



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

AUDIT YEAR 2018-19

AUDITOR GENERAL OF PAKISTAN

TABLE OF CONTENTS

ABBREVIATIONS AND ACRONYMS	i
Preface.....	i
EXECUTIVE SUMMARY.....	iii
SUMMARY TABLES & CHARTS.....	vii
I: Audit Work Statistics.....	vii
II: Audit observations Classified by Categories.....	vii
III: Outcome Statistics	viii
IV: Table of Irregularities pointed out.....	ix
V: Cost Benefit Ratio.....	ix
CHAPTER-1	1
1.1 Local Governments Nowshera.....	1
1.1.1 Introduction.....	1
1.1.2 comments on budget and accounts (variancenalysis).....	5
1.1.3 Comments on the status of compliance with DAC / TAC Directives	7
1.2 DISTRICT GOVERNMENT	9
1.2.1 irregularity/non-compliance.....	9
1.2.2 internal control weaknesses	17
1.3 TMA NOWSHERA/PABBI/JEHANGIRA	29
1.3.1 irregularity/non-compliance.....	29
1.3.2 Internal Control Weaknesses	38
1.4AD LG E&RDD NOWSHERA.....	44
1.4.1 Irregularity/Non-compliance.....	44
ANNEXURES.....	47
Annex-1MFDAC	47
Annex-2 Detail of irregular purchase of medicine	48

Anex-3 Detail of irregular purchase of equipments	49
Annex-4 Detail of irregular payment of pay & allowances	52
Annex-5 Detail of irregular retention of funds.....	56
Annex-6 Detail of irregular appointment.....	57
Annex-7 Detail of unauthorized payment.....	60
Annex-8 Detail of non recovery of outstanding receipts	61
Annex-9 Detail of unauthorized retention of government money	62

ABBREVIATIONS AND ACRONYMS

AIR	Audit and Inspection Report
AA	Administrative Approval
AD	Assistant Director
AG	Accountant General
AP	Advance Para
APRs	Actual Payee's Receipt
BHUs	Basic Health Units
CPWA Code	Central Public Works Account Code
DAC	Departmental Accounts Committee
DEO	District Education Officer
DHO	District Health Officer
DMO	District Monitoring Officer
DO	District Officer
DTL	Drug Testing Laboratory
GFR	General Financial Rules
KP	Khyber Pakhtunkhwa
KPPRA	Khyber Pakhtunkhwa Public Procurement Regulatory Authority
LGA	Local Government Act
LGE&RDD	Local Government Elections & Rural Development Department
MCC	Medical Coordination Cell
MFDAC	Memorandum for Departmental Accounts Committee
MPA	Member Provincial Assembly
M&R	Maintenance and Repair
NC	Neighbourhood Council
PAC	Public Accounts Committee
P&D	Planning & Development Department
PAO	Principal Accounting Officer
PCC	Plain Concrete Cement
PEC	Pakistan Engineering Council
PESCO	Peshawar Electricity Supply Company
SDO	Sub Divisional Officer
TMA	Tehsil Municipal Administration
TS	Technical Sanction
VC	Village Council

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 various local governments' i.e offices of District Government, Tehsil Municipal Administrations, Assistant Director Local Government Elections and Rural Development, Village Councils and neighborhood Councils in district Nowshera for the financial year 2017-18. The Director General of Audit, District Governments, Khyber Pakhtunkhwa conducted audit during 2018-19 on test check basis with a view to report significant findings to the relevant stakeholders. The main body of the audit report includes the systemic issues and significant audit findings. Relatively less significant issues are listed in the Annex-1 of the Audit Report. The audit observations listed in the Annex-1 shall be pursued with the Principal Accounting Officers at the DAC level. In all cases where PAOs 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.

The observations included in this Report have been finalized in the light of written replies of the departments except in few cases mentioned in report. However, in a few cases certain departments did not submit written replies. DAC meetings were not convened despite repeated requests.

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

Islamabad
Dated:

(Javaid Jehangir)
Auditor General of Pakistan

EXECUTIVE SUMMARY

The Director General Audit District Governments, Khyber Pakhtunkhwa carries out the audit of twenty six Local Governments of Khyber Pakhtunkhwa. Regional Directorate of Audit (RDA) Peshawar, on behalf of the DG Audit District Governments, Khyber Pakhtunkhwa carried out the audit of Local Governments of three districts namely Peshawar, Nowshera and Charsadda.

