



**AUDIT REPORT
ON
THE ACCOUNTS OF
LOCAL GOVERNMENTS
DISTRICT SHANGLA**

AUDIT YEAR 2019-20

AUDITOR GENERAL OF PAKISTAN

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ABBREVIATIONS AND ACRONYMS

AD	Assistant Director
AIR	Audit and Inspection Report
APPM	Accounting Policies and Procedures Manual
BHUs	Basic Health Units
CMD	Chief Minister Directive
CPWA Code	Central Public Works Accounts Code
DAC	Departmental Accounts Committee
DAC	District Accounts Committee
DG	Director General
DEO	District Education Officer
DHO	District Health Officer
DO	District Officer
GHSS	Government Higher Secondary School
E& SE	Elementary & Secondary Education
FTR	Federal Treasury Rules
KPPRA	Khyber Pakhtunkhwa Public Procurement Rules Authority
LCB	Local Council Board
LGE & RDD	Local Government, Election & Rural Development Department
LGA	Local Government Act
MCC	Medicine Coordination Cell
MFDAC	Memorandum for Departmental Accounts Committee
MRS	Market Rate System
PAO	Principal Accounting Officer
PCC	Plain Concrete Cement
PLS	Profit & Loss Sharing
PTC	Parents Teachers Council
TMA	Tehsil Municipal Administration
TMO	Tehsil Municipal Officer
TAC	Tehsil Accounts Committee
TS	Technical Sanction

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, Village Councils and Neighborhood Councils in district Shangla for the financial year 2018-19. The Director General of Audit, District Governments, Khyber Pakhtunkhwa conducted audit during 2019-2020 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 Annex-1 of the Audit Report. The audit observations listed in Annex-1 shall be pursued with the Principal Accounting Officers at the DAC level. In All cases where Principal Accounting Officers do not initiate appropriate action, the audit observations will be brought to the notice of appropriate forum through the next year's Audit Report.

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

Some of the observations included in this report were finalized in the light of written replies of the departments whereas in most cases the departments did not submit written replies till the finalization of this report. DAC meetings were also not convened despite repeated requests.

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

Islamabad
Dated:

(Javaid Jehangir)
Auditor General of Pakistan

EXECUTIVE SUMMARY

The Directorate General Audit District Governments, Khyber Pakhtunkhwa carries out audit of Local Governments in 27 District of Khyber Pakhtunkhwa. Regional Directorate of Audit (RDA) Swat, on behalf of the DG Audit District Governments, Khyber Pakhtunkhwa carried out the audit of Local Governments of five districts namely Swat, Shangla, Dir Lower, Dir Upper and Chitral.

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

Local Governments of District Shangla consist of three tiers which perform their operations under Khyber Pakhtunkhwa Local Government Act 2013. Financial provisions of the Act describe the Local Consolidated Fund and Public Account for which annual Budget Statement is approved by the respective councils in the form of budgetary grants. Top Tier- the District Government comprises one Principal Accounting Officer (PAO) i.e. Deputy Commissioner for the District Government, who is officer in charge of 10 devolved departments including AD Local Government Election & Rural Development Department. The second Tier- Town/Tehsil Municipal Administrations have one PAO i.e. Town/Tehsil Municipal Officer for each administration. There are three Tehsils administrations in district Shangla. The third Tier-village and neighborhood Councils have AD LGE & RDD as Principal Accounting Officer for these councils. There are 106 VC's/NC's in district Shangla.

a. Scope of audit

This office is mandated to conduct audit of 120 formations working under 05 PAOs. Total expenditure and receipts of these formations were Rs. 3,970.23 million and Rs. 36.486 million respectively for the financial year 2018-19.

Audit coverage relating to expenditure for the current audit year comprises 19 formations of 5 PAOs having a total expenditure of Rs. 1,383.946 million for the financial year 2018-19. In terms of percentage, the audit coverage for expenditure is 34.86% of auditable expenditure.

Audit coverage relating to receipts for the current audit year comprises 120 formations of 05 PAOs having a total receipt of Rs. 36.486 million for the financial year 2018-19. In terms of percentage, the audit coverage for receipts is 100 % of auditable receipts.

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

b. Recoveries at the instance of audit

As a result of audit, a recovery of Rs. 34.848 million was pointed out in this report. No recovery against these figures was reported.

c. Audit Methodology

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

d. Audit Impact

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

e. Comments on Internal Controls

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

- a. Assets are safeguarded against loss due to waste, abuse, mismanagement, errors 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 in timely reports.

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

f. Key audit findings of the report

- i. Non compilation/consolidation of accounts of local governments- Rs.270.417 million¹
- ii. Misclassification of developmental expenditure of Rs. 330.641 million²
- iii. Irregularities were noticed in 12 cases amounting to Rs. 579.153 million.³
- iv. Values for money were noticed in 7 cases amounting to Rs. 14.589 million.⁴
- v. Others were noticed in 7 cases amounting to Rs. 430.377 million⁵

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

g. Recommendations

- i. Strenuous efforts need to be made by the departments to recover long outstanding dues on account of water charges.
- ii. Deduction of taxes on supplies and contracts need to be ensured.
- iii. Departments need to strengthen internal controls i.e. financial, managerial, operational, administrative and accounting controls etc. to ensure that lapses of the kind reported in this audit report are preempted and fair value for money is obtained from public spending.

¹ Para 1.2.1

² Para 1.2.2

³ Para 2.5.1.1 to 2.5.1.8, 3.5.1.1 to 3.5.1.2, 4.5.1.1 to 4.5.1.4

⁴ Para 2.5.2.1 to 2.5.2.2, 3.5.2.1 to 3.5.2.3, 4.5.2.1 to 4.5.2.2

⁵ Para 2.5.3.1, 3.5.3.1 to 3.5.3.4, 4.5.3.1 to 4.5.3.2

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 Shangla. In the light of LGA 2013, District Shangla 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 Shangla, Funds amounting to Rs. 4279.551 million were allocated to 120 formations working under 05 PAOs. Expenditure of 3970.225 million was made resulted into saving of Rs.309.326 million. Whereas receipts of these formations were Rs. 36.484 million for the financial year 2018-19. Audit coverage relating to expenditure for the current audit year comprises 19 formations of 05 PAOs having a total expenditure of Rs. 1383.946 million for the financial year 2018-19. In terms of percentage, the audit coverage for expenditure is 34.86 % of auditable expenditure. Whereas the audit coverage for receipts is 100%.

According to Section 36(3) of Local Government Act 2013, the District Accounts Officer was required to consolidate accounts of Local Government on quarterly and annual basis. However, District Accounts Officer, Swat did not reflect Rs. 270.417 million into the consolidated financial statement of Local Government, Swat. Similarly, the development expenditure of Rs. 330.641 million was presented under operating expenses, whereas, this should have been presented under the head "Physical Assets and Civil Works".

District Government, Shangla 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, Shangla 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, Shangla 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 Shangla like other districts. Statistics show that there are 577 primaries, 73 middle, 48 secondary and 11 higher secondary schools in district Shangla. The estimated Teacher Student is 1:45 at primary, 1:12 at middle, 1:22 at secondary and 1:29 at the level of higher secondary schools. District Shangla literacy rate is 30 the Gross Enrollment Rate (GER) is 82%, and the Net Enrollment Rate (NER) is 65% at the primary level. On budgetary front, District Education office, Shangla succeeded in spending 80% of the District ADP and 75.7% non-salary budgets.

District Education Offices in Shangla enrolled 15,369 in boys schools while 13,069 students were enrolled in female Government schools. Similarly, annual average of teacher's attendance rate and student attendance rate as per independent Monitoring Unit (IMU) data were approximately 90% & 76% respectively. Furthermore, 50% schools in district Shangla 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 102%.

Health

Health is another important sector of District Shangla with a total of 38 health center spread across the district among which 18 BHUs, 12 CDs, 02 RHCs 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, 3252 babies were born in health centers/ lab investigations and diagnostic facilities were also fully utilized as 43,531 lab tests, 3,285 X-rays, 4,665 ultrasounds and 244 ECGs were done in both primary and secondary health centers in district Shangla. Figures of immunization are also very impressive as 5184 pregnant women received TT-2 vaccines, 17,254 kids under 12 months received full immunization. 18,865 families were provided family planning services. Human resource data from facility records revealed that these health centers were amply provided with medical officers and paramedics as only very few positions were found vacant. As these centers were frequently visited by patients for medical treatment and other lab investigations etc.

