



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

**AUDIT YEAR 2019-20**

**AUDITOR GENERAL OF PAKISTAN**

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## **ABBREVIATIONS AND ACRONYMS**

AA	Administrative Approval
AAC	Additional Assistant Commissioner
AD	Assistant Director
ADEO	Assistant District Education Officer
ADP	Annual Development Plan
AIR	Audit and Inspection Report
BOQ	Bill of Quantity
B&R	Building and Roads
BHUs	Basic Health Units
BOK	Bank of Khyber
CMD	Chief Minister Directives
CM	Chief Minister
CTR	Central Treasury Rules
DAC	Departmental Accounts Committee
DAO	District Accounts Office
DC	Deputy Commissioner
DDO	Drawing and Disbursing Officer
DEO	District Education Officer
DG	Director General
DHO	District Health Officer
ESED	Elementary and Secondary Education Department
GPS	Government Primary School
GGPS	Government Girls Primary School
GPF	General Provident fund
IPSAS	International Public Sector Accounting Standards
KPPRA	Khyber Pakhtunkhwa Public Procurement Regularity Authority
LGA	Local Government Act
LGE&RDD	Local Government Election & Rural Development Department

MFDAC	Memorandum for Departmental Accounts Committee
NAM	New Accounting Model
NOC	No Objection Certificate
PAC	Public Accounts Committee
PC-I	Planning Commission Proforma I
P&D	Planning and Development
PAO	Principal Accounting Officer
PCC	Plain Concrete Cement
PFC	Provincial Finance Commission
PHE	Public Health Engineering
PTC	Parents Teacher Council
RDA	Regional Directorate of Audit
RHC	Rural Health Centre
SAE	Schedule of Authorized Expenditure
SDEO	Sub Division Education Officer
SIDB	Small Industries Development Board
TS	Technical Sanction
TMA	Tehsil Municipal Administration
VC/NC's	Village Council/Neighborhood Councils

## **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 and Assistant Director Local Government Elections and Rural Development, Village Councils and Neighborhood Councils in District Torghar for the financial year 2018-19. The Director General of Audit, District Governments, Khyber Pakhtunkhwa conducted audit during 2019-20 on test check basis with a view to report significant findings to the relevant stakeholders. The main body of the audit report includes systemic issues and significant audit findings. Relatively less significant issues are listed in the Annex-1 of the Audit Report. The audit observations listed in Annex-1 shall be pursued with the Principal Accounting Officers at 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 districts of Khyber Pakhtunkhwa. Regional Directorate of Audit (RDA) Abbottabad, on behalf of the DG Audit District Governments, Khyber Pakhtunkhwa carried out the audit of Local Governments of eight districts namely Abbottabad, Haripur, Mansehra, Battagram, Kohistan Upper, Kohistan Lower, Kolai Palas Kohistan and Tor Ghar.

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 Torghar 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 two Tehsils administrations in district Torghar. The third Tier-village and neighborhood Councils have AD LGE & RDD as Principal Accounting Officer for these councils. There are 40 VCs/NCs in district Torghar.

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

This office is mandated to conduct audit of 53 formations working under 04 PAOs. Total expenditure and receipts of these formations were Rs. 982.541 million and Rs. 0.480 million respectively for the financial year 2018-19.

Audit coverage relating to expenditure for the current audit year comprises 11 formations of 04 PAOs having a total expenditure of Rs. 405.500 million for the financial year 2018-19. In terms of percentage, the audit coverage for expenditure is 41.27% of auditable expenditure.

Audit coverage relating to receipts for the current audit year comprises 11 formations of 04 PAOs having a total receipt of Rs. 0.480 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, and 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. 14.521 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 Torghar with respect to their functions, control structure and key controls. This helped auditors in understanding the systems, procedures, environment of the audited entity before starting the audit. Audit used desk audit techniques for analysis of compiled data and review of actual vouchers called for scrutiny and substantive testing.

**d. Audit Impact**

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

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

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

- a. Assets are safeguarded against loss due to waste, abuse, mismanagement, errors, fraud and other irregularities.



- b. Laws, regulations and management directives are complied with; and
- c. Reliable financial and management data is maintained and fairly disclosed in timely reported.

In most of the offices the internal controls were overridden by the management specifically in the 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 Torghar.

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

- i. Non compilation/Consolidation of Accounts of Local Governments -Rs. 89.7million<sup>1</sup>
- ii. Misclassification of developmental expenditure of Rs. 112.195 million<sup>2</sup>
- iii. Irregularities& Non-compliance were noted in 11 cases amounting to Rs. 136.837 million.<sup>3</sup>
- iv. Values for money were noticed in 10 cases amounting to Rs. 505.664million.<sup>4</sup>
- v. Others, including cases of accidents, negligence etc. were noticed in 05 cases amounting to Rs. 10.064 million<sup>5</sup>

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

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<sup>1</sup> Para 1.2.1

<sup>2</sup> Para 1.2.2

<sup>3</sup>Para 2.5.1.1 to 2 .5.1.6, 3.5.1.1 to 3.5.1.2 and 4.5.1.1 to 4.5.1.3

<sup>4</sup>Para 2.5.2.1 to 2.5.2.6,3.5.2.1 to 3.5.2.3 and 4.5.2.1

<sup>5</sup>Para 2.5.3.1 to 2.5.3.2,3.5.3.1 to 3.5.3.3

g. **Recommendations**

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

## **CHAPTER-1**

### **Public Financial Management**

#### **1.1 Sectoral Analysis**

##### **Introduction**

After promulgation of Local Government Act, 2013, Local Government elections were held in 2015, which resulted in formation of three tiers of government in each district of Khyber Pakhtunkhwa. Consequent upon, District Government, Tehsil Municipal Administrations and Village/Neighborhood Councils were established in District Peshawar. In the light of LGA 2013, District Torghar 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 Town Municipal Officer who is the Principal Accounting Officer for the Town Municipal Administration whereas Assistant Director LGE & RDD is the Principal Accounting Officers for Village/Neighborhood Councils.

In District Torghar, Funds amounting to Rs. 1,751.480million were allocated to 53 formations working under 04 PAOs. Out of which, expenditure of 982.541 million was made resulting into saving of Rs.768.940 million. Receipts of Rs. 0.480 million were collected through these formations during the financial year 2018-19. Audit coverage relating to expenditure for the current audit year comprises 11 formations of 04 PAOs having a total expenditure of Rs. 405.500 million for the financial year 2018-19. In terms of percentage, the audit coverage for expenditure is 41.27% of auditable expenditure. Similarly, audit coverage for receipts is 100%.

According to Section 36(3) of Local Government Act 2013, the District Accounts Officer was required to consolidate accounts of Local Government on quarterly and annual basis. However, District Accounts Officer, Torghar did not reflect Rs. 89.700 million into the consolidated financial statement of Local Government, Torghar. Similarly, the development expenditure of Rs. 112.195

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

District Government, Torghar 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, Torghar 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, Torghar 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 government provided services in the following sectors.

### **Education**

The education sector is one of the major sectors devolved at district level. Statistics show that there are 209 primary, 26 middle, 08 secondary and 03 higher secondary schools in District Torghar. The estimated Teacher Student Ratio is 1:46 at primary, 1:43 at middle, 1:31 at secondary and 1:34 at the level of higher secondary schools. District Torghar literacy rate is 34% the Gross Enrollment Rate (GER) is 51%, and the Net Enrollment Rate (NER) is 44% at the primary level. On budgetary front, District Education office, Torghar succeeded in spending 97.20% of District ADP and 99.80% of non-salary budgets.

District Education Offices in Torghar were given target of enrolment of 60,000 children for current year against which 42,989 kids were enrolled; wherein, DEO (male) and DEO (female) enrolled 29,369 and 13,620 children respectively. Similarly, annual average of teacher's attendance rate and student attendance rate as per independent Monitoring Unit (IMU) data were approximately 88% & 85% respectively. Furthermore, 87 % schools in district Torghar 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 only 34.2% against the assigned targets.

## **Health**

Health is another important sector of District Torghar with a total of 10 health facilities spread across the district, among which 02 are RHCs with the total catchment area population of approximately 171,395 as per survey carried out by Health department in 2016.

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 the other hand District Torghar has no mother and child health care unit to facilitate mother and child. Lab investigations and diagnostic facilities like X-rays, ultrasound, ECG and laboratory were not available in district Torghar. Figures of immunization are also very impressive as 954 pregnant women received TT-2 vaccines, 2,928 kids under 12 months received full immunization. 830 families were provided family planning services as evident from FP register. 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 is one welfare home for beggars/orphan for rehabilitation center for drug addicts and no vocational and industrial trainings were provided by the Social Welfare Department.in district Torghar. However, keeping in view the spread of drug use and incidence of poverty, no efforts were made by Social Welfare office in the short or long run unless more resources are diverted to this sector.

## **Municipal Services**

Tehsil Municipal Administrations, District Torghar did not fulfill some primary requirements envisioned as integral component of 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, Tehsil Account Officers were not appointed in TMAs. The accounts of receipt and expenditure were also not maintained in such form as prescribed by Auditor General of Pakistan and 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, Torghar 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. 89.700 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 Torghar 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. 89.700 million and Rs. 139.848 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 Torghar 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. 112.195 million**

### **Criteria**

The New Accounting Model based on double entry book keeping requires that every development expenditure which creates physical asset should have a corresponding effect during booking of expenditure.

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 Torghar 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. 112.195 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 Torghar budgeted all the developmental expenditure under the head A 03970- others, meant for operating expenses. Resultantly expenditure was also booked by the DAO under the same head of accounts.

### **Implication**

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

### **DAC Decision**

Para stands till correction of this omission.

**Recommendation**

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

## **CHAPTER-2**

### **District Government**

#### **2.1 Introduction**

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

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

(1) The authority of district government shall comprise the operation, management and control of offices of the departments which are devolved to it; provided that district government shall exercise such authority in accordance with general policy of Government.

(2) Every order in district government shall be expressed to be made in the name of the district government and shall be executed by a duly authorized officer.

(3) The district government shall be responsible to the people and the Government for improvement of governance and delivery of services within the ambit of authority devolved to it.

