC meeting was made on 06-11-2015, but no response was received from the Principal Accounting Officer, as a result DAC meeting could not be convened till finalization of this report.

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

AP No.50 (2014-15)

1.5.2 Internal Control Weaknesses

1.5.2.1 Non-Utilization of Developmental Funds -Rs 92.129 Million

According to Para 12 of GFR Vol.-1, a controlling officer must see not only that the total expenditure is kept within the limits of the authorized appropriation but also that the funds allotted to spending units are expended in the public interest and upon objects for which the money was provided.

CMO, Doaba during 2014-15 received fund worth Rs 92,129,813 from Provincial Government under 0% Oil and Gas Royalty. District Development Committee meeting was held on 08-04-2015 and administrative approval was accorded on 14-04-2015 whereas work orders issued on 15-05-2015. Out of the total fund released of Rs 108,560,000 funds of Rs 16,430,187 was utilized being 15.13% leaving a balance of Rs 92,129,813 as unutilized as per detail given in annexure-12.

Non utilization of funds occurred due to negligence, weak internal control which deprived the public of the timely benefit of the funds.

When pointed out in October 2015, management stated that detail reply would be furnished after scrutiny of record. However, no reply was furnished till finalization of this report.

Request for convening of DAC meeting was made on 06-11-2015, but no response was received from the Principal Accounting Officer, as a result DAC meeting could not be convened till finalization of this report.

Audit recommends timely utilization of developmental funds besides action against the person(s) at fault.

AP No.51 (2014-15)

ANNEXURES

Annexure-1

Statement showing detail of MFDAC Paras

(Rs in million)

S.No	AP No	Caption	Amount (Rs)
Municipal Committee Hangu			
01	01	Non Realization of government under head taxes	0.752
02	06	Non-recovery of taxes from receipt contractors	0.535
03	07	Loss to Government due to less realization of revenue	0.712
04	08	Irregular expenditure on Repair of fire brigade	0.475
05	09	Unauthorized expenditure on Consultancy charges out of 30% District ADP	0.864
06	10	Non imposition of penalty for late deposit of monthly installment –	0.156
07	13	Non Deposit of Income tax & GST –deducted from contractors Bills	0.219
08	14	Non-recovery of outstanding Government dues	0.170
09	16	Unauthorized payment to contractor	1.324
10	17	Irregular Expenditure by Execution of sub item work in excess of the PC-I, BOQ & Estimates	3.758
11	18	Non Deduction of Sales Tax on supply & fixing of PVC, GI pipes and pumping machinery	1.464
12	19	Unauthorized payment to contractor	0.952
Municipal Committee Thall			
13	24	less collection of receipts against pay and allowances of staff	0.316
14	27	Unauthorized Expenditure on account of work not provided in PC-I, TS Estimates and non recovery of old material cost	0.300
15	28	Unauthorized payment for non-schedule items without market rate analysis	1.180
16	29	Irregular award of contract worth due to limited Competitions	10.00
17	30	Irregular expenditure amounting to due to non completion of developmental schemes and non imposition of penalty	1.662

18	31	Irregular Expenditure on account of cash disbursement on account of Miscellaneous charges	1.204
19	32	Irregular expenditure on account of Pay and allowances	27.304
20	33	Non Deduction of Sales Tax on supply & fixing of PVC, GI pipes and pumping machinery	0.105
21	34	Wasteful expenditure on account of hiring laborers from market	0.760
22	35	Irregular and un-economical expenditure of Rs on account of repair of government vehicle	0.168
23	36	Loss to government due to non deduction of income tax	0.084
24	37	Wasteful expenditure of on account hiring private tractors	0.148
District Council Hangu			
25	38	Unjustified Expenditure on account of pay & allowances and electricity Charges	0.710
26	41	Overpayment of to contractors by allowing higher rate	0.109
27	44	Non realization of Rent on account of Allotting Government residential accommodation	0.441
28	45	Unauthorized Leased out Government Property in commercial area for non commercial activity and loss of due to less recovery	0.129
29	46	Irregular expenditure under head pension contribution	1.234
30	47	Irregular and unauthorized expenditure on account of Honoraria	0.124
Municipal Committee Doaba			
31	52	Payment to contractors for rates not provided	0.644
32	53	Non deduction of income tax and professional tax from the contractor of immovable property –	0.724
33	54	Unauthorized expenditure on non-developmental activities	0.748
34	55	Non deduction of stamp duty and Professional Tax-	0.404
35	56	Wasteful Expenditure to on account of pay & allowances of staff Deputed in Doaba Rest House without realizing	0.638
36	57	Irregular Award of Developmental work	5.474
37	58	Non imposition of penalty for late deposit of monthly receipts installment –	0.247
38	59	Non Completion of Developmental schemes and non imposition of penalty (ongoing schemes)	108.560
39	60	Non Deduction of Sales Tax on supply & fixing of PVC, GI pipes and pumping machinery	0.778