The Regional Directorate has a human resource of ten officers and staff with a total of 2,750 person days. The annual budget amounting to Rs 20.670 million was allocated to the office during financial year 2018-19. The office is mandated to conduct regularity (financial attest audit and compliance with authority audit) and performance audits of programs/ projects.

Local Governments of district Nowshera consist of three tiers which perform their functions under Khyber Pakhtunkhwa Local Government Act 2013. Tier-1, the District Government comprises one Principal Accounting Officer (PAO) i.e. Deputy Commissioner for the District government, who is Officer in charge of the offices of nine departments devolved to local governments. Financial provisions of the Act describe the Government fund as District Local Fund and District Public Account for which Annual Budget Statement is authorized by the District Council in the form of budgetary grants. The second tier- Town/Tehsil Municipal Administrations have one PAO i.e. Tehsil Municipal Officer for each administration. There are two tehsil administrations in district Nowshera. The third tier- Village and Neighborhood Councils have one PAO i.e. the Assistant Director Local Government, Elections and Rural Development for development funds of these councils. There are 153 VCs/NCs.

a. Scope of audit

There are nine offices in District government Nowshera, three Tehsil Municipal Administrations, one AD LGE&RDD and 153 VCs/NCs out of which the accounts of 15 offices of district government, three TMAs, one AD LGE &RDD and 15 VCs/NCs were examined in detail. These entities were selected for detailed audit keeping in view the materiality and auditable man days.

The total expenditure of District Government Nowshera for the Financial Year 2017-18 was Rs 6,671.807 million against available budget of Rs 7,127.055. Out of this, RDA Nowshera audited an expenditure of Rs 1,134.207 million which, in terms of percentage, was 17% of auditable expenditure. The total expenditure of three TMAs was Rs 586.431 million against available budget of Rs 1,138.12. Out of this, RDA Nowshera audited an expenditure of Rs 87.954 million which, in terms of percentage, was 15% of auditable expenditure. The total expenditure of AD LGE & RDD Nowshera for the Financial Year 2017-18 was Rs 370.729 million against available budget of Rs 352.567 million. Out of this, RDA Peshawar audited an expenditure of Rs 74.146 million which, in terms of percentage, was 20% of auditable expenditure.

The receipts of the District Government Nowshera, for the Financial Year 2017-18 were nil as the receipts were transferred to Provincial Account-I. The receipts of three TMAs were Rs 634.777 million Out of which Rs 190.433 million were audited which in terms of percentage was 30% of the auditable receipts. The total receipts of VC/NC's was Rs 1.944 million out of which Out of which Rs 1.944 million were audited , in terms of percentage, was 100 % of auditable receipts.

The total expenditure of local governments of district Nowshera for the financial year 2017-18 was Rs 7,628.894 against which the audit of Rs 1,296.307 million was conducted which in terms of the percentage was 16.992 %. The total receipts of the local governments of district Nowshera were Rs 636.721 million against which a receipt of Rs192.377 million was audited which in terms of percentage was 30.31 %

b. Recoveries at the instance of audit

Recovery of Rs 36.267 million was pointed out during the audit. Out of the total recoveries pointed out, Rs16.164 million was not in the notice of the executives before audit. However recovery of Rs 3.3 million was made till finalization of this report.

c. Audit Methodology

Audit was conducted after understanding the business processes of District Government Nowshera 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

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

e. Comments on Internal Control and Internal Audit department

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

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

f. Key audit findings of the report

- i. Irregularities & Non-Compliance were noted in 16 cases amounting to Rs 361.906 million.¹
- ii. Weak Internal Control was noted in 16 cases amounting to Rs 150.162 million.²

¹ Para 1.2.1.1 to 1.2.1.5, 1.3.1.1 to 1.3.1.9, 1.4.1.1 to 1.4.1.2

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

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. Deduction of taxes on supplies and contracts need to be ensured. .
- iii. Departments need to strengthen internal controls i.e. financial, managerial, operational, administrative and accounting controls etc. to ensure that lapses of the kind reported in this audit report are preempted and fair value for money is obtained from public spending.