Social Welfare

In social Welfare and Women Empowerment sector, budgetary allocations were focused on providing social cushion to the deprived and marginalized segments of society especially, women and children. In the proposed development plan, the department had continued to proceed with its ongoing projects which included schemes for the wellbeing and safeguarding of destitute women, orphans, beggars, drug addicts and special persons.

There were three (01) Darul Kafalass 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 Shangla bagger were benefited from this facility. Rehabilitation center for drug addicts has 16 beds and it had treated 18 patients during the year. Furthermore various vocational and industrial trainings are provided by the Social Welfare Department. However, keeping in view the spread of drug use and incidence of poverty the efforts made by Social Welfare office are not likely to bring about any visible improvement in the short or long run unless more resources are diverted to this sector.

Municipal Services

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

1.2 Audit Paras

1.2.1 Non Compilation/Consolidation of Accounts of Local Governments- Rs.270.417 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 Shangla for the financial year 2018-19, audit observed incompleteness and incorrect presentation of the financial statements as the DAO failed to consolidate into the quarterly and annual accounts of the district, the government and local resources, as required under section-36(3) of the Local Government Act, 2013. Receipts and expenditure of Rs.270.417 million and Rs. 215.925 million respectively, of the TMAs are not reflected in accounts.

Same is the case with the receipts and expenditure of the VCs/NCs, the figures of which were not available at the time of audit.

Cause

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

Implication

Due to non-consolidation of accounts of TMAs and VCs/NCs the financial statements of local government remained incomplete which led to disclaimer of audit opinion.

DAC Decision

Para stands till correction of these omissions.

Recommendation

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

1.2.2 Misclassification of developmental expenditure of Rs.330.641 million

Criteria

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

Condition

During certification audit of the accounts of the DAO Shangla 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. 330.641 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 Shangla budgeted all the developmental expenditure under the head A 03970- others, meant for operating expenses. Resultantly expenditure was also booked by the DAO under the same head of accounts.

Implication

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

DAC Decision

Para stands till correction of this omission.

Recommendation

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

CHAPTER-2

District Government

2.1 Introduction

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

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

- (1) The authority of district government shall comprise the operation, management and control of offices of the departments which are devolved to it; provided that district government shall exercise such authority in accordance with general policy of Government.
- (2) Every order in district government shall be expressed to be made in the name of the district government and shall be executed by a duly authorized officer.
- (3) The district government shall be responsible to the people and the Government for improvement of governance and delivery of services within the ambit of authority devolved to it.

Detail of Audit Planed formations expenditures and receipts

S.No	Description	Total Nos	Audited	Expenditure audited FY 2018-19 (Rs. in million)	Revenue /Receipts audited FY 2018-19 (Rs. in million)
1.	Formations	10	04	1035.339	Nil

2.2 Comments on Budget and Accounts (Variance Analysis)

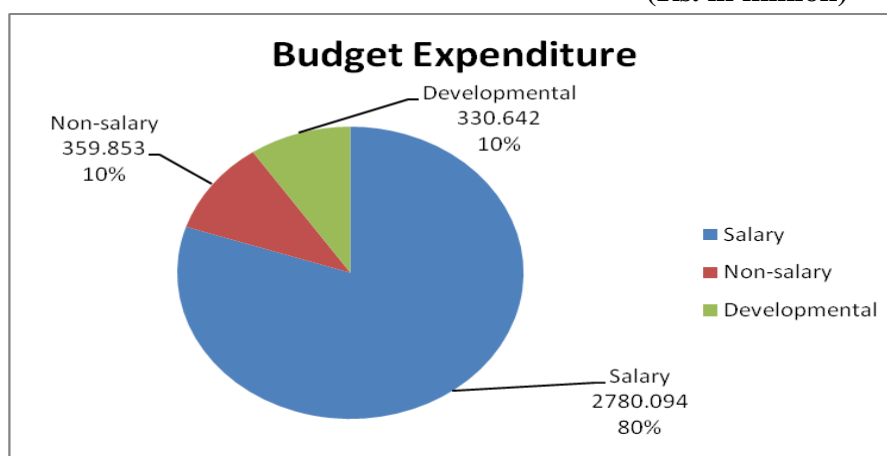
(Rs. in million)

District Government Shangla				
2018-19	Budget	Actual Expenditure/ Receipts	(Saving)/ Excess	%age
Salary	2800.623	2780.094	20.529	0.733
Non-salary	383.115	359.853	23.262	6.071
Developmental)	511.876	330.642	181.234	35.405
Total	3695.614	3470.589	225.025	6.10
Receipts	-	-	-	-

The savings of Rs. 225.025 million indicate inefficiency in the capacity of District Government Departments to utilize the amount allocated fund.

EXPENDITURE 2018-19

(Rs. in million)



2.3 Classified Summary of Audit Observations

Audit observations amountingⁱ to Rs. **296.583** million were raised in this audit report. This amount also includes recoverables of Rs. 8.088 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

Sr. No.	Classification ⁱⁱ	Amount (Rs.) ⁱⁱⁱ
1	Irregularities	
A	Procurement related irregularities	105.468
B	Management of Accounts with Commercial Banks	154.251
2	Value for money and service delivery issues	6.010
3	Others	30.854
	Total	296.583

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

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

Sr. No.	Audit Year	DAC 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
14	2018-19	Not Convened

2.5 AUDIT PARAS

2.5.1 Irregularities Procurement related irregularities

2.5.1.1 Irregular procurement of medical equipments –Rs.39.703 million

According to Rule 11(2 &3) of the Khyber Pakhtunkhwa Public Procurement of Goods, Works and Services Rules 2014, For all purchases, other than those being covered by the Khyber Pakhtunkhwa Procurement rules 3 and 10, shall be advertised in print media, appearing in at least one national English and one Urdu newspaper with nationwide circulation along with advertising the same either on the procuring entity or Authority website. Furthermore, DG Health services KP letter No. 732-8120/Proc:Cell on 13-5-2019 provides that:

1. Before issuance of supply orders of the required items the offices shall ensure, availability of human resources, infrastructure and electricity and there is no dumping of the said equipment.
2. Upon receipts of the supplies, make arrangement for inspection immediately.
3. Payment shall not be released to the firms without submission of contract execution certificates duly signed by DG Health.
4. Suppliers shall be bound to supply their approved items to the health institutions under your jurisdiction as per attached contract agreement.
5. The successful bidders shall submit performance security @ 10% in the shape of bank guarantee of the amount of supply order placed.

District Health Officer Shangla incurred expenditure of Rs. 39,703,834 for supply of medical equipments during the financial year 2018-19. The following short comings were noticed.

1. 2% call deposit not available on record.
2. Performance security @ 10% in the shape of bank guaranty was not recovered from suppliers/successful bidders.

3. No such justification was available on record that DHO have enough human resources and infrastructure to utilize the equipments.

In light of above, the purchase was held irregular and wastage of public money.

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

When pointed out in August 2019, the management stated that the bidding documents and agreement would be obtained from DG Health office and would be produced to audit.

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

Audit recommends action against the persons at fault besides regularization/correction of above mentioned irregularities to safe guard the public money/interest under intimation to audit.

AIR 2018-19 Para-02

2.5.1.2 Non adoption of open tender system on account of purchase of furniture – Rs.45.389 million

According to Rule 11(2 &3) of the Khyber Pakhtunkhwa Public Procurement of Goods, Works and Services Rules 2014, For all purchases, other than those being covered by the Khyber Pakhtunkhwa Procurement rules 3 and 10, shall be advertised in print media, appearing in at least one national English and one Urdu newspaper with nationwide circulation along with advertising the same either on the procuring entity or Authority website.

According to E & SE Department Government of Khyber Pakhtunkhwa letter No. CPO/PO-II/E & SED/ADP/Furniture project/2018 dated 11-10-2018 that M & E wing of P & D Department as a third party may carried out inspection of furniture procured under the captioned scheme.

District Education Officer Male & Female Shangla paid Rs. 35,015,622 and Rs. 10,374,340, respectively to SIDB Swat on account of purchase of furniture during the financial year 2018-19. Open tender system was not adopted by the local office to achieve economical rates according to the above mentioned

criteria. Moreover, inspection of furniture was not carried out according to the P & D directives and payment was made to the supplier.

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

When pointed out in August 2019, the management stated that the contract was awarded to the SIDB by the District purchase Committee under Rule 2 (C) of KPPRA Rules 2014.

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

Audit recommends to justify the payment.