40	61	Overpayment to contractors by allowing extra quantity of pipes	0.031
41	62	Non deduction of Voids from contractor's bills	0.402
42	63	Loss to government due to wrong calculation in Measurement Book(miss typing in MB)	1.008
43	64	Irregular Award of Developmental Scheme & Execution of work in excess of the PC-I, BOQ and Estimates	1.50

Annexure-2
(Para No.1.2.1.1)

Statement showing detail of non completion of developmental schemes 2014-15

(Rs in million)

S.No	Name of Scheme	Estimated Cost	Expenditure	10% Penalty
01	Const: of Protection wall at Hassan Banda	3.00	2.358	0.300
02	Ext: pavement of street & drain at Mohammad Khwaja Lakki Banda	1.200	0.394	0.120
03	Const: of road at Gulbagh Kallay	10.00	6.743	1.00
04	Const: of road at Ashgharo Banda	10.00	7.263	1.00
Total		24.20	16.758	2.42

Annexure-3**(Para No.1.2.1.2)****Statement showing detail of less collection of Rent of MC Shops****(Amount in Rupees)**

S.No	Shops	Monthly Rent (Rs) as on 1-06-2009	Required monthly rent as on 01-07-2014 after 10% increase annually	Monthly Rent per shop Collected as on 01-07-2014	Difference Rs	Less collection (Required to be collected *12 months)
01	10 Nos Shops Railway Road	940	1,513.87	1,035	478.87 per shop	57,464
02	01 Nos Shops Railway Road	1030	1,666.877	1,135	531.869	6,382
03	11 Nos Shops Main Bazar Hangu	940	1,513.87	1,035	478.87 per shop	63,210
04	01 No Shops Main Bazar Hangu	1030	1,666.877	1,135	531.869	6,382
05	01 No Shops Main Bazar Hangu	1065	1,715.193	1,175	540.193	6,482
06	07 Nos Shops at Laary Adda	865	1393.09	955	438.09 per shop	36,800
07	01 Nos Shops at Laary Adda	1180	1900	1300	720 per shop	8,644
08	01 Nos Shops at Laary Adda	955	1,513.87	1,035	478.87 per shop	5,746
09	12 Nos shops at Thall Road	1,600	2576.816	1760	816.816 per shop	117,621
10	01 Nos shops at Thall Road	1870	3011.653	2060	951.653	11,419
11	02 Nos shops at Thall Road	1760	2834.497	1940	894.497	10,733

12	01 No shops at Samana Raoad	1730	2786.182	881.182	881.182	10,574
13	01 No shops at Samana Raoad	1940	3124.38	2135	989.389	11,872
14	08 Nos shops at Samana Raoad	1320	2125.87	1455	670.87 per shop	64,403
15	01 No shops at Samana Raoad	1575	2536.55	1735	801.55	9,618
16	07 Nos shops at Samana Raoad	1400	2254	1610	644.714	54,155
17	06 Nos shops at Samana Raoad	1320	2125.87	1455	670.87 per shop	48,302
18	06 Nos shops at Samana Raoad	1200	1900	1320	580 per shop	41,760
19	19 Nos shops at Samana Raoad	1650	2576.816	1760	816.816 per shop	186,234
20	01 No shops at Samana Raoad	2200	3543.122	2,420	1123.122	13,477
21	10 Nos shops at Bus stand Hangu	1500	2536.55	1735	801.55	96,180
22	2 Nos shops at Bus stand Hangu	1200	1900	1320	580 per shop	13,920
23	42 Shops at Thall Road Newly constructed and allotted in March 2009	1,000	1,666	1,100	566 per shop	285,264
Total recovery						1,166,642

Annexure-04**(Para No 1.2.1.4)****Statement showing detail of irregular expenditure out of Local fund****(Amount in Rupees)**