² Para 1.2.2.1 to 1.2.2.12, 1.3.2.1 to 1.3.2.4

SUMMARY TABLES & CHARTS

I: AUDIT WORK STATISTICS

(Rs in million)

S. No.	Description	No.	Budget		
			Expenditure	Receipts	Total
1.	Total Entities (PAO) in Audit Jurisdiction	06	7,628.894	636.721	8265.721
2.	Total formations in audit jurisdiction	178	7,628.894	636.721	8265.721
3.	Total Entities (PAO) Audited	06	1,296.307	192.377	1488.684
4.	Total formations Audited	30	1,296.307	192.377	1488.684
5.	Audit & Inspection Reports	30	1,296.307	192.377	1488.684

II: AUDIT OBSERVATIONS CLASSIFIED BY CATEGORIES

(Rs in million)

S. No.	Description	Amount Placed under Audit Observation
1.	Unsound asset management	89.465
2.	Weak financial management	48.477
3.	Weak Internal controls	150.162
4.	Others	223.964
	Total:	512.068

III: OUTCOME STATISTICS

(Rs in million)

S. No	Description	Expenditure on Acquiring Physical Assets (Procurement)	Civil Works	Receipts	Others	Total Current year (2017-18)	Total last year (2016-17)
1.	Outlays Audited	189.777	102.465	192.377	1,004.065	1,488.684	
2.	Amount Placed under Audit Observations /Irregularities of Audit	89.465	25.788	36.267	360.55	512.068	
3.	Recoveries Pointed Out at the instance of Audit	2.444	4.502	25.077	4.244	36.267	
4.	Recoveries Accepted /Established at the instance of Audit	-	-	-	3.3	3.3	
5.	Recoveries Realized at the instance of Audit	-	-	-	3.3	3.3	

IV: TABLE OF IRREGULARITIES POINTED OUT

(Rs in million)

S. No.	Description	Amount Placed under Audit Observation
1.	Violation of Rules and regulations, principle of propriety and probity in public operation	361.906
2.	Reported cases of fraud, embezzlement, thefts and misuse of public resources.	-
3.	Accounting Errors (accounting policy departure from NAM ³ , misclassification, over or understatement of account balances) that are significant but are not material enough to result in the qualification of audit opinions on the financial statements.	-
4.	Quantification of weaknesses of internal control systems.	150.162
5.	Recoveries and overpayment, representing cases of establishment overpayment or misappropriations of public monies	-
6.	Non-production of record	-
7.	Others, including cases of accidents, negligence etc.	-
	Total	512.068

V: COST BENEFIT RATIO

(Rs in million)

S.No	Description	Amount
1.	Outlays Audited (item 1 of Table 3)	1488.684
2.	Expenditure on audit	650,000
3.	Recoveries realized at the instance of audit	3.3
	Cost-Benefit Ratio	1:5

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

CHAPTER-1

1.1 LOCAL GOVERNMENTS NOWSHERA

1.1.1 INTRODUCTION

Under Khyber Pakhtunkhwa Local Government Act 2013 (LGA 2013), activities of District Government are managed through offices of Deputy Commissioner and District Officers. Each group of District Offices is headed by a District Officer (DO). The DO according to Rules of Business of District Government, 2015 distributes the work among the officers, branches, and/or sections of each district office. The offices which manage the activities of District Government are Deputy Commissioner (DC), District Officers Agriculture, Education, Health, Water Management, Fisheries, Population Welfare, LG & RDD, Sports, Live Stock & DD Soil Conservation, Cooperation, Social Welfare.

District Nowshera has three Tehsil i.e. Nowshera, Pabbi and Jehangira. 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 as under:-

- (a) Monitor and supervise the performance of functionaries of Government offices located in the Tehsil and hold them accountable by making inquiries and reports to the district government or, as the case may be, Government for consideration and action;
- (b) Prepare spatial plans for the Tehsil including plans for land use and zoning and disseminate these plans for public enquiry;
- (c) Execute and manage development plans for improvement of municipal services and infrastructure;
- (d) Exercise control over land-use, land-subdivision, land development and zoning by public and private sectors for any purpose, including for agriculture, industry, commercial markets, shopping centers; residential,

recreation, parks, entertainment, passenger and freight transport and transit stations;

- (e) Enforce municipal laws, rules and bye-laws;
- (f) Prevent and remove encroachments;
- (g) Regulate affixing of sign-boards and advertisements;
- (h) Provide, manage, operate, maintain and improve municipal services;
- (i) Prepare budget, long term and annual municipal development programme
- (j) Maintain 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;
- (k) Collect taxes, fines and penalties provided under this Act;
- (l) Organize sports, cultural, recreational events, fairs and shows;
- (m) Organize cattle fairs and cattle markets;
- (n) Co-ordinate and support municipal functions amongst village and neighborhood councils;
- (o) Regulate markets and services, issue licenses, permits, grant permissions and impose penalties for violation thereof;
- (p) Manage municipal properties, assets and funds;
- (q) Develop and manage schemes, including site development in collaboration with district government;

There is an Assistant Director Local Government Election & Rural Development Department and 153 VCs/NCs. Each VCs/NCs has a Administrator and Secretary. Assistant Director Local Government Election & Rural Development Department is Drawing and Disbursing Officer (DDO) for his office and Administrator for VCs/NCs of the District Nowshera.