AIR 2018-19 Para-01, 02, 07 & 08

2.5.1.3 Non-supply of medicine –Rs.1.344 million

According to Para No H of the MCC letter No. 191-200/ MCC dated 17-02-2017, and Para No.18 of the Contract Agreement the supply shall be completed within (30) days, in case of delay in supply from (31 to 45) days, a lump sum penalty of 3% of the total amount shall be levied and delay in supply from (46 to 60) days, a lump sum penalty of 7% of the total amount shall be levied through deducting the total amount of penalty from the billed amount, irrespective of the number of items supplied late and after expiry of the extended periods, the supply order shall stand cancelled along with forfeiting earnest money/performance guarantee and legal action against the supplier.

District Health Officer Shangla paid Rs. 1,344,143 for purchase of medicines the supply orders were placed in Febraury 2019 which were required to be supplied within 45 days. But the supply was not made till the date of audit. The local office neither cancelled the supply orders nor did alternate arrangements for the purchase of medicines. Thus on one hand the people of the locality was deprived of the basic facility of medicine and on the other hand, the Government money drawn in anticipation of actual demand. Detail is as under:

Name of Firm	Date of supply order	Amount (Rs.)
Stanly Phrama	18-6-2019	278,000

Saffron Phrama	18-6-2019	267,370
Brook Phrama	4-2-2019	334,200
M/S Zafa	4-2-2019	249,000
Naeem Trader	Nil	90,250
ASR	Nil	125,323
Total		1,344,143

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

When pointed out in August 2019, the management stated that the amount would be recovered from the concerned firms and would be deposited into Government treasury. Reply was not convincing as no supplies of medicines were shown to audit.

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

Audit recommends to complete the supply and action against the person(s) at fault.

AIR 2018-19 Para-03

2.5.1.4 Non supply of medical equipments – Rs.10.141 million

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

District Health Officer Shangla paid Rs. 1,0141,573 for purchase of machinery and equipments. The supply orders were placed in May 2019 which were required to be supplied within 45 days. But the supply was not made till the date of audit. Thus, on one hand the people of the locality were deprived of the basic facility of medical equipments and on the other hand, the Government money drawn in anticipation of actual demand. Detail as per annexure- 2

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

When pointed out in August 2019, the management stated that the concerned firms have already been directed to complete the supply and the completion/ delivery challans along with Stock Registers would be produced to audit. Reply was not convincing as no supplies and recovery were shown to audit.

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

Audit recommends to complete the supply immediately and recovery of penalty.

AIR 2018-19 Para-05

2.5.1.5 Unauthentic payment on account of purchase of Science Equipments- Rs.1.927 million

According to supply order No.269-73 dated 8-5-2019, the supply was required to be completed within 15 days i.e upto 23-5-2019.

DEO Female Shangla awarded tender for the supply of science equipments to M/S Rahmat Traders Mingora Swat during the financial year 2018-19. Work Order was issued to the contractor on 08-05-2019 and the local office paid Rs. 1,927,530 to the contractor. As per Contract Agreement, the supply was required to be completed before 23-05-2019 but the Science Equipments were not supplied till the date of audit.

The irregularity occurred due to weak financial control which resulted in loss to Government.

When pointed out in August 2019, the management stated that the supply has been made. Reply was not convincing as no supply has been shown to audit.

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

Audit recommends to justify the payment and make inquiry for non supply of items.

AIR 2018-19 Para-01

2.5.1.6 Non supply of furniture – Rs.4.000 million

As per Contract Agreement, the supply was required to be completed within two (02) months after issuance of the supply order.

District Education Officer male Shangla paid Rs. 4,000,000 to SIDB Swat on account of purchase of furniture during the financial year 2018-19 but the furniture was not supplied by supplier till date of audit as no documentary proof was provided by the local office regarding supply of furniture.

Non supply of furniture occurred due to weak financial control which resulted loss to Government.

When pointed out in August 2019, the management stated that all supply has been made by the SIDB Swat. Reply was not convincing as no proof of supply was shown to audit.

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

Audit recommends to ensure the supply or recover the amount from the concerned.

AIR 2018-19 Para-03

2.5.1.7 Non supply of science equipments – Rs.1.950 million

According to supply order No.269-73 dated 8-5-2019, the supply was required to be completed within 15 days i.e upto 23-5-2019.

DEO Male Shangla awarded tender for the supply of science equipments to M/S Danyal Traders Timergara during the financial year 2018-19. Work Order was issued to the contractor on 08-05-2019 and the local office paid Rs. 1,950,000 to the contractor. As per Contract Agreement, the supply was required

to be completed before 23-05-2019 but the Science Equipments were not supplied till the date of audit.

Non supply of science equipments occurred due to weak financial control, which resulted in loss to Government.

When pointed out in August 2019, the management stated that the contractor has supplied the science equipments to the local office and further supply would be made after proper inspection. The date of 16-09-2019 has been fixed for inspection. So supply would be made after the date of inspection. Reply was not convincing as no documentary proof regarding supply was provided to audit.

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

Audit recommends to justify the payment and make inquiry for non supply of items.

AIR 2018-19 Para-05

Management of Accounts with Commercial Banks

2.5.1.8 Non conversion of current bank accounts into PLS – Rs.31.913 million

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

Deputy Commissioner Shangla retained an amount of Rs. 31,913,038 in designated current account instead of PLS during 2018-19 which was clear violation of the above mentioned criteria. Detail is as under:

S. No.	Account Title	Name of Bank	Account NO	Balance	4.5% profit (Rs.)
1	DC (Regular)	NBP	4086515513	3,821,040	171,946
2	DC (Relief)	NBP	4139564860	26,492,068	1,192,143
3	DC (Earth Quick)	NBP	4139564842	1,599,930	71,996
Total				31,913,038	1,436,085

Similarly, DHO, DEO Male and Female retained an amount of Rs. 122,339,155 in designated current account instead of PLS during 2018-19 which was also clear violation of the above mentioned criteria.

S. No.	Account Title	Name of Bank	Account NO	Balance
1	DHO	NBP	4086547828	86,111,407
2	DEO Male	NBP	4086515488	7,295,655
3	DEO Femal	NBP	4086547828	28,932,093
Total				122,339,155

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

When pointed out in August 2019, the management stated that the account would be converted into PLS mode from current account. Reply was convincing as no progress was intimated till date of finalization.

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

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

AIR 2018-19 Para-04,14,03,11

2.5.2 Value for money and service delivery issues

2.5.2.1 Non-disbursement of land compensation to the land owner – Rs. 3.513 million

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

Deputy Commissioner Shangla transferred Rs. 3,513,504 to Assistant Commissioner Alpuri as land compensation during 2018-19. The award was announced on 11-3-2019. The amount was not paid and retained by the local office so far. Detail is as under:

S. No.	Particular	Total Area K-M-S	Date of award	Price per kanal	Total (Rs.)
1	Construction of Food Grain Godan	10-0-0	13-3-2019	268,874	2,688,740
	Compulsory Charges 15%				403,311
2	Damorai Bridge	2-0-0	14-5-2019	165,000	346,500
		0-7-0		1,279	8,953
		0-8-0		8,250	66,000
Total					3,513,504

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

When pointed out in July 2019, the management stated that reply would be made after scrutiny of record.

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

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

AIR 2018-19 Para-02

2.5.2.2 Non surrender of savings – Rs.2.497 million

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

Deputy Commissioner shangla received Rs.12,998,658 from PDMA on account of earthquake fund in the financial year 2015-16. An amount of Rs. 2,497,992 was still lying in the designated bank account No4086528965 of the Deputy Commissioner. The amount was required to be surrendered to PDMA after finalization of earthquake activities but the local office failed to do so.

Non surrender of fund occurred due to weak financial control, which resulted in violation of rules.

When pointed out in July 2019, the management stated that the said amount was provided by PDMA and kept the amount at the disposal of this office to cope with emergency activities and a letter has also been sent for advice to proceed further in the matter. Reply was not convincing as the amount was still lying in the bank account and was required to be surrendered to PDMA.

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

Audit recommends to surrender the fund and fixing responsibility on the person (s) at fault.

AIR 2018-19 Para-05

2.5.3 Others, including cases of accidents, negligence etc.

2.5.3.1 Unauthentic payment on PTC and Autonomy fund – Rs.30.854 million

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

District Education Office Male and Female Shangla paid Rs. 20,591,000 and Rs. 10,263,000 respectively on account of PTC and Autonomy fund to various schools during 2018-19. Accounts, bank statements and progress reports were not submitted for scrutiny to the office of the DAO office.