S. No.	Name of work	Name of contractor	Cheque No.	Cheque Date	Net amount	Gross Amount
1	S/F of Grating at Hangu area	Noor Khaliq	05331	22.07.2014	75,000	80,960
2	Installation of H/Pump at Gulshan colony	Noor Khaliq	05333	22.07.2014	130,000	139,058
3	Spreading of Shingle	Noor Khaliq	05338	24.07.2014	83,079	88,855
4	PCC at Madina Colony	Fazal Manan	05339	04.08.2014	65,000	71,813
5	Pavement of Street	Fazal Manan	05335	22.07.2014	123,000	131,466
6	Clearing of Algada at MC Hangu Area	Shaida MO(I)	05350 & 53	11.08.2014	420,000	450,000
7	Excavator Charges for Muharam	Noor Khaliq	05393	28.10.2014	113,400	126,000
8	Sanitation Scheme for Muharam	Departmental	09520	18.11.2014	96,053	316,634
9	S/F of Grating at Hangu Bazar for Muharam	Departmental	09507	06.11.2014	200,000	228,390
10	S/Spreading of Shingle at Shahidano chowk	Departmental	09529	11.12.2014	15,308	75,385
11	Spreading of Shingle at New Bus Stand	Departmental	09531	15.11.2014	150,000	165,954
12	Spreading of Shingle at New Bus Stand	Departmental	09532	15.11.2014	200,000	212,421
13	Installation of Pipe line at Hangu	Departmental	09535	29.12.2014	49,249	45,722
14	Removal of Debris	Departmental	09541,45	08.01.2015	350,000	386,688
15	S/Spreading of shingle at Kach Banda	Departmental	09550	12.01.2015	180,000	222,141
16	S/Spreading of shingle at Kach Banda	Departmental	09595	09.02.2015	32,000	265,597
17	S/Spreading of shingle at Spina Khawra	Departmental	09582	02.02.2015	220,000	263,439

18	Repair of Street Light	Aftab (L.I.)	012305	18.02.2015	120,000	522,000
19	Repair of Street Light	Aftab (L.I.)	nil	Feb-15	400,000	478,110
20	Clearing of garbage at Hangu area	Departmental	012322	09.03.2015	150,000	186,096
21	S/Spreading of Shingle	Departmental	012314	02.03.2013	120,250	141,473
22	S/Spreading of Shingle at bus stand	Departmental	012353	14.04.2015	250,000	277,964
23	Excavation work at Hangu bazar	Noor Khaliq	012369	04.05.2015	36,383	39,825
24	S/F of grating at Muslim Abad	Noor Khaliq	012371	06.05.2015	36,630	39,600
25	S/F of grating at Hangu Bazar	Noor Khaliq	012386	22.05.2015	37,000	47,560
Total amount paid out of Local Fund						5,003,151

Annexure-05**(Para No 1.2.1.4)****Statement showing detail of non completion of developmental schemes****(Amount in Rupees)**

S.No	Detail of vehicle	POL consumed(Ltrs)	Rate per liter	Amount
1	Fire Brigade (Reg. # 8923)	2,000	105	210,000
2	Hino	2,638	105	276,990
3	Tractor (Millat No.1)	2,371	105	248,955
4	Tractor (New Millat No. 2)	2,296	105	241,080
5	Tractor (Umer Gul Driver)	2,391	105	251,055
6	Tractor (Abdul Aziz Drivr)	2,450	105	257,250
	Total	14,146	630	1,485,330

Annexure-06

(Para No 1.2.1.5)

Statement Showing Detail of Execution of Schemes without TS**(Amount in Rupees)**

S.No	Fund	Name of Scheme	Estimated Cost (in Million)	Expenditure Incurred (in Million)
01	Special package 2014-15	Construction of street & drain at spin khawri at Zargaran Banda	2.00	1.857
02	Special package 2014-15	Const: of Protection wall at Hassan Ibn Ali Summari	3.00	2.359
03	Special package 2014-15	Const: of road at Gul bagh Hangu	10.00	2.182
04	Special package 2014-15	Const: of road at Asgharo Banda	10.00	7.263
05	ADP 685/130382	Imp: & Reh: of existing water distribution system in Hangu	10.00	5.774
06	ADP 685/130382	Installation of solar system Tubewell in Darwaizay Palosa	10.00	2.306
07	ADP 685/130382	Imp: of Drainage&sewerag e System in Hangu	5.00	3.013
Total			50.00	24.754

Annexure-07**(Para No.1.2.2.3)****Statement showing detail of non utilization of developmental funds 2014-15****(Rs in million)**