Functions and Powers of Assistant Director, Local Government Election and Rural Development Department.

- i. Providing secretarial support to the Council
- ii. Matters relating to Local Government Commission
- iii. Matters relating to local taxes and local rate
- iv. Coordination and supervision of village and neighbourhood councils

- v. Grants, establishment and budget of village and neighbourhood councils
- vi. Coordination of activities relating to local council elections, population census and surveys in the district
- vii. Rural Development Works including water supply, rural access roads, embankment and drainage works
- viii. Overseeing registration of births, deaths and marriages in village and neighbourhood councils
- ix. Working as interface for knowledge management and communication on local governance issues in the district
- x. Review, evaluation and assessment of local government system, processes and procedures in the district particularly at the village and neighbourhood level
- xi. 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:

- i. Functions of the village council and neighbourhood council, as the case may be, shall be to:
- ii. Monitor and supervise 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;
- iii. Provide effective forum for out of court amicable settlement of disputes and, for this purpose, constitute panels of members as conciliators;
- iv. Register births, deaths and marriages;
- v. Implement and monitor village level development works;
- vi. Improve water supply sources, maintain water supply distribution system and take measures to prevent contamination of water;

- vii. Maintain village level infrastructure, footpaths, tracks, streets, prevent and abate nuisances and encroachments in public ways, public streets and public places.
- viii. Maintain and improve collective property including playgrounds, graveyards, funeral places, eid-gah, parks, public open spaces and community centres
- ix. Identify development needs of the area for use by municipal administration and district government in prioritizing development plans;
- x. Make arrangements for sanitation, cleanliness, disposal of garbage and carcasses, drainage and sewerage system;
- xi. Display land transactions in the area for public information;
- xii. Mobilize community for maintaining public ways, public streets, culverts, bridges and public buildings, de-silting of canals and other development activities;
- xiii. Develop sites for drinking and bathing of cattle;
- xiv. Organize cattle fairs and agriculture produce markets;
- xv. Organize sports teams, cultural and recreational activities;
- xvi. Organize watch and ward in the area;
- xvii. Promote plantation of trees, landscaping and beautification of public places;
- xviii. Regulate grazing areas, establish cattle ponds and provide protection against stray animals and animal trespass;
- xix. Consider and approve annual budget presented by the respective Nazim, village council or neighborhood council;
- xx. Facilitate formation of voluntary organizations for assistance in functions assigned to it;
- xxi. Facilitate the formation of co-operatives for improving economic returns and reduction of poverty;
- xxii. Elect an Accounts Committee and review its recommendations on the annual statement of accounts and audit reports; and
- xxiii. Report cases of handicapped, destitute and of extreme poverty to district government.

1.1.2 COMMENTS ON BUDGET AND ACCOUNTS (VARIANCE ANALYSIS)

District Government

(Rs in million)

2017-18	Budget	Actual Expenditure/ Receipts	(Saving)/Excess	%age
Salary	5,684.571	5,371.703	312.868	5.504
Non-salary	1,324.764	1,252.489	72.275	5.456
Developmental	117.72	47.615	70.105	59.552
Total	7127.055	6,671.807	455.248	6.388
Receipts	0	0	0	

TMA's

(Rs in million)

2017-18	Budget	Actual Expenditure/ Receipts	(Saving)/Excess	%age
Salary	226.071	268.04	-41.969	-18.565
Non-salary	122.651	62.912	59.739	48.706
Developmental	789.398	255.407	533.991	67.645
Total	1138.12	586.359	551.761	48.480
Receipts	534.507	634.777	100.27	18.759

AD LGE&RDD

(Rs in million)

2017-18	Budget	Actual Expenditure/ Receipts	(Saving)/Excess	%age
Salary	56.206	77.108	-20.902	-37.188
Non-salary	3.423	0.683	2.74	80.047
Developmental	292.938	292.938	0	0
Total	352.567	370.729	-18.162	5.151
Receipts	0	1.944	1.944	100