Audit observed that irregular expenditure occurred due to weak administrative control, which resulted in violation of Government rules/policy.

When pointed out in August 2019, the management stated that the local office has only transferred the amount to all schools. The funds would be utilizing by the PTCs according to PTC Guidelines. Reply was not convincing as no record was available on record of the local office for verification.

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

Audit recommends inquiry into probable cause of irregularities.

AIR 2018-19 Para- 02,10,06 & 09

CHAPTER-3

Tehsil Municipal Administration

3.1 Introduction

District Shangla has three Tehsils i.e. Alpuri, Puran and Besham. 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 Planed formations expenditures 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	03	03	274.81	36.484
2	Authorities/Autonomous Bodies etc under the PAO	03	03	274.81	36.484

3.2 Comments on Budget and Accounts (Variance Analysis)

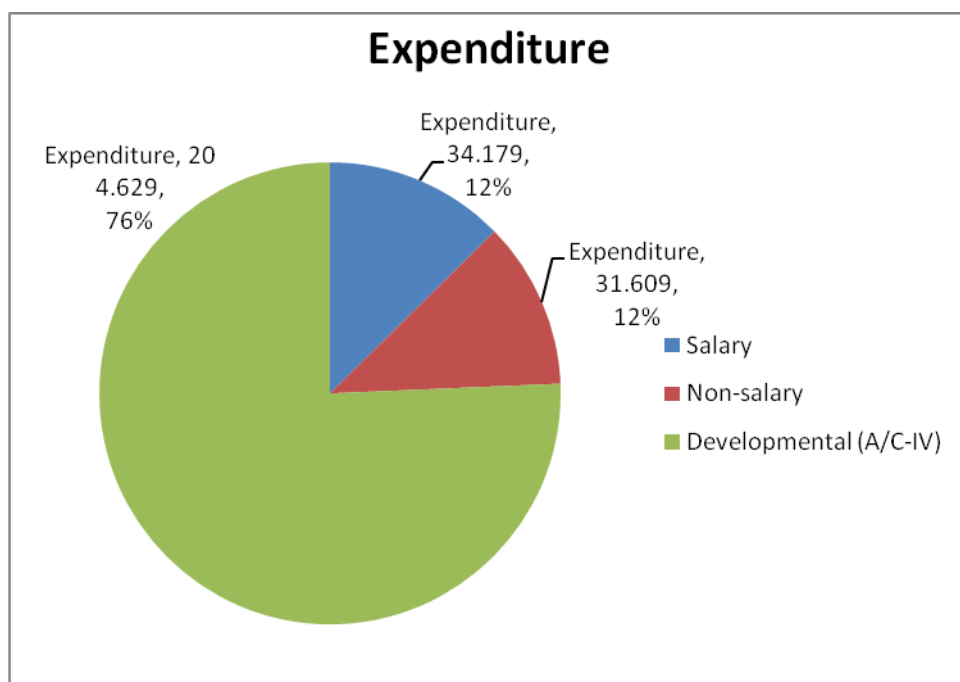
(Rs. in million)

TMAs				
2018-19	Budget	Actual Expenditure/ Receipts	(Saving)/Excess	%age
Salary	42.711	34.179	-8.532	20
Non-salary	49.873	31.609	-18.264	37
Developmental (A/C-IV)	263.442	204.629	-58.813	22
Total	356.026	270.417	-85.609	
Receipts	45.761	36.486	9.275	

The savings of Rs. 85.609 million indicate inefficiency in the capacity of Tehsil Municipal Administrations to utilize the amount allocated fund.

EXPENDITURE 2018-19

(Rs. in million)



3.3 Classified Summary of Audit Observations

Audit observations amounting to Rs. 369.484 million were raised in this audit report. This amount also includes recoverable of Rs. 23.093 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

Sr. No.	Classification	Amount (Rs.)
1	Irregularities	
A	Procurement related irregularities	7.586
2	Value for money and service delivery issues	1.645
3	Others, including cases of accidents, negligence etc.	360.253
Total		369.484

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:

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

3.5 AUDIT PARAS

3.5.1 Irregularities

Procurement related irregularities

3.5.1.1 Irregular expenditure on installation of HDPE pipes – Rs.3.051 million

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

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

Tehsil Municipal Officer Puran incurred expenditure of Rs. 3,051,180 on account of supply and fixing HDPE pipes in various water supply schemes during 2018-19. The Local office did not adopt the following quality assurance steps to ensure the quality and health of the people of locality.

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

In the absence of the above mentioned documents, the execution of substandard pipes could not be ruled out. Detail as per annexure-3:

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

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

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

Audit recommends to regularize the expenditure.

AIR 2018-19 Para-03

**3.5.1.2 Irregular expenditure on installation of GI and HDPE pipes
-Rs.4.535 million**

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

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

Tehsil Municipal Officer Alpurai incurred an expenditure of Rs. 4,535,256 on account of Supply and Fixing GI and HDPE pipes in various Water supply Schemes in the financial year 2018-19. The Local office did not adopt the following quality assurance steps to ensure the quality of pipes as well as the health of the people of locality.

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

In the absence of the above mentioned documents the entry of substandard Pipes cannot be rolled out. Detail as per annexure-5:

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

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

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

Audit recommends inquiry into a probable cause of irregularity.

AIR 2018-19 Para-04

3.5.2 Value for money and service delivery issues

3.5.2.1 Blockage of Government money– Rs.1.645 million

Para 12 of the General Financial Rules Volume I requires that a controlling officer must see not only that the total expenditure is kept within the limits of the authorized appropriation but also that the funds allotted to spending units are expended in the public interest and upon objects for which the money was provided.

Tehsil Municipal Officer Puran awarded two (02) No. of developmental schemes to two Government contractors with an estimated cost of Rs. 1,645,000 during the financial year 2018-19. Work Orders were issued to the contractors but the schemes were not started and completed during the stipulated period as no documentary proofs were available regarding execution of schemes on record of the local office. Audit was of the view that the Government money was blocked for a considerable time and the community was deprived from the facilities. Detail is as under:

S. No.	Scheme	W/order date	Due date of Completion	Actual date of completion	Cost (Rs.)	10%Penalty (Rs.)
1	Package No. 04 DWSS	25-4-2018	25-10-2018	Not yet started	6,700,000	670,000
2	Package No. 11 DWSS	25-4-2018	25-10-2018	Not yet started	9,750,000	975,000
Total						1,645,000

Blockage of Government money occurred due to lack of internal control, which resulted in loss to government.

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

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

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

AIR 2018-19 Para-02

3.5.2.2 Non imposition of penalty on late completion of schemes - Rs.6.830 million

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

Tehsil Municipal Officer Puran did not impose 10% penalty of Rs. 6,830,000 during 2018-19 on various contractors for late completion of developmental schemes. Detail as per annexure-7:

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

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

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

Audit recommends recovery and action against the person at fault.

AIR 2018-19 Para-01

3.5.2.3 Loss to government due non imposition of penalty- Rs.18.777 million

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

Tehsil Municipal officer Alpuri incurred an expenditure of Rs.187,775,750 on execution of various developmental schemes during the financial year 2018-19. Such schemes were not completed within the stipulated period of time. The local office was required to impose 10% penalty amounting to Rs.18,777,575 but failed to do so. Detail as per annexure-8:

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

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

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

Audit recommends recovery and action against the person at fault.

AIR 2018-19 Para-03

3.5.3 Others, including cases of accidents, negligence etc.

3.5.3.1 Irregular expenditure without Technical Sanction – Rs.7.697 million

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

Tehsil Municipal Officer Puran incurred an expenditure of Rs. 7,697,000 on account of various developmental schemes during 2018-19. Technical Sanction was not obtained from the competent authority before commencement of work. Thus, the expenditure made was held irregular. Detail is given below:

S. No.	Name of scheme	Expenditure (Rs.)
1	Package No. 01	3,300,000
2	Solarization of 07 No. Mosques in Bengalai	1,338,000
3	Solarization of 09 No. Mosques in Aloch	1,721,000
4	Solarization of 07 No. Mosques in Chowga	1,338,000
Total		7,697,000

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

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

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

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

AIR 2018-19 Para-04

3.5.3.2 Unauthorized execution of works beyond the technical capacity – Rs.255.193 million

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

1. Engineers in BPS-18 upto Rs. 4,000,000
2. Engineers in BPS-17 upto Rs.1,500,000
3. Engineers in BPS-16 upto Rs. 500,000
4. Engineers in BPS-11 upto Rs.300,000

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

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

Tehsil Municipal Officer Alpuri incurred an expenditure of Rs. 255,193,100 on account of various developmental schemes in the financial year 2018-19. Technical sanctions were not obtained from the competent authority. Detail as per annexure-4:

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

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

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

Audit recommends obtaining Technical Sanction from the competent forum.