ADP No.	Name of Fund	E.Cost	Nos of schemes	Nos of schemes completed	Release/ Revival of Fund	AA/DDC	Fund Not Utilized upto 30-06-15
713/ 40497	CMD Special Package 2014-15	40.00	24	05	18-08-2014	30-10-14	24.567
771/ 40497	CMD Special Package 2013-14	10.00	19	0	15-09-2014	-	10.00
771/ 40497	CMD Special Package 2013-14	20.00	21	10	15-09-2014	-	2.078
775/130605	CMD DDI 2013-14	10.00	30	13	15-09-2014	-	1.822
685/130382	Imp: of WSS & Drainage System in KP 2014-15	25.00	03	0	-	30-01-15	13.906
Total Un-Utilized Developmental Fund							52.373

Annexure-08**(Para No.1.3.1.4)****Statement showing detail of non utilization of Developmental Funds 2014-15****(Amount in Rupees)**

S.No	Fund Name	Date of Release	Financial Year	Closing Balance of fund as on 30-06-15
01	CMD District Development Initiative 2013-14	10-10-2014	2013-14	883,537
02	CMD Special Package	15-09-2014 revival	2013-14	8,337,500
03	CMD Priority Project	15-08-2014	2014-15	20,000,000
04	30% District ADP Share	-	-do-	2,475,000
Total				31,696,037

Annexure-9

(Para No.1.4.1.1)

Statement showing detail of non completion of developmental schemes

(Rs in million)

Fund	Sponsor	Name of Scheme	Estimated Cost (Million)	Expenditure (Million)	10% Penalty (Million)
DDF 2013-14	Mufti Said Janan MPA	Open Well at Thora Wari Palosa	0.50	0.20	0.05
Zilla Tax Fund 2013-14	Shah Faisal MPA	Pavement of street & Drain UC darband	2.00	1.50	0.20
-do-	-do-	Constt: of water Tank at Spinki	2.00	1.52	0.20
-do-	-do-	WSS Open well 2Nos at Gul Bahar Karbogha	1.00	0.40	0.10
10% Oil & Gas 2013-14	Mufti Said Janan MPA	PCC Road at Thall Rural	3.00	2.40	0.30
-do-	-do-	WSS at Thall Rural	1.00	0.897	0.10
-do-	-do-	PCC road at Naryab	2.00	1.56	0.20
-do-	-do-	WSS at UC Naryab-II	1.00	0.671	0.10
-do-	-do-	PCC road Thora wari	1.00	0.860	0.10
-do-	-do-	PCC road at Dallan	3.00	2.12	0.30
-do-	-do-	PCC road at Karbogha	1.00	0.73	0.10
-do-	-do-	WSS at UC Karbogha	1.00	0.570	0.10
-do-	-do-	Constt: of road at sara Kanri Thorawari	2.50	1.44	0.250
-do-	-do-	PCC road at Thora Wari	3.00	2.50	0.30
-do-	-do-	Const: of road at sara Kanri Thorawari	10.00	9.20	1.00
Total			34.00	26.568	3.40

Annexure-10**(Para No.1.4.1.4)****Statement Showing Detail of Execution of Schemes without TS****(Amount in Million)**

S.No	Fund	Name of Scheme	Estimated Cost	Expenditure Incurred
01	District Development Programme 2013-14	Sanitation Scheme(Streets /Drain, Hand Pumps at various places of UC Karbogha	2.00	2.00
02	-do-	Pavement of Streets & Construction of Drain at UC Darband	2.00	1.593
03	-do-	Repair/Rehabilitation of Qumee Eid gah Mamoo Banda	1.00	1.00
04	-do-	Repair/Rehabilitation of Qumee Eid gah Thall	2.00	2.00
05	-do-	Supply and Fixing of water Tank at Chapri Waziraan	1.00	1.00
06	-do-	Pavement of Streets & Construction of Drain at UC Darsamand	7.00	7.00
Total			15.00	14.593

Annexure-11

(Para No.1.5.1.1)

Statement showing detail of excess execution works above PC-I, Estimates & BOQ

(Amount in Rupees)