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

S/ No.	Description	Total No.	Audited	Expenditure audited FY 2018- 19 (Rs in million)	Revenue /Receipts audited FY 2018-19 (Rs. in million)
1	Formations	10	4	233.870	Nil

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

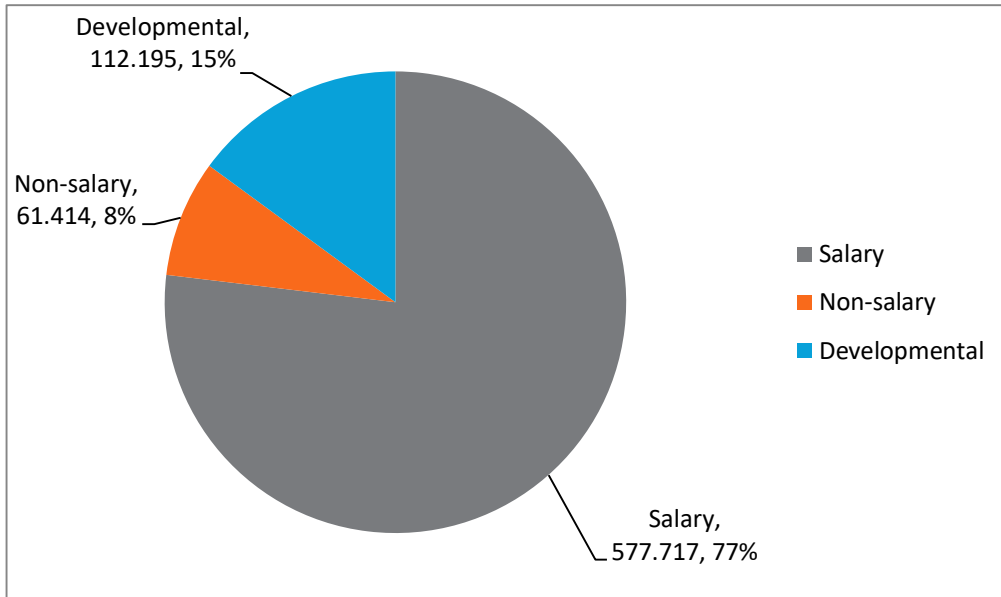
(Rs in million)

2018-19	Budget	Actual Expenditure/ Receipts	Excess /(Saving)	%age
Salary	571.686	577.716	6.031	1
Non-salary	437.273	61.414	(375.859)	-86
Developmental	312.249	112.195	(200.054)	-64
<b>Total</b>	<b>1,321.208</b>	<b>751.326</b>	<b>(569.882)</b>	
Receipts	0	0	0	0

The savings of Rs. 569.882 million indicate inefficiency in the capacity of Local Government Departments to utilize the amount allocated.

## EXPENDITURE 2018-19

(Rs in million)



### 2.3 Classified Summary of Audit Observations

Audit observations amounting<sup>6</sup> to Rs. 593.904 million were raised as a result of this audit in this audit report. This amount also includes recoverable of Rs. 1.038 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

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<sup>6</sup>Amount under audit observation is more than the expenditure audited due to observations on non-utilized funds, non-release of PTC finds, closing balances of previous year and deposit of that in non-PLS mode.

Sr. No.	Classification <sup>7</sup>	Amount (Rs.) <sup>8</sup>
1	<b>Irregularities :</b>	-
A	Procurement related irregularities	46.228
B	Management of Accounts with Commercial Banks	67.863
2	Value for money and service delivery issues	476.218
3	Others, including cases of accidents, negligence etc.	3.595
<b>Total</b>		<b>593.904</b>

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

The audit reports pertaining to following years have been submitted to the Governor of Khyber Pakhtunkhwa. 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

<sup>7</sup>Other/Issue based sub-classification may be developed by FAOs in consultation with their respective DAGs where deemed appropriate while keeping intact the main classifications as given above.

<sup>8</sup> An amount under observation may fall in more than one classification causing the total of this column as misleading.

## **2.5 AUDIT PARAS**

### **2.5.1 Irregularity**

#### **Procurements related irregularities**

##### **2.5.1.1 Non-supply of medicines worth Rs. 1.309 million**

According to clause 17 of contract agreement of MCC the supply of the ordered goods under this agreement shall be completed by the Supplier within thirty (30) days after the receipt of supply orders from the Purchasing Entity, except in situation/s covered under clause 16. In case of delay in supplies reaching to the Purchasing Entity, the following penalties shall be imposed by the Purchasing Entity upon the Supplier:

- i. Upon delay in supply from thirty-one to forty-five (31 to 45) days, a lump sum penalty amounting to three per cent (03%) of the total amount of the supply order for total number of items ordered in the same supply order issued to the Supplier, shall be levied through deducting the total amount of penalty from the total pre-tax payable billed amount by the Purchasing Entity, irrespective of the number of items supplied late.
- ii. Upon delay in supply from forty-six days up to sixty (46 to 60) days, a lump sum total penalty amounting to seven per cent (07%) of the total amount of the supply order for total number of items ordered in the same supply order issued to the Supplier, shall be levied through deducting the total amount of penalty from the total pre-tax payable billed amount by the Purchasing Entity, irrespective of the number of items supplied late.

DHO Torghar drew Rs. 1,309,000 for procurement of Medicines during 2018-19. The amount was retained in designated bank account as medicines were not supplied till date of audit. No action required under MCC was initiated against the supplier. Detail is as under:

S. No	Supplier	Supply Order date	Treasury Cheque No & Date	Designated Cheque No & Date	Amount (Rs)	Penalty (Rs)
1	Divise pharma	2090/18/6/20 19	0743523 /22.6.19	03086854/26/6/20 19	573,000	40,110
2	Net Wark pharma	2019/18/6/20 19	0743521 /22.6.19	03086855/26/6/20 19	736,000	51,520
<b>Total</b>					<b>1,309,000</b>	<b>91,630</b>

Non-supply of medicines and non-imposition and recovery of penalty occurred due to weak internal control system, resulted in loss to Government.

When pointed out in August 2019, the management stated that notices will be issued for immediate supply as well as recovery will be imposed and progress will be reported to audit.

Request for convening DAC meeting was made in September, 2019. However, DAC meeting was not conducted till finalization of this report.

Audit recommends for fixing responsibility and recovery of penalty besides ensuring supply of all of the medicines and equipment if any.

**AIR No. 02- 2018-19**

**2.5.1.2 Irregular payment on account of purchase of medicines - Rs. 6.623 million**

According Government MCC Khyber Pakhtunkhwa Peshawar No 1805-1909/DD/(Preq/RegfDrugs) Dated Peshawar the 11/09/ 2018, all Successful bidders were directed to immediately execute contract agreement with Government MCC for the year 2018-19. Moreover, Purchasing Entities shall submit mandatory quarterly reports regarding the clinical efficacy and/or other parameters of the relevant items in this list as used at their end, on a format enclosed along with this letter. In case of failure, disciplinary action may be initiated against the in-charge of the Purchasing Entity.

District Health Officer Torghar paid Rs. 6,622,800 for purchase of medicines and medical equipment during 2018-19. Firms did not execute the



contract agreement with MCC Khyber Pakhtunkhwa as the payments were not supported by Contract Execution Certificates. Furthermore, the clinical efficacy of the medicines was not reported to the competent authorities. Detail is given at annexure- 2.

Irregularity occurred due to weak controls, which caused in violation of rules.

When pointed out in August 2019, the management stated that clinical efficacy as well as contract execution certificates would be produced shortly as the suppliers have been issued notices in this regard and request for clinical efficacy has been made.

Request for convening DAC meeting was made in September, 2019. However, DAC meeting was not conducted till finalization of this report.

Audit recommends investigation of the matter and action against the person (s) at fault besides regularization.

**AIR No. 04-2018-19**

### **2.5.1.3 Unauthorized procurement of furniture- Rs. 19.149 Million**

According to SNo. 21 of the judgment of Peshawar High Court dated 07-12-2016 in the writ filed by All KP Furniture Manufacturing Association Peshawar against procurement from SIDB/FDC, the department shall take care of the healthy competition between different entities and would not make it practice nor precedent to deprive other competitors in the process of supply of items in future.

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.

District Education Officer Male and female Torghar paid Rs. 14,217,161 and Rs. 4,931,339 respectively to SIDB for procurement of furniture. The procurement was unauthorized and irregular as the furniture was purchased on simple quotation basis instead of NIT appearing in at least one National English and one Urdu newspaper with nationwide circulation besides advertising the same either on the procuring entity or Authority website. Detail is under:

S/No.	Cost centre	Cheque No.	Date	Amount(Rs)
1	DEO Male	1587237	18.2.19	12,218,500
2	DEO Male	1587875	21.6.19	1,998,661
3	DEO Female	1587194	01.2.19	4,931,339
<b>Total</b>				<b>19,148,500</b>

The irregularity occurred due to weak internal control system resulted in violation of rules and no healthy competition.

When pointed out in August 2019, the management stated that Govt. of Khyber Pakhtunkhwa E&SE Department No. CPO/PO-II/E&SED/1-1/Furniture project 2017-18, dated 19-01-2018 says that the DEOs E&SE Department had already initiated Procurement process as out of 25 Districts, 11 Districts would procure Furniture from Govt. Entities SIDB/ FDC and the remaining will go for Open Bidding Process.

Request for convening DAC meeting was made in September, 2019. However, DAC meeting was not conducted till finalization of this report.

Reply was not convincing as the Elementary and Secondary Education Department cannot supersede the rules mentioned above. Audit suggests disciplinary action against the persons at fault besides regularization by finance department and recovery of losses.

**AIR No. 01and 01-2018-19**

**2.5.1.4 Non-conducting inspection of Furniture worth –Rs. 19.149 million**

Letter No. CPO/PO-II/E&SED/ADP/Furniture project/2018 of Government of KP, Elementary & Secondary Education Department dated Peshawar the , October 11<sup>th</sup>, 2018 says, “ as the procurement process was undertaken by the District Purchase Committee headed by the respective Deputy Commissioners, therefore, the competent authority has desired that M&E wing of P&D department as a third party may carry out inspection of furniture procured under the captioned scheme”.

District Education Officer Male and Female Torghar paid Rs. 14,217,161 and Rs. 4,931,339 for procurement and supply of furniture to respective schools, as per distribution list, during 2018-19. Neither any authentic acknowledgement of the respective schools nor any inspection was carried out by M&E wing of P&D department as a third party.

The irregularity occurred due weak internal control system resulted in non-compliance and may lead the government to losses.

Request for convening DAC meeting was made in September, 2019. However, DAC meeting was not conducted till finalization of this report.

When pointed out in September 2019, the management stated that the P&D Department would be requested to nominate a committee for third party validation of the procured Furniture.

Management admitted the irregularity; Audit suggests disciplinary action against the persons at fault besides regularization under intimation to audit.