Grant Total Expenditure and Receipts (Distt Govt, TMAs, AD LGE&RDD & Developmental Authority)

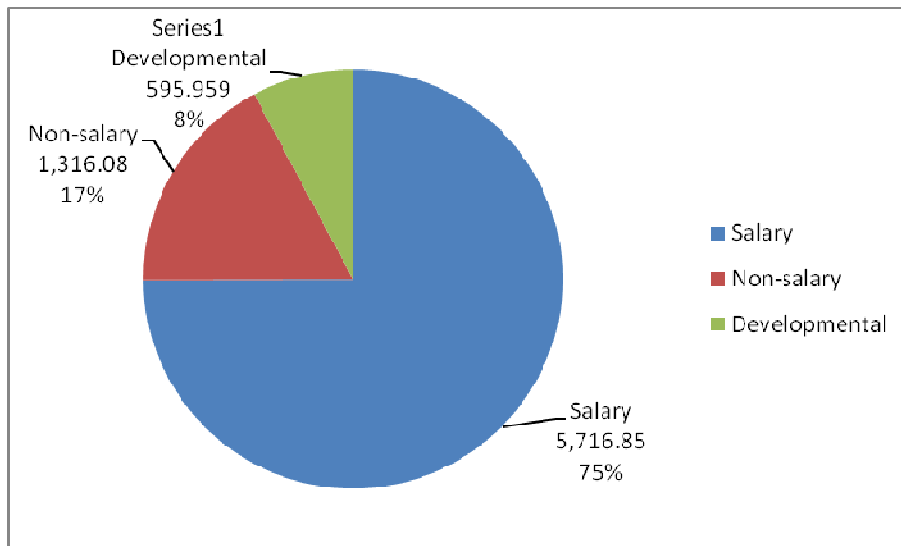
(Rs in million)

2017-18	Budget	Actual Expenditure/ Receipts	(Saving)/Excess	%age
Salary	5,966.848	5,716.851	249.997	4.189
Non-salary	1,450.838	1,316.084	134.75	9.288
Developmental	1,200.056	595.959	604.10	50.339
Total	8,617.742	7,628.894	988.85	11.475
Receipts	534.507	636.721	102.214	19.123

The savings of Rs 988.85 million indicate inefficiency in the capacity of District Government Departments to utilize the amount allocated.

EXPENDITURE 2017-18

(Rs in million)



1.1.3 COMMENTS ON THE STATUS OF COMPLIANCE WITH DAC / TAC DIRECTIVES

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

Sr. No.	Audit Year	PAC/ZAC 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

DISTRICT GOVERNMENT

1.2 AUDIT PARAS-District Government

1.2.1 IRREGULARITY/NON-COMPLIANCE

1.2.1.1 Irregular drawl of Rs. 108.467 million and blockage of government funds Rs 46.350 million

According to Finance Department letter No. 2/3(F/L)/FD/2016/Vol-XI dated 26-06.2018 which states that it is imperative to reconcile the closing balances in all designated bank accounts with Finance Department latest by 07th July 2018. Moreover, balance in the bank accounts if any, remaining on 30th June 2018, shall not be available for use without its prior revival by Finance Department KP for the next financial year.

District Health Officer Nowshera withdrew Rs. 108,467,293 in June, 2018 from Government Treasury and deposited into designated bank A/C No. 8856-7 NBP. Out of the available balance of Rs 173,533,233 at designated account an amount of Rs 127,183,033 were paid to the supplier however, actual payee receipts were not available on record. The closing balance of Rs 46,350,200 was retained in the designated account for use without its prior revival by Finance Department KP for the next financial year. Detail is below.

Details of Payment and Receipts during the month of June,2018

Opening Balance as on 30-05-2018	Rs65,065,940
Add receipts from Treasury	<u>Rs108,467,293</u>
Total	Rs173,533,233
Payments made during the month.	Rs127,183,033
Closing Balance on 30-06-2018	<u>Rs 46,350,200</u>

The irregularity occurred due to non-compliance of rules.

When pointed out in August 2018, management stated that the closing balance relates to payments of suppliers and pay and allowances of employees which have been paid through cross cheques. The reply was not convincing as record in support of the reply was not produced. Therefore, audit is of the view that funds were drawn in advance in anticipation of work done and kept in designated account without prior approval of the finance department.