AIR 2018-19 Para-01

3.5.3.3 Overpayment due to awarding the scheme at higher rates - Rs.2.832 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 rates are correctly entered and that all the calculations have been checked arithmetically.

Tehsil Municipal Officer Alpuri overpaid Rs.2,832,461 due to awarding of schemes at higher rates and avoiding lowest rates without any cogent reason during the financial year 2018-19. Detail is as under:

Name of Scheme	Lowest rate offered(rejected)	Higher rate offered(accepted)	E.cost (Rs.)	Difference (Rs.)	Over payment (Rs.)
Package No 11U/C Damorai	36.77	10	4.1303	26.11	1,105,411
Package No5U/CKuz kana	27.50	10	1.8915	17.50	331,012
Package No8U/C Maira	19.77	10	4.5611	9.77	445,619
Package No1 U/C Alpurai	21.77	10	4.7775	11.77	562,311
Package No6 U/C Lilowni	13.77	10	3.5588	3.77	124,166
Package No7U/C Malak Khel	21.77	10	2.2425	11.77	263,942
Total					2,832,461

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

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

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

Audit recommends inquiry into the probable cause of overpayment.

AIR 2018-19 Para-02

3.5.3.4 Irregular Award of Civil Works on abnormal below rate - Rs.94.531 million

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

Tehsil Municipal officer Alpuri awarded various developmental Schemes to the contractor with estimated cost of Rs. 94,531,000 in the financial year 2018-19. The contractors offered abnormal below rates which were accepted by the local office without analyzing /evaluating the lowest rate, which was clear violation of the above mentioned Criteria. The abnormal below rate is a questionable mark on the specification and standardization of the work. Detail as per annexure-6:

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

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

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

Audit recommends inquiry into a probable cause of irregularity.

AIR 2018-19 Para-05

CHAPTER-4

AD LGE &RDD

4.1 Introduction

Assistant Director Local Government, Election and Rural Development Department in District Shangla has 106 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 Shangla.

According to section 29 of the Khyber Pakhtunkhwa Local Government Act 2013 the authority and responsibilities of the District Government have been given as under:

Functions and Powers of Assistant Director, LGE&RDD includes:

- i. Providing secretarial support to the Council, matters relating to Local Government Commission
- ii. Coordination and supervision of village and neighbourhood councils
- iii. Matters related to local taxes, grants, budget of village and neighbourhood councils
- iv. Coordination of activities relating to local council elections, population census and surveys in the district
- v. Rural Development Works including water supply, rural access roads, embankment and drainage works
- vi. Overseeing registration of births, deaths and marriages in village and neighbourhood councils
- vii. Review, evaluation and assessment of local government system, processes and procedures in the district particularly at the village and neighbourhood level
- viii. Collection, compilation and dissemination of primary data Training and research in the areas of local governance

Functions and Powers of the Village Council or Neighborhood Council includes:

- i. Monitoring and supervision of the performance of functionaries of all government offices located in the area of the respective village council or neighbourhood council, including education, health, public health engineering, agriculture, livestock, police and revenue, and hold them accountable by making inquiries and reports to the Tehsil municipal administration, district government or, as the case may be, the Government for consideration and action;
- ii. Providing effective forum for out of court amicable settlement of disputes and, for this purpose, constitute panels of members as conciliators;
- iii. Registration of births, deaths and marriages;
- iv. Implementation and monitoring of village level development works;
- v. Improving water supply sources, maintain water supply distribution system and take measures to prevent contamination of water;
- vi. 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
- xx. Reporting cases of handicapped, destitute and of extreme poverty to district government.

Detail of Audit Planed formations expenditures 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	107	12	73.797	Nil

4.2 Comments on Budget and Accounts (Variance Analysis)

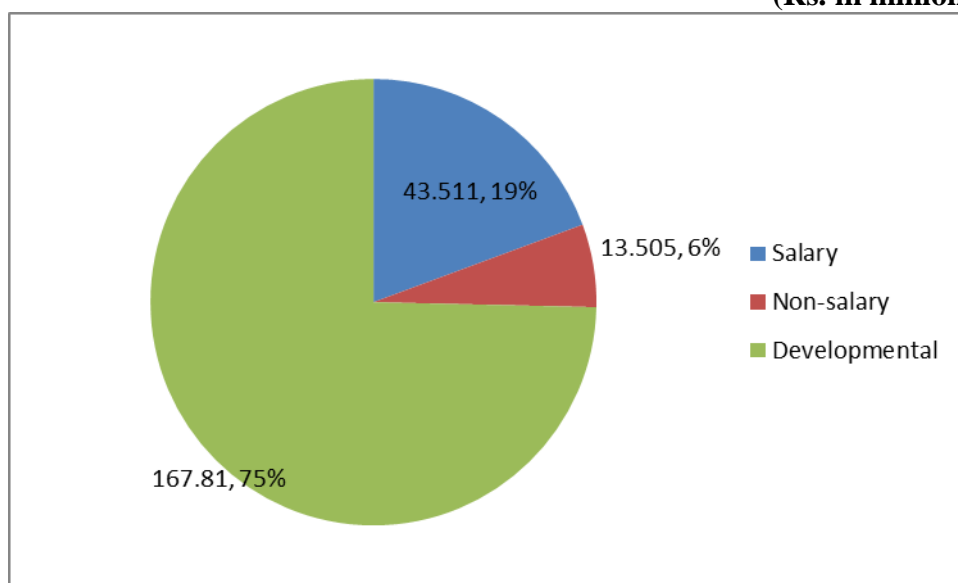
(Rs. In million)

AD LGE & RDD				
2018-19	Budget	Actual Expenditure/ Receipts	(Saving)/Excess	%age
Salary	44.913	43.511	1.402	3
Non-salary	15.188	13.505	1.683	11.08
Developmental	167.81	167.81	-	56
Total	227.911	224.826	3.085	1.35
Receipts	-	-	-	

The savings of Rs. 3.085 million indicate inefficiency in the capacity of Local Government Department to utilize the amount allocated fund.

EXPENDITURE 2018-19

(Rs. in million)



4.3 Classified Summary of Audit Observations

Audit observations amounting to Rs. 358.052 million were raised in this audit report. This amount also includes recoverable of Rs. 3.667 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

Sr. No.	Classification	Amount (Rs.)
1	Irregularities	
A	Procurement related irregularities	2.4
B	Management of Accounts with Commercial Banks	309.448
2	Value for money and service delivery issues	6.934
3	Others, including cases of accidents, negligence etc.	39.27
Total		358.052

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

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

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

4.5 AUDIT PARAS

4.5.1 Irregularities

Procurement related irregularities

4.5.1.1 Unjustified award of work installation of solar lights – Rs.2.400 million

According to Para 178 of CPWD Code provides that no work should be commenced or liability incurred in connection with in 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.

According to KPPRA letter No. KPPRA/M&E/suggestions/4-16/2014-15/539 dated 22.05.2015, addressed to all Secretaries of the Departments, cost estimates of Non MRS items including Solar Energy and other such new technologies should be rationalized/ revised after careful market analysis by bringing those down for justification and matching to the market rates which results huge losses to the Government.

According to 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.

AD LG&RDD Shangla awarded developmental scheme for Rs. 2,400,000 on the work “Installation of Solar system at THQ Puran & Besham” during the year 2018-19. The following shortcomings were noticed:

1. The items of the contracts were Non MRS while the contracts were awarded without market analysis which was irregular.
2. Expenditure was made without obtaining technical sanction of the competent authority.

3. Work order was issued on 20.10.2016 with completion period of 06 months and the work is still in progress. Penalty @ 10% of Rs. 240,000 (E. Cost Rs. 2,400,000x10%) was not imposed for delay of work.
4. Specifications were not shown to audit.
5. Excess payment of Rs. 270,941 was made over and above the work done.

Unjustified expenditure occurred due to weak internal control, resulted in violation of rules.

When pointed out in December 2019, the management did not respond the audit observation.