**AIR No. 02 and 02-2018-19**

**Management of Accounts with Commercial Banks**

**2.5.1.5 Irregular deposit of funds in current bank account– Rs. 45.929million**

Finance Department letter No. 2/3(F/L) FD 20017-18/Vol. ix dated Peshawar the 10<sup>th</sup> February 2014 provides that Finance Department has from

time to time allowed/sanctioned bank accounts in commercial bank for various Departments/ Autonomous Bodies/Corporations in KP for particular and specific purposes. Now it has been decided that such accounts may be converted to PLS mode and the profit so earned be deposited in Govt. Treasury under relevant head and not later than a week when declared by the concerned bank.

Deputy Commissioner, DHO, DEO male and female Torghar retained the funds amounting to Rs. 45,929,159 in current bank account instead of PLS mode. Detail is as under:

(Amount in Rs)

S. No	Cost Centre	Name of bank & Branch	A/C #	Opening balance	Receipts / deposits during the year	Total deposits
1	DC	BOK Torghar	CD 00805-00-2 & 00002-00-9	13,322,301	10,789,153	24,111,454
2	DHO	BOK Torghar	38144-00-3 & 00481-00-9	3,028,641	9,979,806	13,008,447
3	DEO male	NBP	4014113501	3,515,354	3,616,216	7,131,570
4	DEO female	NBP	4014114680	388,080	1,289,608	1,677,688
<b>Total</b>				<b>20,254,376</b>	<b>25,674,783</b>	<b>45,929,159</b>

Irregularity occurred due to poor financial management, which resulted in violation of rules.

When pointed out in August 2019, the management stated that directives of competent authorities regarding conversion of accounts to PLS mode was not served to this office. However the Govt. of Khyber Pakhtunkhwa, Finance Department as well as the NBP would be requested for the conversion of current accounts into PLS mode and the progress will be imitated to audit

Request for convening DAC meeting was made in September, 2019. However, DAC meeting was not conducted till finalization of this report.

Reply was not tenable audit recommends transfer of funds to PLS mode and fixing responsibilities against the persons at fault besides recovery to the tune of mark up for the period under report.

**2.5.1.6 Non-reconciliation and revival/approval of closing balances in designated bank accounts – Rs. 21.847 million**

According to Government of Khyber Pakhtunkhwa, Finance Department letter No 2/3/(F/L)/FD/2017/Vol.-XI dated 26.06.2018, all the departments are required to reconcile the closing balances in all designated bank accounts with Finance Department latest by 7<sup>th</sup> July, 2018 along with duly verified bank statements for 2018-19 and balances if any in designated bank accounts shall not be available for use without prior approval of Finance Department KP.

Deputy Commissioner, DEO male and Female Torghar neither reconciled with nor revived by finance department the closing balances amounting to Rs. 21,847,608 as on 30<sup>th</sup> June, 2018 as well as that on 30<sup>th</sup> June, 2019. Detail is given below:

S. No	Office	Amount (Rs)
1	DC office	13,322,301
2	DEO male	3,616,216
3	DEO male	3,619,121
4	DEO female	1,289,608
<b>Total</b>		<b>21,847,246</b>

Non reconciliation, revival and approval of closing balances in designated bank accounts occurred due to weak financial controls, which caused unfair view of the financial information.

When pointed out in August 2019, the management stated that case of reconciliation, revival and approval of closing balances will be taken up with finance department and the results will be intimated to audit.

Request for convening DAC meeting was made in September, 2019. However, DAC meeting was not conducted till finalization of this report.

Audit suggests reconciliation with as well as revival by finance department of KP besides action against the person (s) at fault under intimation to audit.

**AIR No. 06, 13, 14 & 9 (2018-19)**

## 2.5.2 Value for money and service delivery issues

### 2.5.2.1 Loss to Government due to inefficient utilization of development fund -Rs. 358.237 million

According to Finance department notification No.BO.1/5-20/2018-19 dated 04.09.2018, PFC share/district development fund would be released subject to 60% utilization of funds already released.

Deputy Commissioner Torghar allocated Rs. 804,803,000 for development activities against which Rs. 446,566,000 were released. The remaining amount of Rs. 358,237,000 was withheld as the DC failed to ensure the completion of the development schemes through the executing agencies which resulted in loss to District Government. Detail is as under:

(Amount in Rs)

S/No.	Financial year	PFC Share	Releases	Amount withheld by finance department
1	2015-16	195,304,000	97,652,000	97,652,000
2	2016-17	236,539,000	192,406,000	44,133,000
3	2017-18	164,360,000	0	164,360,000
4	2018-19	208,600,000	156,508,000	52,092,000
<b>Total</b>		<b>804,803,000</b>	<b>446,566,000</b>	<b>358,237,000</b>

Irregularity occurred due to lack of administrative and financial control and inefficiencies of the local office.

When pointed out in August 2019, the management stated that the funds were not utilized due to inefficiencies of the executing agencies whereas in some instances the schemes were delayed due to land disputes.

Request for convening DAC meeting was made in September, 2019. However, DAC meeting was not conducted till finalization of this report.

Reply was not convincing, audit recommends inquiry for fixing responsibilities and disciplinary action against the persons at fault besides utilization of unspent balances in 2019-20 in accordance with budget allocation and guidelines issued by the P&D Department.

**AIR No. 01 (2018-19)**

**2.5.2.2 Unauthorized allocation of funds for repair work out of development fund– Rs. 15.690 million.**

According to Government of Khyber Pakhtunkhwa, Local Government Election and Rural Development Department letter No. Director (LG)/ District ADP/2015 dated 28.01.2015, PFC share/district development fund is for developmental schemes which should be completed within the same financial year.

Deputy Commissioner Torghar released Rs. 15,690,000 for 63 schemes of repair work out of ADP 2018-19. Allocation of fund out of ADP for non-developmental activities was unauthorized as the fund was meant for developmental activities. Detail is given at annexure-3.

Unauthorized allocation of funds for repair works out of development funds occurred due to weak internal controls, which caused misappropriation of development funds.

When pointed out in August 2019, the management did not furnish any reply.

Request for convening DAC meeting was made in September, 2019. However, DAC meeting was not conducted till finalization of this report.

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

**AIR No. 03 (2018-19)**

**2.5.2.3 Unauthorized and irregular allocation Rs. 82.830 million**

S.No. vii of the guidelines/modalities for district development funds released under PFC circulated vide No. Director (LG) district ADP 2015 dated Peshawar, the 28<sup>th</sup> January, 2015 provides, “the cost of each scheme should not be less than Rs. 0.5 million and maximum limit may be kept open to encourage bigger projects having more socioeconomic impact”.

Deputy Commissioner Torghar released a huge sum of Rs. 82,830,00 for the execution of 418 developmental schemes during 2018-19, The estimated cost of each scheme was less than Rs. 0.5 million which is held unauthorized and irregular. Detail is given at annexure-4.

The irregularity occurred due to weak administrative control violation of rules.

When pointed out in August 2019, the management stated that according to P&D guidelines DDC shall approve projects of District ADP cleared by DDAC up to any cost limit subject to availability of funds.

Request for convening DAC meeting was made in September, 2019. However, DAC meeting was not conducted till finalization of this report.

Reply was not convincing as was not supported by evidence, Audit recommends disciplinary action against the person (s) at fault besides recovery of the amounts spent in violation Government's instruction.

**AIR No. 04(2018-19)**

**2.5.2.4 Irregular payment on account land acquisition without mutation of land –Rs. 8.588 million**

According to Government of Khyber Pakhtunkhwa, Revenue Department's Notification No. REV. V/4/2006/Notification/LA 10973 dated 17.08.2006 read with ibid No. REV. V/4/2006/Notification/LA 12280-312 dated 27.02.2018 the entire process of acquisition of land should be completed within a period of six months from the date of notification under section 4 and the district collector will ensure attestation of mutation in favour of acquiring department within one month after issuance of award.

Deputy Commissioner Torghar during 2018-19, paid Rs. 8,588,215 for acquisition of land for construction of DHQ Jodba, Women Community Centre, and construction of playground and BHU Mera Madakhel, without mutation of the land in the name of the concerned acquiring departments. Detail given below:

S. No	Award No	Detail	Total Compensation
1	29	DHQ	7,011,123
2	26	Women Community Centre	112,926



3	27	Construction of Play Ground	523,566
4	28	BHU MeraMadakhel	940,600
<b>Total</b>			<b>8,588,215</b>

Non mutation of land occurred due to weak internal controls, may lead to legal complications and losses in future

When pointed out in September 2019, the management did not reply to audit observation.

Request for convening DAC meeting was made in September, 2019. However, DAC meeting was not conducted till finalization of this report.

Audit recommends justification in the matter/immediate mutation of land besides fixing of responsibility for action against the person(s) at fault.

**AIR No. 16 (2018-19)**

**2.5.2.5 Loss to government due to non-achievement of receipts target –Rs. 19.835 million**

According to Government of Khyber Pakhtunkhwa Finance Department Estimates of Receipts for 2018-19, target for Health receipts of the District Health Officer Torghar was Rs. 20,400,000.

The target of health receipts for DHO Torghar was Rs. 20,400,000 for the financial year 2018-19. However, the local office realized only Rs. 565,092 resulted in non-achievement of target and loss to government worth Rs. 19,834,908.

Non-achievement of target was due to weak internal controls, resulted in loss to government.

When pointed out in August 2019, the management stated that there were only 10 BHUs in this District which are providing basic health services and it was not possible to achieve such a heavy target of Rs. 20,400,000 just from OPD fee of 10 BHUs.

Request for convening DAC meeting was made in September, 2019. However, DAC meeting was not conducted till finalization of this report.

Reply was not convincing as the finance department may have kept in view all the parameters while setting the targets for each district, Audit suggests inquiry for fixing responsibility besides action against the person(s) at fault.

**AIR No. 09 (2018-19)**

**2.5.2.6 Non releases/non-utilization of PTC funds –Rs. 1.945 million**

According to Government of Khyber Pakhtunkhwa, Elementary & Secondary Education Department letter No.SO(B&A)1-6/BCC/2018-19 dated 03.04.2019, all the District Education Officer (M&F) were directed to ensure 100% release of CRC & Petty Repair fund to the concerned schools so that they could make its utilization during the current financial year 2018-19.

District Education Officer (Male) Torghar did not release fund of Rs. 1,945,000 allocated for CRC and Petty repairs of various schools during 2018-19. The amount was surrendered resulted in non-release/non-utilization of PTC funds. Detail of Surrender is as under:

S. No	Name of School	Allocation (Rs)	Release (Rs)	Surrender (Rs)
1	CRC	2,145,000	800,000	1,345,000
2	Petty Repairs	1,596,000	996,000	600,000
<b>Totals</b>		<b>3,741,000</b>	<b>1,796,000</b>	<b>1,945,000</b>

Non release of fund was due to lack of financial controls which deprived the schools from provision of basic facilities.