Request for convening of DAC meeting was made in October 2018, however, meeting of DAC could not be convened till finalization of this report.

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

AIR No 1(2017-18)

1.2.1.2 Irregular purchase of medicine Rs 46.297 million and non-obtaining of Performance guarantee for Rs 4.559 million.

According to DG Health KP letter No.629/DD/(Preq/reg/Drugs) dated 13-07-2017, the purchasing entity shall submit quarterly reports regarding clinical efficacy and or/other parameters of the relevant items in this list as used at their end. Moreover, Clause-6 of Govt. MCC rate contract agreement states that the procuring entity shall arrange to obtain samples from each batch of the supplied drugs/medicine through notified Drug Inspectors for test/Analysis.

District Health Officer Nowshera incurred expenditures of Rs 46,297,975 on account of purchase of medicine for various health facilities detail at Annexure-2. However, audit noticed the following irregularities:

1. Payment was made to the firms without the submission of Contract Execution Certificate duly authenticated /signed by the MCC authority.
2. The local office failed to submit quarterly reports regarding clinical efficacy of the Government approved brand of medicine.
3. Payment was made without clearance of samples of medicines from Government Drug Testing Laboratory (DTL).
4. 10 % performance guarantee amounting to Rs 4,559,827 was not obtained from a single supplier.

5. The medicines were not supplied and funds were drawn in advance and credited to designated accounts of DHO instead of direct payment to supplier.
6. Penalty of Rs 982,210 was not imposed against late supply of medicines.

The irregularity occurred due to non-compliance of rules which resulted in irregular expenditure.

When pointed out in August 2018, management stated that detail reply will be submitted after doing the needful. However, no reply was submitted till finalization of this report.

Request for convening of DAC meeting was made in October 2018, however, meeting of DAC could not be convened till finalization of this report.

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

AIR 2&3(2017-18)

1.2.1.3 Doubtful purchase of furniture Rs 7.10 million and loss of Rs 1.067 million

According to Government of KPK Finance Department letter No. SO(Dev-I)FD/2-56/2017-18 /Integrated which states that the expenditure shall be incurred only on the items/activities mentioned in the approved PC-I and shall not exceed the allocation for any particular item/activity.

According to KPPRA rules 2014 read with slandered bidding documents Bid security shall be kept sealed in the financial proposal. In case of two stage two envelopes the bidder shall, in addition, keep an affidavit in the technical proposal stating that a bid security amounting to 5 percent, as may be the case without indicating the figure in the letter, has been placed in the financial proposal or bid. Otherwise the technical proposal will be considered non-

responsive and will be returned to the bidder after being examined by the procurement committee.

District Health Officer, Nowshera incurred expenditure of Rs 7,087,385 on account of purchase of furniture during 2017-18. However, audit noticed the following irregularities during scrutiny of the record and physical verification of stock.

1. PC-1 was not available on record.
2. 04 bidders participated in the tendering process however; the bidders did not deposit the 5% security as required under the rules.
3. Furniture was supplied to health facilities directly without carrying out the physical inspection. Therefore, quality & quantity was not ensured.
4. The entries for the supplies was made in the stock register but were not attested by the D.H.O.
5. The comparative statement was not signed by the representatives of Deputy Commissioner Office.
6. Rates were manipulated and fresh comparative was prepared, which resulted into loss of Rs 1,067,085 as per detail below

Item	Quantity	Lowest rate	Paid rate	difference	Loss
Table	85	6,250	12,250	6,000	510,000
Office chairs	691	1,125	1,560	435	300,585
Revolving chairs	180	6,900	8,325	1,425	256,500
Total					1,067,085

The irregularity occurred due to non-compliance of rules which resulted in irregular expenditure.

When pointed out in August 2018, management stated that detail reply will be submitted after doing the needful. The reply is not correct as all the record was available with the department.

Request for convening of DAC meeting was made in October 2018, however, meeting of DAC could not be convened till finalization of this report.

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

AIR 5(2017-18)

1.2.1.4 Irregular purchase of equipments-Rs 82.365 million and non-obtaining of Performance guarantee for Rs 5.149 million

According to Director General Health Service's office letter No 9651-9708/Proc. Cell dated 21-11-2017 8% performance bank guarantee in shape of bank guarantee will be retained from the supplier. Payment to the supplier will be made after Inspection committee report.