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

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

AIR 2018-19 Para-06

Management of Accounts with Commercial Banks

4.5.1.2 Non conversion of current bank account into PLS – Rs.93.594 million

According to Government of Khyber Pakhtunkhwa Finance Department letter No 2/3-(F/L)-FD/2007-2008/Vol-IX dated 10-02-2014, current accounts should be converted to PLS mode and the profit earned be deposited in Government treasury under relevant head of account immediately.

Assistant Director LG & RDD Shangla retained an amount of Rs. 93,594,386 in designated current account No.4137278370 NBP during 2018-19 instead of PLS which was clear violation of the above mentioned criteria.

Retention of funds in designated current account occurred due to violation of Government orders which resulted in loss to Government.

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

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

Audit recommends immediate conversion of current account into Profit & Loss Sharing account.

AIR 2018-19 Para-01

4.5.1.3 Unauthorized transfer of Government fund to commercial bank – Rs.182.459 million

According to Finance Department Khyber Pakhtunkhwa letter No.2/3-(F/L)/FD/2007-08/Vol-IX dated 10.02.2014; no funds shall be placed in any commercial banks from the PLAs or Assignment Accounts without prior approval of the Finance Department. Further, according to Treasury Rule 290 provides that no money shall be drawn from the treasury unless it is required for immediate disbursement. It is not permissible to draw money from the treasury in anticipation of demands or to prevent the lapse of budget grants.

Assistant Director LG&RDD Shangla withdraw Rs. 182,459,276 from Government treasury and were kept in the designated bank account. Audit held that the Government funds were illegally retained in the designated bank account without approval of Finance Department.

Unauthorized transfer of funds to commercial bank occurred due to violation of rules which resulted in loss to the Government.

When pointed out in December 2019, the management did not respond the audit observation.

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

Audit recommends depositing the profit into Government treasury besides surrender of the capital amount to the provincial Government under intimation to audit.

AIR 2018-19 Para-02

4.5.1.4 Loss to Government due to unauthorized retention of funds in current bank account – Rs.33.395 million

According to Government of Khyber Pakhtunkhwa Finance Department letter No 2/3-(F/L)-FD/2007-2008/Vol-IX dated 10-02-2014, current accounts should be converted to PLS mode and the profit earned be deposited in Government treasury under relevant head of account immediately.

Management of 11 village councils under the administrative control of Assistant Director Local Governments Shangla retained village council fund of Rs. 33,395,000 in current bank accounts during 2018-19 in violation of Government instructions. Detail as per annexure-11:

The irregularity occurred due to violation of Government orders which resulted in loss to Government.

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

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

Audit recommends immediate conversion of current account into Profit & Loss Sharing account.

AIR 2018-19 Para-1

4.5.2 Value for money and service delivery issues

4.5.2.1 Loss to Government due to non adjustment of 7% income tax – Rs.3.267 million

According to Finance Department Khyber Pakhtunkhwa Notification NO.SO (Dev-II) FD/12-6/14-5 dated 21.04.2015, all Provincial Works Departments, while preparing Cost Estimates of developmental projects which fall in the tax exempted areas such as PATA, shall frame the same on Market Rate System-2015 (MRS-2015) but with 7% less cost to defray the amount added in the rate analysis of all works/construction/supply items to meet withholding tax.

Assistant Director LG&RDD Shangla incurred expenditure of Rs. 46,665,300 on account of execution of civil Works in 2018-19. During scrutiny of record it was observed that 7% income tax amounting to Rs. 3,267,000 was not adjusted in the contractor's bills which need immediate recovery. Detail as per annexure-10.

The irregularity occurred due to weak financial control, which resulted in loss to Government.

When pointed out in December 2019, the management did not respond the audit observation.

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

Audit recommends recovery of overpayment and action against the persons at fault under intimation to audit.

AIR 2018-19 Para-8

4.5.2.2 Non deposit of Bank profit into Government treasury – Rs.3.667 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.

Assistant Director Local Government LG&RDD Shangla realized an amount of Rs. 3,666,773 during year 2018-19 but the same amount was not deposited into Government treasury.

Non deposit of profit into Government treasury occurred due to weak financial control which resulted in loss to the Government.

When pointed out in December 2019, the management did not respond the audit observation.

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

Audit recommends deposit of profit into Government treasury under intimation to audit.

AIR 2018-19 Para-03

4.5.3 Others, including cases of accidents, negligence etc.

4.5.3.1 Irregular expenditure without Technical Sanction – Rs.35.926 million

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

Assistant Director LG&RDD Shangla incurred an expenditure of Rs. 35,926,400 million on various developmental schemes during 2018-19 without obtaining technical sanction from the competent authority. Detail as per Annexure-9.

Non obtaining of Technical Sanctions occurred due to weak financial control, which resulted in violation of Government rules.

When pointed out in December 2019, the management did not respond the audit observation.

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

Audit recommends obtaining Technical Sanction from the competent forum and action against the person(s) authorizing execution /payment without technical sanction.

AIR 2018-19 Para-04

4.5.3.2 Non maintenance of Cash Book for – Rs.3.344 million

Rule 77 of Central Treasury Rules Vol-I provides that a cashbook in the form TR 04, should be maintained for money received on behalf of the government. All monetary transactions should be entered in the cashbook duly attested by the head of the office.

Adminstrator/ Nazim village council Titwalan received an amount of Rs. 3,344,299 on account of developmental works and deposited into the following banks accounts but the amount was not incorporated in Cash Book.

Name of VCs	Bank	A/C-No	C/Balance
Titwalan	NBP	43624	1,778,424
-Do-	BOK	nil	1,565,875
Total			3,344,299

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

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

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

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

AIR 2018-19 Para-2

Annexures

Annexure-1

Detail of MFDAC Paras

S. No	AIR Para No	Caption of Para	Rs. in million
DC			
1	1	Overpayment on account of compulsory acquisition of land	0.403
2	3	Non transfer of 2% propriety tax to concerned department	0.070
3	6	Unauthentic /Irregular expenditure on account of hiring charges	0.648
4	7	Irregular expenditure on account of plant & machinery and Hot and Cold Charges	4.854
5	8	Non reconciliation of Revenue Deposit	3.110
6	9	Difference in Closing Balance between Bank Statement and FTR-7	1.783
7	10	Irregular payment on account of Honoraria from District ADP funds	0.195
8	11	Un-authorized re-appropriation of funds – Rs. 1.230 million	
DHO			
9	1	Non reporting of clinical efficacy of medicines	4.264
10	6	Unauthentic/irregular expenditure on account of salary	2.470
11	7	Unauthentic/irregular expenditure on account of daily wages staff	0.450
12	8	Irregular expenditure on account of repair of vehicle without open tender system	0.722
13	9	Non deposit of Government receipts by facilities/hospitals	0.745
14	10	Non recovery of pay and allowances	0.159
15	11	Non deduction of HRA and conveyance allowance	0.617
16	12	Non deduction of HPA and conveyance allowance	0.540
DEO Female			

17	4	Irregular payment	0.659
18	5	Non supply of furniture	0528
19	6	Recovery on account of conveyance allowance	0.132
20	9	Irregular expenditure on account of purchase of Science and IT equipments	3.142
21	11	Placement of public fund in current bank accounts and profit thereo.	7.210
22	12	Overpayment on account of TA/DA	0.065
23	13	Irregular expenditure on account of TA/DA	0.095
DEO Male			
24	4	Irregular expenditure on account of purchase of Science and IT equipments	0.560
25	7	Non Deduction of DPR	0.108
26	8	Irregular /unauthentic expenditure on account of establishment of libraries and purchase of CCTV cameras	5.684
27	10	Irregular expenditure on account of TA/DA	0.626
28	12	Placement of public fund in current bank accounts and profit thereon.	5.643
29	13	Overpayment on account of MRC	0.121
Social welfare			
30	01	Placement of public fund in current bank accounts and profit thereon.	1.383
TMA Puran			
31	05	Irregular expenditure without rate analysis	9.225
32	06	Loss to Government due to non deposit of Government receipts of GBS Puran	0.816
TMA Alpuri			
33	06	Loss to government due to non deduction of voids	0.146
34	07	Loss due to non deposit of Stamp duty	0.327
TMA Bisham			

35	01	Irregular expenditure without Technical Sanction	4.020
36	02	Non deposit of stamp duty	0.057
37	03	Non deduction of Professional tax	0.130
38	04	Non deduction of income tax	0.305