When pointed out in September 2019, the management stated that the bills were submitted to DAO Torghar for pre audit and payment to the concerned PTCs. In the light of FD letter No.SO (ESTT)FD/5-14/2018/verification of Cheque/ dated 27/05/2019 (Copy enclosed), the concerned DAO not agreed to pay the requisite amount to the concerned PTC through DEO (M) Torghar.

Request for convening DAC meeting was made in September, 2019. However, DAC meeting was not conducted till finalization of this report.

Reply was not convincing as the modalities for the distribution of PTC funds have already been circulated by finance department, audit suggests inquiry in to the matter for fixing responsibilities and action against the person(s) at fault.

**AIR No. 11 (2018-19)**

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

#### 2.5.3.1 Unauthorized Transfer of conditional grant -Rs. 1.650 million

Serial No 02 of Policy and Procedures for Inter-Schools Transfer of Conditional Grants Funds of the Government of Khyber Pakhtunkhwa Elementary and Secondary Education Department Peshawar, states “ESED will compile district-wise list of schools containing number and cost of missing facilities to be provided in a certain year. Provincial Finance Department releases funds to district governments for further release of conditional grants funds to concerned District Education Offices.

According to Government of Khyber Pakhtunkhwa, Finance Department letter No 2/3/(F/L)/FD/2017/Vol.-XI dated 26.06.2018, all the departments are required to reconcile the closing balances in all designated bank accounts with Finance Department latest by 7<sup>th</sup> July, 2018 along with duly verified bank statements for 2018-19 and balances if any in designated bank accounts shall not be available for use without prior approval of Finance Department KP.

District Education Officer (M) Torghar transferred Rs. 1,650,000 to following schools for provision of missing facilities during the previous financial years, which remained unspent till 2018-19. The management transferred the same to other schools in financial year 2018-19, without approval of the Finance Department. Transfer of grant to other schools was unauthorized as the same was released and approved by the Provincial Finance Department for those schools having missing facilities in last years. Detail given below:

<b>From</b>	<b>To</b>	<b>Amount (Rs)</b>
GHS Bartooni	GMS Seri kohani	825,000
-do-	GMS Chirakot	125,000
GMS MachraDaden	GMS Chirakot	700,000
<b>Total</b>		<b>1,650,000</b>

The irregularity occurred due to lack of financial management and weak internal control system which resulted unauthorized transfer of conditional grant.

When pointed out in September 2019, the management stated that the funds transferred from PTC to PTC of the concerned schools out of District ADP

funds for Structure repair, provision of missing facilities etc. instead of Conditional grant, but the requisite funds could not be utilized due to reflection of the schools in ADP Scheme. After verification, the requisite funds has been transferred and utilized on need basis for provision of Headmaster Offices in GMS Chirakot & Seri Kohani.

Request for convening DAC meeting was made in September, 2019. However, DAC meeting was not conducted till finalization of this report.

Reply was not convincing, audit suggests that unspent balances were required to be surrendered to the quarters concerned or regularized from the competent authority besides fixing responsibility for action against the person(s) at fault.

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

**2.5.3.2 Loss to Government due to allowing overpayment of compulsory acquisition charges –Rs. 1.038 million**

Section 20 (a) & (b) of Land Acquisition Act 1894 requires that the court shall thereupon cause a notice specifying the day on which the court will proceed to determine the objection, and directing their appearance on that day to be served on the applicant and all persons interested in the objection.

According to section 23(2) of Land Acquisition Act 1894, "in addition to the market value of the land as above provided, the court shall in every case award a sum of 15% on such market value, in consideration of the compulsory nature of the acquisition".

Deputy Commissioner Torghar paid an amount of Rs. 1,037,626 as 15% compulsory acquisition charges for acquisition of land for construction of DHQ Jodba, Women Community Center, construction of playground and BHU Mera Madakhel, without observing the due legal process and other codal formalities as per following details.

1. Compulsory acquisition charges were allowed at the very initial stage of acquisition before the publication of preliminary notification under section 4 of the Act.

2. No written objection, obstruction, refusal or appeal made to the Collector/Court by the owners as required under section 18 (1) & (2) of the Act.
3. 15% compulsory acquisition charges shall be allowed by the court under section 23 (2) of the Act, not by any other authority. Under section 3(d) of the Act “Court” means a Principal Civil Court of original jurisdiction, unless the Provincial Government has appointed a special judicial officer within any specified local limits to perform the functions of the Court under this Act.
4. Neither the cases were referred to Court nor any proceeding was undertaken/carried out under section 20 (a) (b) mentioned in the criteria.

Audit held that the allowing 15% compulsory acquisition charges were in violation of Act, which resulted in loss of Rs. 1,037,626. Detail given below:

S. No	Award No	Detail	Cost of land (Rs)	15% C.C (Rs)
1	29	DHQ	5,564,015	837,602
2	26	Women Community Center	95,700	14,355
3	27	Construction of Play Ground	443,700	66,555
4	28	BHU MeraMadakhel	794,049	119,114
<b>Total</b>			<b>6,897,464</b>	<b>1,037,626</b>

Overpayment was made due weak administrative controls, which caused loss to Government.

When pointed out in August 2019, management stated that the lands were purchased on very low prices due to which this office left no option but to pay compulsory acquisition charges. Department admitted the irregularity as the compulsory acquisition charges were awarded on initial stage of award without observing the above mentioned formalities.

Request for convening DAC meeting was made in September, 2019. However, DAC meeting was not conducted till finalization of this report.

Audit recommends justification/recovery of 15% compulsory charges and action against the person(s) at fault.

**AIR No. 14 (2018-19)**

## **CHAPTER-3**

### **Tehsil Municipal Administration**

#### **3.1 Introduction**

District Torghar has two Tehsils i.e. Judbah and Hassanzai. The office of a Tehsil Municipal Administration is managed by the Tehsil Municipal Officer. He is assisted by a Tehsil officer Finance. A Tehsil Accounts Officer and a Tehsil officer technical.

**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 programs, collection of revenue such as taxes, penalties, fines etc. manage municipal properties, assets and funds, and liaise with the district government in all these matters.
- (e) Maintaining a comprehensive data base and information system on services in the Tehsil municipal record and archives and provide public access to it on nominal charges;
- (f) Organizing sports, cultural, recreational events, fairs, cattle fairs and cattle markets;
- (g) Co-ordinate and support municipal functions amongst village and neighborhood councils;

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

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

Sr No	Description	Total Nos	Audited	Expenditure audited FY 2018-19 (Rs in million)	Revenue /Receipts audited FY 2018-19 (Rs. in million)
1	Formations	2	2	139.848	0.480

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

(Rs in million)

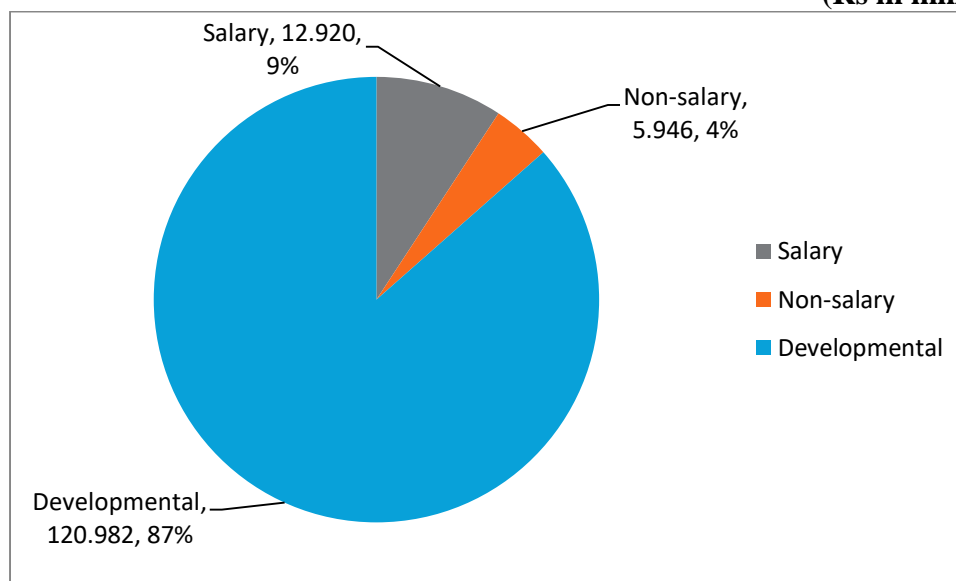
2018-19	Budget	Actual Expenditure/ Receipts	Excess /(Saving)	%age
<b>Salary</b>	26.427	12.920	-13.507	51.111
<b>Non-salary</b>	20.787	5.946	-14.841	-71.397
<b>Developmental</b>	286.653	120.982	-165.671	-57.795
<b>Total</b>	<b>333.866</b>	<b>139.848</b>	<b>-194.019</b>	
<b>Receipts</b>	0.405	0.480	0.075	19%

The savings of Rs. 194.019 million indicate inefficiency in the capacity of Local Government Departments to utilize the amount allocated.



## EXPENDITURE 2018-19

(Rs in million)



### 3.3 Classified Summary of Audit Observations

Audit observations amounting to Rs. 25.773 million were raised in this audit report. This amount also includes recoverable of Rs. 12.256 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rs in million)

Sr. No.	Classification	Amount
1	<b>Irregularities:</b>	
A	Procurement related irregularities	9.808
2	Value for money and service delivery issues	9.836
3	Others, including cases of accidents, negligence etc.	6.129
<b>Total</b>		<b>25.773</b>

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

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

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

### **3.5 AUDIT PARAS**

#### **3.5.1 Irregularity**

##### **Procurement related irregularities**

#### **3.5.1.1 Irregular execution and payment without Technical sanction -Rs. 8.636 million**

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

TMO TMA Judbah executed various development works under different grants like CMD, ADP and PFC during 2018-19 and shown paid Rs. 8,636,000 without TS. Detail is given at annexure-05.

When pointed out in November 2019, the management stated that Technical Sanction will be provided to audit. No progress reported till finalization of audit report.

Request for convening DAC meeting was made in September, 2019. However, DAC meeting was not conducted till finalization of this report.

Audit recommends investigation for fixing responsibility and action against person at fault.

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

#### **3.5.1.2 Irregular execution and payment without technical sanction -Rs. 1.172 Million**

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

TMA Hassan Zai kandar executed various development works and shown paid Rs. 1.172 million under different grants like CMD,ADP and PFC etc. during 2018-19. Detail is given at annexure -6.

However technical sanction of the schemes was not obtained prior to the execution of work at site. Material test of not a single scheme was carried out in violation of the above instructions.