According to Director General Health Services Khyber Pakhtunkhwa Peshawar office order No. 7465-7568/DD(Reg/Preq/Drugs) dated 08/10/2011 which states that the supply of the Medical Equipments/Instruments and other Misc: items be accepted on proper delivery challans, invoices, warranties and bills with written assurance from the suppliers/ importers / manufacturers on stamp papers that all the instruments / equipments supplies are according to the required specifications, standard and are not refurbished. Moreover, All payments to the importers / manufacturers / suppliers are to be made after making it sure that all the items supplied are in working conditions and declared are of standard quality be the inspection committee.

District Health Officer Nowshera incurred expenditure of 72,923,013 on purchase of hospital equipment during 2017-18 from government approved firms as per the following details.

S#	Description of funds	Funds	Expenditure
1	Provincial ADP	64,365,414	64,365,414
2	Integrated Health Programme	18,000,000	8,557,599
Total		82,365,414	72,923,013

Audit observed the following irregularities:

1. Payment was made to the firms without obtaining bank performance security @ 8% Rs 6,297,809.
2. Machinery and equipments were supplied to health facilities without conducting physical inspection.
3. Income tax @ 4.5% amounting to Rs 1,560,754 was not deducted from the supplier. on the basis of providing GD-1 forms, but on perusal of record most of the GD-1 provided were found irrelevant. Detail at annexure-3
4. PC-1 and approval of DG health was not available on record.
5. Installation and satisfactory performance report of machinery and equipments was not available.
6. Penalty for late supply of machinery and equipments for Rs 2,515,963 was not imposed and recovered.
7. Stamp duty amounting to Rs 643,654 was not deducted from the supplies procured under funds of provincial ADP.
8. Stock register was not signed by head of office.

The irregularity occurred due to non-compliance of rules.

When pointed out in August 2018, no reply was furnished.

Request for convening of DAC meeting was made in October 2018, however, meeting of DAC could not be convened till finalization of this report.

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

AIR 7 (2017-18)

1.2.1.5 Irregular tender process for 13.946 million and non-deduction of income tax Rs 0.560 million

Para 23 of the GFR Vol-I requires that every Government Officer should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence either on his part or on the part of his subordinate staff.

District Health Officer Nowshera incurred expenditure of Rs 12,578,000 on installation of 26 Nos solar system and purchase of one Ultrasound Machine out of District government fund during the financial year 2017-18. Four suppliers participated in the bidding process. Audit noticed the following irregularities: -

1. NIT was floated for the purchase of "High quality Bio Medical Equipments and instruments however, instead of medical equipments solar system were purchased for BHU's for Rs 11,128,000. which was irregular.
2. The lowest rate offered by suppliers MS Irfan Traders and MS Safroon Pvt Ltd for Rs 170,700 and Rs 358,000 respectively was ignored on technical ground by purchase committee however; the contract was awarded @ Rs 428,000.
3. The bidders failed to deposit CDR and Performance Bank Guarantee for Rs 278,920 & Rs 890,240 respectively.
4. The evaluation of technical and financial proposal was abnormally delayed for more than 03 month in violation of KAPPRA Rules.
5. Since the supplier was not the original importer, therefore, income tax amounting to Rs 500,760 was required to have been deducted.
6. Ultra sound machine for Rs 1,450,000 was purchased from the fund without provision in PC-1..
7. The supplies were not taken on stock.
8. The irregularity occurred due to non-compliance of rules which resulted in irregular expenditure.

The irregularity occurred due to non-compliance of rules.

When pointed out in July 2018, management stated that detail reply will be submitted in due course. However, no reply was furnished till finalization of this report.

Request for convening of DAC meeting was made in October 2018, however, meeting of DAC could not be convened till finalization of this report.

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

AIR 8(2017-18)

1.2.2 INTERNAL CONTROL WEAKNESSES

1.2.2.1 Irregular payment of pay and allowances and overpayment on account of Health Professional Allowance Rs 3.120 million

According Finance Department Notification No. FD(SOSR-II)8-18 /2016 dated 07-01-2016, which states that rate of Health Professional Allowance for medical officer/Dental surgeon in district Nowshera will be Rs 62,000 & 72,000 for urban & rural areas respectively with effect from 1-01-2016.

During audit of District Officer (Health) Nowshera for the financial year 2017-18, it was noticed that pay and allowances amounting to Rs 38,913,504 were paid to 30 doctors who were performing duty Urban areas rather than their place of original posting detail is at Annexure-4. In addition Rs 3,120,000 was overpaid on account of Health Professional Allowance as per detail below.