Name of work	Sub Item of Work	Rate	Qty As per BOQ/Estimate PC-I	Qty Executed as per Bill	Excess Qty Executed	Amount paid for excess qty executed
Construction of BT Road at Tablighi Markaz road Thall (Retaining Wall)"	Random Rubble Masonry (1:6) as specified	6,170.64/M3	70.78 M3	377.26M3 (being 80% excess Execution)	306.48 M3	1,891,177
Construction of BT Road at Kaka Talab Uc Thora wari Doaba	Granular Sub Base Course	1200/M3	607.30M3	460.08M3	147.22M3	176,664
-do-	Water bond macadam	2,470/M3	560.59M3	424.69M3	135.9M3	335,673
Total Excess amount of work executed						2,403,514

Annexure-12**(Para No.1.5.2.1)****Statement showing detail of non utilization of developmental funds****(Amount in Rupees)**

S.No	Nomenclature of scheme	Estimated Cost Rs.	Total Exp	Balance
1	Black Top road from Thall road Sirki Banda up to Pongi Banda UC Doaba	5,779,000	0	5,779,000
2	Constt: of Black Top road from Middle School upto Noor Rehman House Chapri Karbogha UC Karbogha	2,532,000	0	2,532,000
3	Constt: of BT road from Chapri road to Mufty Mukhtiar-u-din Madrassa at Chapri Karbogha Sharif	2,495,000	0	2,495,000
4	Constt: of BT road from Haji Zawar House (sabil band) upto Kaka Talab UC Torawari	5,860,000	0	5,860,000
5	Constt: of BT road from Haji Zawar House (sabil band) upto Kaka Talab UC Torawari	5,860,000	0	5,860,000
6	Constt: of BT road from Sabil road upto houses of Azmat Khan, Eda Khan UC Torawari	3,161,000	0	3,161,000
7	Constt: of BT raod Kaka Talab to Doaba Thorawari	5,860,000	0	5,860,000
8	Constt: of BT raod Kaka Talab to Doaba	5,860,000	872,831	4,987,169
9	Constt: of BT road from Chino Road at Ganderi	4,130,000	0	4,130,000
10	Constt: of BT road from existing main Chapri Waziran road upto Madrasa at Chapri Waziran	5,735,000	0	5,735,000
11	Constt: of BT road Tabighi Markaz to Thall Road	5,824,000	2,842,429	2,981,571
12	Pav: of street (with bricks) at Doaba	5,450,000	246,984	5,203,016

13	Constt: of main drain with PCC Mohallah Norani Doaba	2,408,000	509,268	1,898,732
14	Pav: of street and drain with bricks Naryab-I	1,964,000	211,732	1,752,268
15	Constt: of main drain with PCC Naryab-I	1,620,000	915,731	704,269
16	Pav: of street and drain with bricks Naryab-II	5,125,000	137,965	4,987,035
17	Pav: of street and drain with bricks Naryab-II	3,166,000	325,544	2,840,456
18	Pav: of street and drain with bricks at Zargaree	2,178,000	439,212	1,738,788
19	Pav: of street and drain with bricks at Darsamand	3,797,000	0	3,797,000
20	Pav: of street and drain with bricks at Darsamand	1,587,000	479,534	1,107,466
21	Pav: of street and drain with bricks at Darsamand	2,182,000	0	2,182,000
22	Pav: of street & drain Nadan Baba Bdha China at Darsamand	3,215,000	2,697,620	517,380
23	Pav: of street and drain Nadan Baba upto Sialo road Darsamand	1,527,000	1,351,187	175,813
24	Pav: of street and drain at Dallan	5,076,000	0	5,076,000
25	Constt: of dug well near Hajeed Gul Cultivated Land Doaba	1,705,000	777,760	927,240
26	Constt: of dug well near Niamat Ullah Cultivated Land Doaba	1,705,000	777,460	927,540
27	Constt: of dug well near Mushtaq Cultivated land	1,705,000	781,153	923,847
28	Constt: of dug well Mudasir Ahmad cultivated land	1,705,000	781,153	923,847
29	Constt: of dug well near Israfil Cultivated land Doaba	1,437,000	0	1,437,000
30	Constt: of dug well Zarghon Shah cultivated land Darsamand	1,705,000	784,829	920,171
31	Constt: of dug well Malik Aslam cultivated land	1,705,000	784,829	920,171

32	Insttation of Hand Pumps at Naryab-I (12 No.)	1,385,000	0	1,385,000
33	Insttation of Hand Pumps at Naryab-II (12 No.)	1,385,000	0	1,385,000
34	Installation of Hand Pumps at Darsamand (15 No.)	1,732,000	712,966	1,019,034
Total amount		108,560,000	16,430,187	92,129,813