When pointed out in November 2019, the management stated that TS will be obtained and informed to audit. The reply is not tenable as Government instructions were not followed.

Audit recommends investigation for fixing responsibility and action against person at fault.

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

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

#### **3.5.2.1 Non Recovery of Property Tax on account of acquisition of land from collector-Rs. 1.464 million**

According to para 10 of Economy/Austerity measures introduced by Government of Khyber Pakhtunkhwa Finance Department vide letter No. BO.I/FD/5-8/2018-19 dated 29.10.2018, No department shall retain receipts in bank accounts. The departments must remit all receipts to provincial account forthwith except where departments/facilities have been specifically permitted under some statute/act.

As per prevailing schedule of transfer of immovable property the tax rate is 2% on mutation amount.

TMA Judbah District Torghar neither collected nor deposited into government treasury property tax amounting to Rs. 1,464,314 from District Collector during 2018-19 District collector Torghar awarded twelve (12) land acquisition awards of Rs. 73,215,875. Detail is given in Annexure-7.

When pointed out in November 2019, the management stated that efforts are being made for recovery from collector. The reply is not tenable as no recovery was made.

Request for convening DAC meeting was made in December, 2019. However, DAC meeting was not conducted till finalization of this report.

Audit recommends recovery and action against the person at fault.

**AIR No. 01 (2018-19)**

#### **3.5.2.2 Non recovery of penalty on late completion of Schemes -Rs. 6.310 million**

Clause-2 of the condition of the contract agreement clearly provide that the contractor has to pay compensation @ 01 per cent per day or Maximum 10% of the estimated cost for the delay in completion of work.

TMO Judbah awarded various development schemes costing Rs. 63,100,000 which were not completed in stipulated period of time. Management was required to impose 10% penalty of the estimated cost, which was not done and resulted in loss to Government exchequer worth Rs. 6,310,000.

When pointed out in November 2019, the management stated that detail reply will be provided after checking of record. Reply is not convincing as no recovery was made till finalization of report.

Request for convening DAC meeting was made in September, 2019. However, DAC meeting was not conducted till finalization of this report.

Audit suggest responsibly be fixed on person(s) at fault beside recovery of penalty may be made under intimation to audit.

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

**3.5.2.3 Non-recovery of penalty for delay in completion of schemes – Rs2.062 million**

According to clause 02 of the conditions of contract agreement, 01% should be deducted from the contractor's bill for every day delay. The penalty is subject to maximum of 10%.

Tehsil Municipal Officer, Hassan Zai Kandar awarded contracts of various developmental schemes having estimated cost of Rs. 20,622,000 during 2018-19. The schemes were not completed in stipulated period of time, however penalty @ 10% which comes to Rs. 2,062,000 was not recovered. Detail is given at Annexure-8.

Penalty was not imposed in violation of contract agreement which resulted in loss to Government.

When pointed out in November 2019, the management stated that detailed reply will be after consulting the record provided. The reply is not tenable as no reply was received till finalization of audit report.

Audit recommends imposition of penalty and immediate recovery besides action against responsible persons.

**AIR No. 04 (2018-19)**

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

#### **3.5.3.1 Payment in excess of the approved bid cost- Rs. 1.600 million**

Para 56 of CPWD Code requires that TS Estimate should be based on sound data and site requirements and deviation from TS should not be allowed in any case.

Tehsil Municipal Officer Judbah issued work order for the execution of schemes to M/S Said Zawar Construction Company for Rs. 11,000,000 @ 23% below against the estimated cost of Rs. 12,600,000. Whereas an amount of Rs. 12,600,000 was paid to contractor up to final bill resulted in excess payment of Rs. 1,600,000.

The excess payment was due to weak internal control system.

When pointed out in November 2019, the management stated that revised estimate will be provided to audit within 15 days. No progress reported till finalization of this report.

Responsibility may be fixed on person at fault under intimation audit.

**AIR No. 04 (2018-19)**

#### **3.5.3.2 Doubtful payment of Rs.3.709 million**

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

TMA Jubbah paid Rs. 3,709,419 to contractors against their work bills having factitious signature of Tehsil officer Infrastructure. Detail of payments and bills is as under;

S. No	Package No	Name of Contractor	Bill No	Amount
1	11	M/S Rose construction company	2	397,151
2	11	-do-	03	523,793
3	11	-do-	04	731,370
4	13	M/S GulNawabZar& Co	1	945,919
5	13	-do-	02	716,473
6	12	M/S Rose Construction Company	2	159,326
7	12	-do-	03	235,387
<b>Total</b>				<b>3,709,419</b>

When pointed out in November 2019, the management stated that detail reply will be provided after consulting the relevant record. Reply is not convincing as no recovery was made till finalization of report.

Request for convening DAC meeting was made in December, 2019. However, DAC meeting was not conducted till finalization of this report.

Audit recommends inquiry for fixing responsibilities and action against the persons at fault under intimation to audit.

**AIR No. 11(2018-19)**

### **3.5.3.3 Non recovery of Sales Tax Rs. 1.160 million**

According to Government of Pakistan Collect orate of Sales Tax & Federal Excise letter No.ST(Tech)Misc.Purchase.06/6097 dated 10/10/2006 there is no sales tax on services of repair and fixing of pipes etc. however, the material used in such services are chargeable to sales tax.

Tehsil Municipal Officer, Hassan Zai Kandar allowed payment of Rs. 6,826,000 to various contractors for supply of GI Pipes for the execution of different DWSS schemes during 2018-19. However, Sales Tax @17% worth Rs. 1,160,420 was not deducted from the contractors.



Audit observed that non-recovery of sales tax occurred due to weak internal control system, resulted in loss to Government.

When pointed out in November 2019, the management stated that sale tax deduction has not been imposed on supply and fixing of pipes. The reply is not tenable as Govt. instructions were not followed.

Request for convening DAC meeting was made in December, 2019. However, DAC meeting was not conducted till finalization of this report.

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

**AIR No. 05 (2018-19)**

## CHAPTER-4

### AD LGE & RDD

#### 4.1 Introduction

Assistant Director Local Government, Election and Rural Development Department in District Torghar have 40 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.

**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 neighbourhood 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 planned formations expenditure and receipts:**

Sr No	Description	Total No.s	Audited	Expenditure audited FY 2018-19 (Rs in million)	Revenue /Receipts audited FY 2018-19 (Rs. in million)
1	Formations	41	5	31.782	NA

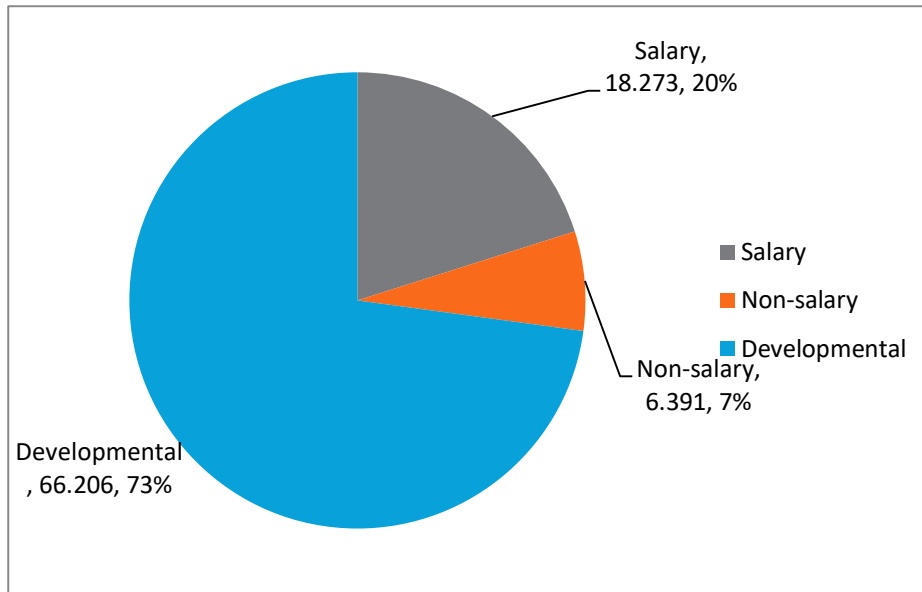
**4.2 Comments on Budget and Accounts (Variance Analysis)**

(Rs in million)

2018-19	Budget	Actual Expenditure/ Receipts	Excess /(Saving)	%age
Salary	18.273	18.770	0.497	3
Non-salary	11.928	6.391	-5.537	-46
Developmental	66.206	66.206	0	0
<b>Total</b>	<b>96.407</b>	<b>91.367</b>		
Receipts	0	0	0	

## EXPENDITURE 2018-19

(Rs in million)



### 4.3 Classified Summary of Audit Observations

Audit observations amounting to Rs. 32.548 million were raised in this audit report. This amount also includes recoverable of Rs. 1.227 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rs in million)

Sr. No.	Classification	Amount
1	<b>Irregularities:</b>	
A	HR/Employees related irregularities	1.227
B	Procurement related irregularities	1.740
C	Management of Accounts with Commercial Banks	9.971
2	Value for money and service delivery issues	19.610
	<b>Total</b>	<b>32.548</b>

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

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

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

## **4.5 AUDIT PARAS**

### **4.5.1 Irregularities**

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

##### **4.5.1.1 Irregular appointment of contingent paid staff and payment of salaries- Rs. 1.227 million**

According to S/No. 04 of the economy/austerity measures for the financial year 2018-19 circulated vide finance department No. BO.1/5-8/2018-19 dated 29.10.18 no appointment of contingent paid staff shall be made during the current financial year.

During scrutiny of record of District Council Torghar it was noticed that management appointed contingent paid staff in December 2017 and 2018 and paid Rs. 1,227,000 to them on account of salary during financial year 2018-19. Audit held that appointment and payment of salary was irregular as there was complete ban on appointments of contingent paid staff.

Moreover staff was appointed without any proper procedure such as advertisement in newspapers, constitution of appointment committee etc.

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

When pointed out in December 2019, the management stated that District Torghar has been established in 2011, since the inception of District Torghar, the local bodies election 2015 was the first ever election in District Torghar. There was no surplus staff in TMA and District Council Torghar for adjustment. The entire official work was suffering very badly which ultimately was affecting the progress and performance of District Council in Day to Day work. Therefore District Council in its Session No.15 held on 12/10/2017 unanimously decided to appoint staff purely on contingent and fixed pay basis. Reply was not tenable as District Council cannot over ruled Provincial Finance Department instructions.

Request for convening DAC meeting was made in September, 2019. However, DAC meeting was not conducted till finalization of this report.

Audit recommends action against persons at fault under intimation to audit.