Non supply of Medical Equipment

Name of Firm	Date of supply order	Amount (Rs.)
MKJ Associate	20-5-2018	1,678,000
IBS Phrama	14-6-2019	4,200,000
IBS Phrama	14-6-2019	90,000
MKJ Associate	15-5-2019	630,605
Quintex Medicals	3-6-2019	574,944
IBS Phrama	15-5-2019	2,156,000
Orient Medical	14-6-2019	236,024
Ulterdant	16-5-2019	218,000
MKJ Associate	3-6-2018	358,000
Total		10,141,573

Annexure-3**Detail of HDPE pipes**

S. No.	Name of scheme	Amount (Rs.)
01	DWSS Khadang Dherai	403,650
02	DWSS Gulibat	307,050
03	DWSS at Bago Shah	138,000
04	DWSS Kotkor	369,150
05	DWSS Sondia	369,150
06	DWSS Said Abad	227,700
07	DWSS Kandai	182,850
08	DWSS Gomrash, Jatkool	276,000
09	Water Tanks VC Sarkool	273,930
10	DWSS Ranzo Taroon	276,000
11	DWSS Dawoot Gonagar	227,700
Total		3,051,180

Annexure-4

Detail of TS

S.No	Name of Scheme	Name of Contractor	E.Cost (Rs.)
1	Package No 11U/C Damorai	M/S ZahoorElahi	4.303
2	Package No5U/CKuz kana	M/s Kashif	1.891
3	Package No8U/C Maira	Five star	4.5611
4	Package No1 U/C Maira	M/s Kashif	4.7775
5	Package No6 U/C Lilowni	M/s AlamLilownai	3.558
6	Package No7U/C Malak Khel	M/s Kashif	2.245
7	Const: of PCC RoadMumtazkorona	M/s Muqarrabkhel	2.00
8	Reh: of PCC Road kag to jabagai	M/s Muqarrabkhel	1.5
9	Package-X11U/C Alpurai	Five star	14.13
10	Package -X1 UC Pir Abad	Sindbad const:	12.97
11	Package -XIV	Sindbad const:	10.53
12	P#X1X-UC Shapur	Sajjjad contractor	4.046
13	P# V U/C Damorai	Sajjad	7.507
14	P# 1X-U/C kuzkana	Sajjad	5.0213
15	P#XV U/C MalakmKhel-11	BarathKhel	9.2262
16	P#X11-U/C Maira 11	Five Star	13.698
17	P#V111 U/C Damorai	Hassan Taj	6.83
18	Package -1V U/C Raniyal-1	Mukmailconst:	8.29
19	Package-V U/C Ranyial -11	Five Star	8.78
20	P#VI-U/CDandai	Muqarab Khel	3.412
21	P# Xiv-U/C Opel	Noshirawan Swati	4.97
22	P#1V-U/C Chakisar	Royal Maira	17.55
23	P#XIV U/CMalak Khel	Five Star	9.56
24	P#Xiii U/C Lilownai	Five Star	14.63
25	P#V1 U/C Kuz Kana	Muqarab Khel	11.60
26	P#11U/C Kormang-1	MukamilaKhan	8.29
27	P#X111-U/CMalak Khel	Sardar Mohammad	4.97
28	P#XVI-U/C Pirkhana	ZahoorElahi	4.63
29	P# V11 U/C Shapur	Naipkhel	8.87
30	Pvtbof street Lilownai	Muqarab Khan	7.87
31	WSS U/C Dehrai		0.545
32	P# XXI	M sajjad	3.412
33	P#XVII U/C Ranyal	M.Farhad	3.33
34	P#XvIII U/C Sharkool	Jamayal	4.87
35	P#1M.Services /beautification	Five star	6.78
36	P#X1-U/C Maira	Five Star	14.04
Total			255.193

Annexure-5**Detail of HDPE Pipes**

S.No	Name of Scheme	Name of Contractor	Expenditure
1	P#1 U/C Alpuri	M/s Muqarrabkhel	58,483
2	P#X1X-UC Shapur	Sajjad contractor	567,600
3	P# V U/C Damorai	Sajjad	274,000
4	P# Xiv-U/C Opel	Noshirawan Swati	97,705
5	P#X111-U/CMalak Khel	Sardar Mohammad	323,577
6	P#XVI-U/C Pirkhana	ZahoorElahi	1,464,414
7	WSS U/C Dehrai		430,000
8	P#XVII U/C Ranyal	M.Farhad	232,255
9	P#XvIII U/C Sharkool	Jamayal	1,087,222
Total			4,535,256

Annexure-6

Below Abnormal Rates

S.No.	Name of Scheme	Name of Contractor	E.Cost (Rs.)	%age Below
1	P#1 U/C Alpurai	M/s Muqarrabkhel	5.188	40.67
2	Package-X11U/C Alpurai	Five star	14.13	44
3	P#X1X-UC Shapur	Sajjad contractor	4.046	41.78
4	P# V U/C Damorai	Sajjad	7.507	43.78
5	Package-v111 U/C Damorai	Hassan	6.82	41.20
6	Package -1V U/C Raniyal-1	Mukmailconst:	8.29	43.50
7	Package-V U/C Ranyial -11	Five Star	8.78	44
8	P#11U/C Kormang-1	MukamilaKhan	8.29	43.50
9	P#XVI-U/C Pirkhana	ZahoorElahi	4.63	41.65
10	P# V11 U/C Shapur	Naipkhel	8.87	43
11	Pvtbof street Lilownai	Muqarab Khan	7.87	41.69
12	P#XVII U/C Ranyal	M.Farhad	3.33	48.15
13	P#1M.Services /beautification	Five star	6.78	42.2
Total			94.531	

Annexure-7**Detail of 10 % penalty**

S. No.	Scheme	W/order date	Due date of Completion	Actual date of completion	Cost (Rs.)	10%Penalty (Rs.)
1	Package No. 22 Communication	25-4-2018	25-10-2018	In Progress	9,600,000	960,000
2	Package No. 05 Sanitation	25-4-2018	25-10-2018	In Progress	6,000,000	600,000
3	Package No. 21 Communication	25-4-2018	25-10-2018	In Progress	9,400,000	940,000
4	Package No. 23 Communication	25-4-2018	25-10-2018	In Progress	9,400,000	940,000
5	Package No. 24 Communication	25-4-2018	25-10-2018	In Progress	8,050,000	805,000
6	Package No. 04 DWSS	25-4-2018	25-10-2018	In Progress	6,700,000	670,000
7	Package No. 11 DWSS	25-4-2018	25-10-2018	In Progress	9,750,000	975,000
8	Package No. 01 DWSS	25-4-2018	25-10-2018	In Progress	9,450,000	940,000
Total						6,830,000

Annexure-8

Detail of late completion of schemes

S.No	Name of Scheme	Name of Contractor	E.Cost	10%penalty
1	Const: of PCC RoadMumtazkorona	M/s Muqarrabkhel	2.00	200,000
2	Const: of PCC Road NazirKorona	M/s Kashif	1.00	100,000
3	Reh: of PCC Road kag to jabagai	M/s Muqarrabkhel	1.5	150,000
4	Package-X11U/C Alpurai	Five star	14.13	1,413,000
5	Package -X1 UC Pir Abad	Sindbad const:	12.97	1,297,000
6	Package -XIV	Sindbad const:	10.53	1,053,000
7	P#X1X-UC Shapur	Sajjad contractor	4.046	404,600
8	P# V U/C Damorai	Sajjad	7.507	750,700
9	P# 1X-U/C kuzkana	Sajjad	5.0213	502,130
10	P#XV U/C MalakmKhel-11	BarathKhel	9.2262	922,620
11	P#X11-U/C Maira 11	Five Star	13.698	1,369,800
12	P#V111 U/C Damorai	Hassan Taj	6.83	683,000
13	Package -IV U/C Raniyal-1	Mukmailconst:	8.29	829,000
14	Package-V U/C Ranyial -11	Five Star	8.78	878,000
15	P#VI-U/CDandai	Muqarab Khel	3.412	341,200
16	P# Xiv-U/C Opel	Noshirawan Swati	4.97	497,000
17	P#1V-U/C Chakisar	Royal Maira	17.55	1,755,000
18	P#XIV U/CMalak Khel	Five Star	9.56	956,000
19	P#Xiii U/C Lilownai	Five Star	14.63	1,463,000
20	P#V1 U/C Kuz Kana	Muqarab Khel	11.60	1,160,000
21	P#11U/C Kormang-1	MukamilaKhan	8.29	829,000
22	P#XVI-U/C Pirkhana	ZahoorElahi	4.63	463,000
23	P# V11 U/C Shapur	Naipkhel	8.87	887,000
24	Pvtbof street Lilownai	Muqarab Khan	7.87	787,000
25	WSS U/C Dehrai		0.545	54,500
26	P# XXI	M sajjad	3.412	341,200
27	P#XVII U/C Ranyal	M.Farhad	3.33	333,000
28	P#XvIII U/C Sharkool	Jamayal	4.87	487,000
29	P#1M.Services /beautification	Five star	6.78	678,000
30	P#X1-U/C Maira	Five Star	14.0400	1,404,000
Total			187.775	18,775,750