**AIR No.07- 2018-19**

### **Procurements related irregularities**

#### **4.5.1.2 Irregular Payment on account of developmental schemes without material testing – Rs. 1.740 million**

According to Chief Engineer Government of Khyber Pakhtunkhwa LGE&RD Department letter No Ch./Engineer/LCB/General/3-4/2016 dated 14-01-2016, in order to improve the quality of works and to achieve the required specification, material testing shall be conducted through contractors at their own expenses from reputed labs of UET, PKHA etc. and if any scheme found executed without test of material will not be accepted and action will be initiated against the persons at fault.

Assistant Director LGE&RDD Torghar incurred expenditure of Rs. 1,740,700 on account of various developmental schemes executed by VCs and NC during 2018-19, however material testing of not a single scheme was carried out by the contractors. Detail is given at annexure-9.

Audit observed that expenditure without material testing occurred due violation of rules which resulted in irregular payment.

When pointed out in December 2019, the management stated that the notices have been issued to contractors for material test and submission of reports. Reply was not tenable as the material test was required at the time of execution of schemes which was not done.

Request for convening DAC meeting was made in September, 2019. However, DAC meeting was not conducted till finalization of this report.

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

**AIR No. 2-2018-19**



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

### **4.5.1.3 Irregular transfer/deposit of funds in current bank account – Rs. 9.97million**

According to letter No. BO (PFC-III)/FD/1-6/VCs/NCs/2015-16 dated 28.04.2016 read with letter No. BO (PFC-III)/FD/1-6/ADP/15-16 and BO (PFC-III)/FD/1-6/Zilla Tax/2015-16 dated 15.01.2016 and 28.03.2016 respectively, the funds are meant for VCs/NCs of each District and shall be transferred /credited to their respective designated Bank accounts (PLS mode) by the Accountant General/District Accounts Officer through internal transfer entries.

Four VCs under the administrative control of AD LG&RDD Torghar received Rs. 9,971,411 as operating and developmental fund during financial year 2018-19. The management transferred/deposited the funds in current bank accounts instead of PLS accounts, which is against the spirit of above-mentioned rules which needs detail enquiry.

Audit observed that placing of funds in current account occurred due to weak financial control which resulted in violation of rules.

When pointed out in December 2019, the management stated that All the Manager of concerned banks have already been communicated letter vide No. 2/3-FD/2007-O8/Vol.-ix dated 16<sup>th</sup> March 2018 received from Finance Department Khyber Pakhtunkhwa Peshawar and was requested to convert Current Account to PLS and the profit earned be deposit in government treasury vide this office letter No.389-94 /ADRDD (TG) dated 09/8/2018. Reply was not tenable as the same was not converted till finalization of this report.

Request for convening DAC meeting was made in December, 2019. However, DAC meeting was not conducted till finalization of this report.

Audit recommends transfer of funds to PLS mode immediately under intimation to audit.

**AIR No. 01 (2018-19)**

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

### **4.5.2.1 Blockade of developmental fund due to inefficiency-Rs. 19.610 million**

According to VCs & NCs Budget Rules 2016, all ADP projects shall be completed within the financial year for which the budget is appropriated for such projects and shall not be extended to next financial year. According to VCs & NCs Budget Rules 2016 ADLG&RDD is responsible for monitoring of the budget execution through regular expenditure or revenue reviews, as the case may be, ensuring that funds are spent or realized as approved by the Village or Neighbourhood Councils. According to S No 9.11 of Government of Khyber Pakhtunkhwa P&D Rules 2015, project's completion period will be restricted to one year for building, nine months for roads and six months for other projects as per Government policy.

AD LGE&RDD Torghar received developmental funds amounting to Rs. 66,206,000 for execution of works through 40 VCs/NCs during 2018-19. The amount was further transferred to the designated accounts of concerned council. Funds to the tune of Rs. 19,610,000 could not be utilized till the dates of audit i.e. November 2019 which indicated inefficiency of management and councils due to non-serious attitude towards Government funds.

Blockade of developmental funds occurred due to weak financial control which resulted in loss to the government depriving the local community from the timely utilization of the fund.

When pointed out in December 2019, the management stated that the directions were issued to Engineers/Contractors for immediate utilization of funds lying in the designated accounts of VCs/NC in respect of developmental schemes. Whereas, the utilization had delayed due to hilly terrain, harsh and bad weather. Reply was not tenable as amount was required to be utilized within one year (maximum) to benefit the public.

Request for convening DAC meeting was made in December, 2019. However, DAC meeting was not conducted till finalization of this report.

Audit recommends investigation and fixing responsibility against the person(s) at fault under intimation to audit.

**AIR No. 03 (2018-19)**

## ANNEXURES

### Annex-1

#### MEFDAC

S. No	Department	Para No	Subject	Rs (in million)
1	DC	7	Unauthentic balances of the District account-IV	-
2	DC	8	Non-reconciliation of receipts of fines & forfeitures	0.028
3	DC	9	Doubtful drawl	0.830
4	DC	10	Non-establishment of Independent Internal Audit Cell nor conduction of internal audit	-
5	DC	11	Non-monitoring of the developmental schemes	-
6	DC	12	Non-allocation for Disaster Risk Reduction measures	-
7	DC	13	Less imposition of fine	0.043
8	DC	15	Non deposit of stamp duty & mutation fee	0.248
9	DC	17	Non reconciliation of expenditure under head Revenue Deposit	7.877
10	DC	18	Irregular purchase of furniture	0.166
11	DHO	1	Unauthorized payment for purchase of medicine without DTL reports	0.867
12	DHO	2	Non- recovery of penalty for late supply of medicines	0.092
13	DHO	3	Loss to government due to less deduction of income tax	0.230
14	DHO	5	Undue favour extended to suppliers due to non-recovery of performance guarantee	0.662
15	DHO	6	Non-initiation of action against the suppliers and non-forfeiture of call deposit	-
16	DHO	7	Unauthorized issuance of medicines worth	0.337
17	DHO	8	Irregular drawl and retention of public money	0.628
18	DHO	12	Non-deduction of HRA and Conveyance Allowance	0.233
19	DHO	13	Unauthorized payment/recovery on account of Non-Practicing Allowance	0.036
20	DHO	14	Unjustified payment on account of TA/DA	0.259
21	DHO	15	Recovery of unauthorized drawl on account of TA/DA	0.162
22	DHO	16	Unauthorized payment on account of POL	0.197
23	DHO	17	Unauthorized deposit of receipts into Provincial Account-I	0.565
24	DHO	18	Non-conducting of physical verification of Stock/stores	-
25	DEO(M)	3	Non-supply of furniture and recovery of penalty	1.422
26	DEO(M)	4	Non reconciliation of expenditure under ADP/project	14.127
27	DEO(M)	5	Unauthorized payment of conveyance allowance during vacations	0.295

28	DEO(M)	6	Unauthorized payment on account of pay & allowance for non sanctioned posts	-
29	DEO(M)	7	Non provision of basic facilities in the schools	-
30	DEO(M)	8	Excess transfer of funds on account of CRC and Petty Repair	0.027
31	DEO(M)	9	Non-utilization of PTC funds	5.977
32	DEO(M)	10	Non deposit of Bank profit into Government Treasury	0.282
33	DEO(M)	12	Unauthorized and irregular drawl and disbursement of PTC funds	1.796
34	DEO(M)	16	Recovery of overpayment in TA/DA	0.094
35	DEO(M)	17	Un-authentic expenditure on account of POL and repair	0.743
36	DEO(M)	18	Improper maintenance of cash book	-
37	DEO(M)	20	Non-maintaining of inventory and conducting physical verification of dead stock	-
38	DEO(F)	3	Non-supply of furniture and recovery of penalty	0.493
39	DEO(F)	4	Non reconciliation of expenditure under ADP/project	4.931
40	DEO(F)	5	Unauthorized payment of conveyance allowance during vacations	0.250
41	DEO(F)	6	Non-provision of basic facilities in the schools	-
42	DEO(F)	7	Non releases/non-utilization of PTC funds	0.078
43	DEO(F)	8	Unauthorized and irregular drawl and disbursement of PTC funds	0.722
44	DEO(F)	10	Non-reconciliation/revival and unauthorized drawl and payment from designated bank	0.388
45	DEO(F)	12	Recovery of overpayment in TA/DA	0.183
46	DEO(F)	13	Irregular purchase of solar system	0.348
47	DEO(F)	14	Un-authentic expenditure on account of POL and repair/maintenance	0.601
48	DEO(F)	15	Non-maintaining of inventory and conducting physical verification of dead stock	-
49	DEO(F)	16	Unauthorized payment of conveyance charges	0.075
50	DEO(F)	17	Overpayment on account HRA	0.106
51	AD	4	Loss to the Government due to non collection of Fee for licensing	-
52	AD	5	Non Recovery of penalty on late completion of schemes	0.796
53	AD	6	Irregular unverified Expenditure on POL & repair of Vehicles	0.407
54	AD	8	Waste full expenditure on tour	0.800
55	AD	9	Un-authentic expenditure on account of POL and repair	0.924
56	AD	10	Loss to Government on account of POL	0.164
57	AD	11	Irregular expenditure on account telephone charges	0.388
58	AD	12	Irregular/unauthentic payment on account of TA charges	0.100

59	AD	13	Loss due to double drawl on account of honoraria	0.700
60	TMA Judba	2	Non maintenance of Cash book	-
61	TMA Judba	3	Irregular handing /taking over of TMA Building	-
62	TMA Judba	6	Non-compliance with local Govt Act 2013, Rules of Business	-
63	TMA Judba	7	Unauthorized expenditure on account of development schemes	16.950
64	TMA Judba	9	Irregular expenditure without authenticated schedule of Authorized Expenditure	68.131
65	TMA Judba	12	Unjustified excess expenditure	0.046
66	TMA Judba	13	Irregular payment of incentive Bonus	0.138
67	TMA Judba	14	Unjustified Transfer of pension contribution of TOR	0.103
68	TMA Judba	15	Loss to Government due to irregular deposit of funds in current bank account	-
69	TMA Hasanzai	1	unjustified award of work	3.548
70	TMA Hasanzai	2	DOUTBFUL EXECUTION OF WORK	2.000
71	TMA Hasanzai	3	Unjustified Expenditure	0.478
72	TMA Hasanzai	8	irregular award of work	0.300
73	TMA Hasanzai	9	non recovery of conveyance allowance	0.060
74	TMA Hasanzai	10	Irregular expenditure of hot & cold charges	0.106
75	TMA Hasanzai	11	Irregular handing /taking over of TMA Building	-
76	TMA Hasanzai	12	Non recovery of Property Tax on account of acquisition of land	0.013

**Annex-2**  
**Para 2.5.1.2**

**Detail of medicines**

S. No	Supplier	Treasury Cheque No & Date	Amount
1	MactarPharma	0742739/12/4/2019	389,000
2	AmsanPharma	074235/12/4/2019	401,750
3	Surge Lab	0742736/12/4/2019	228,600
4	Bosch Pharma	0742741/12/4/2019	797,400
5	NabiQasim	0742734/12/4/2019	347,250
6	Frontier Dextrose	0742733/12/4/2019	242,400
7	Divisepharma	0743523 /22.6.19	573,000
8	Net Warkpharma	0743521 /22.6.19	736,000
9	Stanley pharma	0743319/18/6/2019	1,355,000
10	Hashir Surgical	0743300/17/6/2019	149,400
11	Zafapharma	0743519/	261,670
12	Zafapharma	0743299/23/6/2019	382,000
13	Glexopharma	0743518/23/6/2019	485,320
14	Cirinpharma	0743517/23/6/2019	122,010
15	Brooks pharma	0743298/17/6/2019	152,000
<b>Total</b>			<b>6,622,800</b>

**Annex-3**

**Para 2.5.2.2**

**Detail of repair's schemes out of development fund**

S/No.	R. No.	Name of scheme	Union Council	Amount in Rs.	E/Agency
1	1	Repair and Rehabilitation of traditional culture Centre (Hujara) Arbair	UC DaurMera BK	100,000	AD LG&RDD
2	2	Repair and Rehabilitation of traditional culture Centre (Hujara) Zezari Seri	UC DaurMera BK	120,000	AD LG&RDD
3	3	Repair and Rehabilitation of traditional culture Centre (Hujara) PayneZezari	UC DaurMera BK	120,000	AD LG&RDD
4	5	Repair and Rehabilitation of traditional culture Centre (Hujara) DaurPayine	UC DaurMera BK	120,000	AD LG&RDD
5	6	Repair and Rehabilitation of traditional culture Centre (Hujara) Kand	UC DaurMera BK	120,000	AD LG&RDD
6	7	Repair and Rehabilitation of traditional culture Centre (Hujara) Shawai	UC DaurMera BK	120,000	AD LG&RDD
7	8	Repair and Rehabilitation of traditional culture Centre (Hujara) GulSadna	UC DaurMera BK	120,000	AD LG&RDD
8	9	Repair and Rehabilitation of traditional culture Centre (Hujara) GulDair Abdul Rhman	UC DaurMera BK	120,000	AD LG&RDD
9	10	Repair and Rehabilitation of traditional culture Centre (Hujara) Sarwar Khan	UC DaurMera BK	120,000	AD LG&RDD
10	11	Repair and Rehabilitation of traditional culture Centre (Hujara) Mair Anwar	UC DaurMera BK	120,000	AD LG&RDD
11	19	repair of 06 Nos Mosques	UC DaurMera BK	300,000	AD LG&RDD
12	23	repair of Jamia Masjid Manbra	UC DaurMera BK	60,000	AD LG&RDD
13	29	Repair and Rehabilitation of traditional culture Centre (Hujara) Noor Mohammad	UC DaurMera BK	500,000	AD LG&RDD
14	30	Repair and Rehabilitation of traditional cultural Centre (Hujra) Abdul, sado Khan	UC DaurMera BK	300,000	AD LG&RDD
15	31	Repair and Rehabilitation of traditional cultural Centre (Hujra) Shahi said	UC DaurMera BK	200,000	AD LG&RDD
16	48	Repair and Rehabilitation of traditional cultural Centre (Hujra)SurmalNusratKhel	U/C NusratKhail	500,000	AD LG&RDD



17	49	Repair and Rehabilitation of water Pond	U/C NusratKhail	100,000	AD LG&RDD
18	50	Repair and Rehabilitation of traditional cultural Centre (Hujra) Kotlay Sultan Abad	U/C NusratKhail	200,000	AD LG&RDD
19	54	Repair and Rehabilitation of water Supply scheme near Kandow NK	U/C NusratKhail	200,000	AD LG&RDD
20	56	Repair and Rehabilitation of water Supply scheme LundayPakbanr	U/C NusratKhail	300,000	AD LG&RDD
21	60	Ripeir of wssShaheedKandounk	U/C NusratKhail	200,000	AD LG&RDD
22	69	Repair and Rehabilitation of Traditional cultural Centre (Hujra) Jegal	U/C Judba	300,000	AD LG&RDD
23	77	Repair and Rehabilitation of WSS LoyaWala to UmerJhan	U/C Judba	200,000	AD LG&RDD
24	84	Repair and Rehabilitation of WSS Khwar say To ArarBalyJudba	U/C Judba	200,000	AD LG&RDD
25	85	Repair and Rehabilitation of WSS Chary Say to Judba Aziz Gay	U/C Judba	300,000	AD LG&RDD
26	86	Repair and Rehabilitation of Traditional Cultural Centre (Hujra) BarakyJudba	U/C Judba	300,000	AD LG&RDD
27	91	Repair and Rehabilitation of WSS ManganJehanAkber	U/C Judba	200,000	AD LG&RDD
28	122	Repair and Rehabilitation of Kacha Rasta KareenBartooni	U/C Bartooni	300,000	AD LG&RDD
29	125	Repair and Rehabilitation of Kacha Rasta Gader to kobeaiPeerzaBartooni	U/C Bartooni	150,000	AD LG&RDD
30	126	Repair and Rehabilitation of Kacha Rasta MatayPatayBartooni	U/C Bartooni	150,000	AD LG&RDD
31	127	Repair and Rehabilitation of Kacha Rasta ChapariBartooni	U/C Bartooni	150,000	AD LG&RDD
32	131	Repair and Rehabilitation of Kacha Rasta SafurPeerzaBartooni	U/C Bartooni	300,000	AD LG&RDD
33	155	Repair and Rehabilitation of traditional culture Centre (Hujra) JudbaGhari Phase ii	U/C Judba	400,000	AD LG&RDD
34	170	Repair and Rehabilitation of tearay road Kuztegram	U/C TiliHasanzai	1,000,000	TMA Judbah
35	195	Repair and Rehabilitation of link road Ghazi kot to Godair	U/C Ghari H/Z	100,000	TMA Judbah
36	210	repiar and rehabilation of HujraCharakot	U/C Khowar MK	400,000	TMA Judbah
37	225	Repari and rehabilaion of water supply scheme Kohistanay	U/C Harinal	400,000	AD LG&RDD

38	227	Repair and Rehabilitation of traditional culture Centre (Hujra) Harnail Cham	U/C Harinal	300,000	AD LG&RDD
39	255	Repair and Rehabilitation of Water Supply scheme Abu MMK	U/C Manjakot	500,000	TMA Judbah
40	282	Repair and rehabilitation of WSS Zewer Khan Banda Maira MMK	U/C MairaMadakhail	200,000	TMA Judbah
41	285	Repair of WSS Badar MK	U/C MairaMadakhail	300,000	TMA Judbah
42	291	Repair and Rehabilitation of traditional culture Centre (Hujra) DiloMadakhel Khan Mohammad	U/C MairaMadakhail	300,000	TMA Judbah
43	323	Repair of Kacha Rasta Shatal to Surband	U/C Shatal	150,000	AD LG&RDD
44	324	Repair and Rehabilitation of traditional culture Centre (Hujra) DodoarSorbanr	U/C Shatal	200,000	AD LG&RDD
45	327	Repair and Rehabilitation of water supply scheme TangroDarbani	U/C Darbani	150,000	AD LG&RDD
46	334	Repair and Rehabilitation of traditional culture Centre (Hujra) SormalAkazai	U/C Darbani	250,000	AD LG&RDD
47	339	Repair and Rehabilitation of water supply scheme SawaAkazi	U/C Darbani	500,000	AD LG&RDD
48	354	Repair and Rehabilitation of bridge lashuraAkazi	U/C Darbani	400,000	AD LG&RDD
49	356	Repair of turbine of MHP DarbaniAkazai	U/C Darbani	200,000	AD LG&RDD
50	404	Repair and Rehabilitation of traditional culture Centre (Hujra) Boto Banda Riaz	U/C Judba	300,000	AD LG&RDD
51	410	Repair and Rehabilitation of traditional culture Centre (Hujra) AbdurRehmanGulDehrai	U/C DaurMera	400,000	AD LG&RDD
52	411	Repair and Rehabilitation of traditional culture Centre (Hujra) GulMadan	U/C DaurMera	300,000	AD LG&RDD
53	412	Repair and Rehabilitation of traditional culture Centre (Hujra) GulMerasaMatoor	U/C DaurMera	300,000	AD LG&RDD
54	433	Repair and Furnishing of District council Hall TorgharJudba	U/C Judba	500,000	TMA Judbah
55	447	repair of solar sytem of DO F&P residence Judbah	U/C Judba	150,000	AD LG&RDD
57	13	repair of Water tank and water supply scheme GMS KotlayNasratKhail	U/C Nasratkhail	500,000	TMA Judbah
59	4	Repair of Water Supply Scheme BHU Shingaldar	Shingaldar	200,000	AD LG&RDD
60	5	Repair of Water Supply Scheme BHU	Kamaisar	200,000	AD

		Kamaisar			LG&RDD
61		Agriculture Sector Share @ 5% Rs. 10.430 million			
62	10	Repair and Rehabilitation of Irrigation Chanel Seri Walla Shagai	U/C Judba	300,000	Water management
63	18	Ripar of irrigation chanalSiri Dour mira	U/C Dour Mira	200,000	Water management
	<b>Total</b>			<b>15,690,000</b>	