Annexure-9**Detail of expenditure without Technical Sanction**

ADP #	Name of scheme	E/Cost Rs. In Million.	Physical %	Expenditure
3	PCC Road GMS Gumbat road	5.0000	20%	0.6043
10	PCC Chakisar High School road	9.0000	99%	7.7416
17	PCC GMS Towa, Kooh Road	2.0000	100%	1.9100
21	improment & PCC GMS Awarai Asharkot road	10.0000	85%	7.7349
24	Improvement of Road to Education Office Alpuri	2.5000	90%	1.4837
29	PCC Roads at GHS Bunair wall	2.0000		0
31	PCC GMS Martoba Road	2.0000	80%	0.8446
4	PCC Road BHU Chagum	2.0000	66%	0.9325
6	PCC road BHU titwalan Bahlol Kheel	5.0000	40%	1.5800
8	Provsion of Solar System THQ Puran	1.8000	100%	0.7600
9	Kacha Road BHU Dehrai to Qala	3.0000	100%	2.8380
20	PCC & improment GPS Landai road	6.0000	80%	1.4076
46	Kacha Road KuzKana Area	2.6000	100%	1.2223
111	Construction of kacha road Sadiqay Bobai	1.9700	100%	1.4086
165	PCC ROADS, PEPLAI MIRA, GUL BAHADAR PEPLAI, TAJA KHWAR AT UC MAIRA	3.5000	100%	3.3110
169	Improvement/ Constructions of Banjar Sar Road	2.4000	100%	2.1472
7	Kacha Road Banjo Dambarae Kuzkana	3.7000	90%	0
		64.4700		35.9263

Annexure-10

Non adjustment of Income tax

S.No	Name of scheme	E/Cost Rs. In Million.	Financial Progress	I.Tax
1	PCC Road GMS Gumbat road	5.0000	0.6043	0.042
2	PCC Chakisar High School road	9.0000	7.7416	0.542
3	Street Pav. GHS Drad Barabrai, towa, dehrai, sanam ganorai area	1.0000	0.5430	0.038
4	Hand Pumps/ Dug well at GHS Faiza Makra	0.8000	0.3010	0.021
5	improment & PCC GMS Awarai Asharkot road	10.0000	7.7349	0.541
6	Improvement of Road to Education Office Alpuri	2.5000	1.4837	0.104
7	DWSS GMS Bar Kana	1.5000	0.5430	0.038
8	PCC GMS Martoba Road	2.0000	0.8446	0.059
9	PCC Road GMS Pagorai Bridge	0.4000	0.2584	0.018
10	PCC Road BHU Chagum	2.0000	0.9325	0.065
11	PCC road BHU titwalan Bahlol Kheel	5.0000	1.5800	0.111
12	PCC Road Lalai Managai	1.0000	0.2384	0.017
13	PCC Road Naway Kalay	0.4000	0.1952	0.014
14	Construction of Kacha Road Tapla Raod	0.7000	0.5430	0.038
15	PCC & improment GPS Landai road	6.0000	1.4076	0.099
16	Extension Saidabad Raod Bunair wall	0.4000	0.2200	0.015
17	Dunday Sundia Raod Bunair wall	0.4000	0.1970	0.014
18	Kacha Road Kaho, Mayar, Joragh road Dehrai	0.8000	0.3759	0.026
19	Extension Danda Raod Kormang	0.4000	0.1880	0.013
20	Extension of Gulibut road Opal	0.8000	0.3760	0.026
21	PCC Road VC Shapur	0.3000	0.2100	0.015
22	Kacha Road KuzKana Area	2.6000	1.2223	0.086
23	Construction of Kacha road baba kandaw fazal wahid korona	0.3000	0.2100	0.015
24	Construction of Kacha Road chalia qalagay kozkana	0.3000	0.2500	0.018
25	Construction of Kacha road Lashkar to Battgram	0.8000	0.3760	0.026
26	Construction of kacha road waro Larai	0.6920	0.5000	0.035
27	kacha road Said ambar korona to Sabz ali korona Gadwa achar	0.3000	0.1230	0.009
28	Construction of kacha road kaho, mayar joragh	0.5000	0.2702	0.019
29	PCC road Zara	0.4920	0.2210	0.015
30	Kacha road Jawzo ta Bandakay bandoni	0.8000	0.6157	0.043

31	kacha road sardar khan korona Chechlo	0.7000	0.5915	0.041
32	Construction of kacha road Kadona Kuz kana	0.4000	0.3000	0.021
33	kacha road Gunangar to Jatkool	1.2200	0.5978	0.042
34	Pipe culvert said abad road	0.5000	0.2815	0.020
35	PCC & Pipe culvert bar langbar road	0.5000	0.2300	0.016
36	Construction of kacha road Sadiqay Bobai	1.9700	1.4086	0.099
37	Construction of kacha road Martung Khas	1.2650	1.1260	0.079
38	Construction of kacha road dedal to khwar	0.6920	0.5511	0.039
39	Susp: bridge karorai, shatoot, serai	0.3000	0.1980	0.014
40	PCC link road Bela Pirabad	0.2500	0.2117	0.015
41	Protection Wall Kanba Aloch Road	0.8000	0.5200	0.036
42	Kacha Road Chena Patay	0.9500	0.4300	0.030
43	Improvement/ Constrction of Banjar Sar Road	2.4000	2.1472	0.150
44	Dugwell & handpump v/c Bingalai 08 Nos	0.8000	0.3759	0.026
45	Repair of DWSS dandoChagam	0.4500	0.2731	0.019
46	Repair Public Health Schems Shapur	0.8000	0.5430	0.038
47	DWSS Neray/ Qala	0.4000	0.1872	0.013
48	DWSS khalid korona Ranyal	0.2500	0.1617	0.011
49	DWSS Saleh Ahmad korona Chichlo sar	0.4000	0.1588	0.011
50	DWSS at faizdara and Sheed area Damorai	0.5000	0.4474	0.031
51	dug well Sanam sundovi	0.5000	0.3450	0.024
52	Sanition Schems VC shapur	0.7000	0.5430	0.038
53	Sanitation of Masjid Chagam	1.4000	0.7230	0.051
54	Pavement of street Sero ganshal	0.3000	0.2000	0.014
55	DWSS Kuz Kana (GI pipe ½ inch)	0.2300	0.1500	0.011
56	DWSS v/c Kuzkana (pvc 1 inch)	0.6000	0.4000	0.028
57	DWSS v/c Serai (pvc/GI ¾ inch)	0.6000	0.3000	0.021
58	Water Tank Bar Butyal sadiq Abad	0.5000	0.3450	0.024
59	Plastic Water Tank 400 ltr v/c opal	1.0000	0.8530	0.060
60	Sanitation Scheme Kabalgram/ Kankar	0.3000	0.2300	0.016
61	Hand pump Atir Maira, Jorjorai chena, bado mniai, pangra ismail khel	0.3700	0.1920	0.013
62	DWSS Bar diyar Shatoot	0.4000	0.2588	0.018
63	PCC Pathway khurshaid korona Shahpur	0.5000	0.3812	0.027
64	Kacha Road Haidar ali korona Tangela Sundovi	0.5000	0.4130	0.029
65	Pavment of street Bahroz kurona wahab khel	0.4000	0.2844	0.020
	Total	81.0310	46.6653	3.267

Annexure -11**Detail of funds in current bank accounts****(Rs. in million)**

S. No.	Name of VCs	Amount (Rs)
1	Titwalan	2.79
2	Dehrai Larai	4.552
3	Sarkool	1.877
4	kehrai	2.307
5	Sandvi	1.939
6	Cheedam	2.641
7	Dehrai	4.216
8	Karshat	4.211
9	Losar	1.828
10	Sheshan	3.178
11	Opal Ponyal	3.856
Total		33.3950