**Annex-4**

**Para 2.5.2.3**

**Detail of schemes costing below 0.5 million**

<b>S/No.</b>	<b>Name of scheme</b>	<b>Location</b>	<b>E. cost</b>
1	Repair and Rehabilitation of traditional culture Centre (Hujara) Arbair	UC DaurMera BK	100,000
2	Repair and Rehabilitation of traditional culture Centre (Hujara) Zezari Seri	UC DaurMera BK	120,000
3	Repair and Rehabilitation of traditional culture Centre (Hujara) PayneZezari	UC DaurMera BK	120,000
4	Repair and Rehabilitation of traditional culture Centre (Hujara) ZezariBala	UC DaurMera BK	120,000
5	Repair and Rehabilitation of traditional culture Centre (Hujara) DaurPayine	UC DaurMera BK	120,000
6	Repair and Rehabilitation of traditional culture Centre (Hujara) Kand	UC DaurMera BK	120,000
7	Repair and Rehabilitation of traditional culture Centre (Hujara) Shawai	UC DaurMera BK	120,000
8	Repair and Rehabilitation of traditional culture Centre (Hujara) GulSadna	UC DaurMera BK	120,000
9	Repair and Rehabilitation of traditional culture Centre (Hujara) GulDair Abdul Rhman	UC DaurMera BK	120,000
10	Repair and Rehabilitation of traditional culture Centre (Hujara) Sarwar Khan	UC DaurMera BK	120,000
11	Repair and Rehabilitation of traditional culture Centre (Hujara) Mair Anwar Rasheed	UC DaurMera BK	120,000
12	Construction of Bondary wall MairaGodar	UC DaurMera BK	100,000
13	Construction of water pond ShaibPairza	UC DaurMera BK	100,000
14	Construction of PCC stree Mir Taj GulDehrai	UC DaurMera BK	300,000
15	Construction of Street Molana Muhammad Alim	UC DaurMera BK	200,000
16	Constructionof PCC Street Arasheen	UC DaurMera BK	100,000
17	Construction of PCC street Kandow	UC DaurMera BK	100,000

394	Installation of Hand Pump and Solar GHS GahriHasanzai	U/C Gahrihasanzi	400,000
395	Construction of PCC Stairs in GMS Karor Mk	U/C Manjakot	400,000
396	Repair of Water Supply Scheme BHU Shingaldar	Shingaldar	200,000
397	Repair of Water Supply Scheme BHU Kamaisar	Kamaisar	200,000
398	construction of stairs in RHC Dour maira	DourMaira	300,000
399	construction of Irrigation channel for Jhatka	U/C Shatal	300,000
400	Irrigation chanel pipe 4 Inch for Piza	U/C Shatal	250,000
401	protection wall Noor Said Shah MuchraAkazi	U/C Darbani	150,000
402	Construction of Irrigation channel GhaginiLoay Bari	U/C Harnil	300,000
403	Construction of irrigation channel GhaginiSirkalayKhonownow	U/C Harnil	300,000
404	Construction of irrigation channel GhaginiMarray	U/C Harnil	200,000
405	Construction of Irrigation Channel ZangayLocraPanja	U/C Harnil	200,000
406	Repair and Rehabilitation of Irregation Chanel Seri Walla	U/C Judba	300,000
407	Construction of water pond for animals Tetay No 1 HZ	UC Maira	100,000
408	Construction of water pond for animals Tetay No 2 HZ	UC Maira	100,000
409	PVC pipe supply water pond channelLiquat Khan Band MMK	U/C Maira MK	400,000
410	Repair of irrigation chanalSiri Dour mira	U/C Dour Mira	200,000
411	Land Protection wall GulKarim Mira Madakhail	U/C Mira Mk	200,000
412	Land Protection wall AsifNawab Hose Sado Khan	U/C Dour Mira	300,000
413	Land Protection wall ItehadShagai	U/C Judbah	300,000
414	Land Protection wall Kano JudbahMaira	U/C Judbah	300,000
415	Land Protection wall AsgharJudbah	U/C Judbah	300,000
416	Land Protection wall AnjullahShagai	U/C Judbah	300,000
417	Land Protection wall 2 No Bartoni	U/C Bartoni	300,000
418	Manjakot rain harvesting pond shreen	U/C Manjakot	430,000
	<b>Total</b>		<b>82,830,000</b>

**Annex-5**  
**Para 3.5.1.1**

**Detail of payment without TS TMA Judba**

<b>Package No.10</b>	<b>S No</b>	<b>NAME SCHEMES</b>	<b>E/Cost(M)</b>	<b>Expenditure</b>
Package No 1	8	Pavement of street Mathor Dour Mira	400,000	300,000
	9	Boundary wall Graveyard Mathor	300,000	175,000
Package No 2	12	Shingle Road Nelia To AsharayK.Shangaldar	1,000,000	671,383
	13	Water Tank (HDP) 25 NosK.Shangaldar	400,000	345,048
	15	5 Nos Bathroom UcKalishShangaldar	500,000	398,005
	17	Boundary Wall HujraKalish	400,000	-
Package No 3	18	PCC Road Kotaly Village NusratKhail	500,000	332,822
	19	Wss (HDP) MianShorgraBalkot	200,000	119,700
	20	Wss Masjid KotlayNusratKhail	800,000	589,300
	21	WSS (HDP) MaeenGulabayZahirulhaqKotlay	300,000	203,062
	22	KachaRastShorgra Ta BarabroBalkot	200,000	-
	23	Community CentreSabir Shah Nusratkhial	1,500,000	-
	24	10 Nos Solar System UC NusratKhail	1,200,000	760,650
	25	5 Nos Bathroom UcNusratKhail	500,000	-
Package No 4	26	PCC Road Malang Market to Naha Mor	400,000	-
	27	Shingle Road PathaowAsharay	1,500,000	826,227
	28	Pcc Road LagaTaga to DambarHarnial	600,000	-
Package No-5	32	Community CentreSaleemjanZangiaHarnail	2,000,000	1,070,612
	34	1 Nos Solar System DambaraShahid	200,000	-
	35	10 Nos Bathroom UC Harnail	1,000,000	777,860
Package No 8	64	Const.: &Reparinng Bridge & Road Judbah DR Siraj	1,000,000	728,795
	65	PCC Streets ManganGali ,Rohullah,Pahlawan,QareebullahJudbah	300,000	239,030
	66	Wss (HDP) Fazal Kareem judbah	200,000	199,873
	67	Water tank Bar PagarHadiatullahustad	200,000	-
	68	WssYousafJararKandro	200,000	200,000
	69	WSS office Special Branch Judbah	200,000	-
	70	DWSS Shagai Masjid	200,000	200,000

	71	DWSS SohilShagai	200,000	200,000
	72	Boundary wall Qabarstan Farman ullahFazalAzeemJudbah.	200,000	156,607
	73	Boundary wall QabarstanShenaAmeerSbJubah	200,000	142,407
<b>Total</b>			<b>16,800,000</b>	<b>8,636,381</b>

## Annex-6

## Para 3.5.1.2

## Detail of payment without TS TMA Hassanzai

S. No	Name of scheme	Package No	Estimated cost	Expenditure
1	Const. of 1 nos bathroom ajbar khan	29	100,000	50,333
2	Const. of 1 nos bathroom ambarghari	29	100,000	50,334
3	Const. of 1 nos bathroom madrasa ambarghari	29	100,000	71,330
4	Const. of 1 nos bathroom mayar	29	100,000	50,333
5	Const. of 1 nos bathroom haji mehraj	29	100,000	50,333
6	Const. of 1 nos bathroom bio kandar	29	100,000	80,000
7	Const. of 1 nos bathroom Nadaray	31	100,000	68,000
9	Const. of 1 nos bathroom ManganoKhawar	31	100,000	70,223
10	Const. of 1 nos bathroom Ali Zar Shah	31	100,000	70,223
11	Const. of 1 nos bathroom Banda Zabiullah	31	100,000	70,223
12	Const. of 1 nos bathroom Banda TajMuhhamad	31	100,000	70,223
13	Const. of 1 nos bathroom Manglipaien	31	100,000	70,223
14	Const. of 1 nos bathroom MangaiBala	31	100,000	70,223
15	Water tank village masjid nadary	31	350,000	-
16	DWSS Bakro Banda Malyar	31	400,000	165,000
17	Dwss wand tajghani shah	31	400,000	165,000
	<b>Total</b>		<b>2,450,000</b>	<b>1,172,001</b>



**Detail of 2% property tax**

<b>S. No</b>	<b>Award No</b>	<b>Name of Department</b>	<b>Total Area</b>	<b>Amount of Land Compensation</b>	<b>2% property Tax</b>
1	1	District Head quarter Complex & Civil Colony	160 kanal& 10 marla	26,519,868	530,397
2	3	Construction of Police line & Police Station	193 Kanal&19 marla	31,855,576	637,111
3	7	Police Post Shagai	5 Kanal	585,000	11,700
4	8	Police Post Shatal	5 Kanal	500,250	10,005
5	10	Police Post Mangri	5 Kanal	575,000	11,500
6	11	Police Post Tralla	5 Kanal	575,000	11,500
7	12	Construction of TMA office & resident office Judbah	23 kanal	2,347,173	46,943
8	12	Circuit House/Rest House	11 kanal	1,226,393	24,527
9	14	Police Post Burtuni	5	500,250	10,005
10	19	Reconstruction of BHU Burtuni	3 Kanal	345,000	6,900
11	18	Reconstruction of BHU Dour Mera	6 Kanal	690,000	13,800
12	21	Reconstruction of Directorate of Human Rights Judbah	2 Kanal	200,100	4,002
13	23	Reconstruction of BHU Shangildar	2 kanal& 17 marla	285,142	5,702
14	29	Reconstruction of District Head quarter Hospital	60 Kanal	7,011,123	140,222
<b>Total</b>				<b>73,215,875</b>	<b>1,464,314</b>

**Annex-8**  
**Para 3.5.2.3**

**Detail of penalty TMA HAssanzai**

<b>S.NO</b>	<b>Package No</b>	<b>Name of contractor</b>	<b>E. cost</b>	<b>penalty @ 10 %</b>
1	3	M/S Judbah	396,485	39,649
2	6	M/S Judbah	1,540,000	154,000
3	16	M/S Gulabnawabzar	1,150,000	115,000
4	17	M/S Sarwargul	1,230,000	123,000
5	19	M/S Sarwargul	3,629,458	362,946
6	20	M/S Ghulabnawab	2,567,479	256,748
7	27	M/S Judbah	164,958	16,496
8	29	M/S Amir	2,121,000	212,100
9	30	M/S Sarwargul	2,770,000	277,000
10	34	M/S Gulabzada	1,252,973	125,297
11	49	M/S Judbah	1,600,000	160,000
12	50	M/S Sarwargul	2,200,000	220,000
<b>total</b>			<b>20,622,353</b>	<b>2,062,235</b>

**Annex-9**  
**Para 4.5.1.2**

**Detail of irregular payments.**

<b>S/N o.</b>	<b>Name of VC</b>	<b>Work Name</b>	<b>Estimated Cost</b>	<b>Expenditure Incurred</b>
1	VC Cheer	PCC Street Mir AslamGhar to Madrasa	300,000	300,000
2	VC Shagai	PCC STREET Kanda	400,000	400,000
3	do	PCC Street Cham	200,000	200,000
4	do	PCC Street Kalooni No.2	250,000	250,000
5	VC Darbani	PCC STREET DARBANI	800,000	360,700
6	Do	PCC STREET Khro Mara	200,000	230,000
<b>Total</b>				<b>1,740,700</b>