No. of Doctors	Rate admissible	Rate allowed	Difference	period	Total amount 26*12*10000
26	62,000	72,000	10,000	12	3,120,000

The irregularity occurred due to lack of internal financial control.

When pointed out in August 2018, management stated that recovery of HPA has been started. Reply was not correct as all the doctors were required to be transferred to their original place of posting besides recovery.

Request for convening of DAC meeting was made in October 2018, however, meeting of DAC could not be convened till finalization of this report.

Audit recommends repatriation of doctor to their actual place of posting and recovery of excess drawn of HPA under intimation to audit.

AIR 09 (2017-18)

1.2.2.2 Irregular tender process for Rs. 15 million

According to District Government Budget Rules 2016 47(9)" The Nazim District Government and Deputy Commissioner each shall visit not less than 10 percent of the Projects being funded through District ADP , while Head of the Office shall visit at least 70 percent of the projects". moreover, according to District Government Budget Rules 2016 47(1)" post completion evaluation of each development project shall be undertaken jointly by the Deputy District Officer Planning in collaboration with concerned Head of Offices and a report submitted to District Council.

District Officer, Social Welfare Nowshera during the financial year 2017-18 awarded two tenders under District ADP Scheme "Strengthening of Existing Vocational Training Centers of Social Welfare Nowshera" with estimated cost of Rs 10 million and "Provision of Rehabilitative Devices (Wheel Chairs & Tricycles) to Person with Disability" with estimated cost of Rs. 5.00 million respectively . The following irregularities were noticed:

1. Tender was called under single stage two envelope procedure, but technical evaluation was not carried out by the Committee.
2. Comparative Statement was not signed by the Chairman purchase committee and representative of Deputy Commissioner Office with the remarks that rates were on higher side.
3. According to the NIT the supplier was required to submit bank guarantee @ 10% amounting to Rs1,500,000. the supplier failed to submit bank guarantee.
4. Supply order was issued to the successful bidder on 06-04-2108 with supply period of 30 days but supplier failed to complete supply within stipulated period and the funds were drawn and converted to bank draft by the local office.
5. PC-I was not signed by the Competent Authority.

The irregularity occurred due to lack of internal financial control.

When pointed out in November 2018, management did not furnish reply.

Request for convening of DAC meeting was made in November 2018, however, meeting of DAC could not be convened till finalization of this report.

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

AIR 1 (2017-18)

1.2.2.3 Non-deposit of bank profit into government treasury-Rs 2.019 million

According to serial no.14, of the Economy/Austerity Measures for Financial year 2017-18 circulated by Finance department KPK vide letter No. BO.I/FD/5-8/2017-18 dated 30-06-17 which states that no department shall retain receipts in bank account. The department must remit all receipts to provincial account forthwith where departments/facilities have been specifically permitted under some statute/Act.

The Deputy Commissioner, Nowshera during the financial year 2017-18 earned bank profit of Rs 2,018,814 which was credited to the account No. 3078457290 maintained in National Bank of Pakistan, Saddar Bazar Branch Nowshera. The amount was retained in the bank instead of transferring into government treasury.

The non-deposit of bank profit into Government Treasury occurred due to weak internal control

When pointed out in August 2018, management stated that detail reply will be furnished within two days. However no reply was furnished.

Request for convening of DAC meeting was made in October 2018, however, meeting of DAC could not be convened till finalization of this report.

Audit recommends immediate deposit of bank profit into Government Treasury in Provincial receipts head.

AIR #03 (2017-18)

1.2.2.4 Non-disbursement of fund -Rs 8.172 million

Treasury Rule 130 states that money may not be withdrawn from the public exchequer without presentation of bills.

The Deputy Commissioner Nowshera during the Financial Year 2017-18 received Rs 8,172,822 vide cheque No.CA 0065675594 dated 8.5.2017 on account of Media Colony developmental fund. However, the amount was not disbursed to the quarter concerned but retained in the designated Bank Account of the local office.

Non-disbursement of funds occurred due to lack of internal financial control.

When pointed out in August 2018, management stated that detail reply will be furnished within two days. However no reply was furnished.

Request for convening DAC meeting was made in October 2018, however, meeting of DAC could not be convened till finalization of this report.

Audit recommends disbursement of fund under intimation to Audit.

AIR #09 2017-18

1.2.2.5 Irregular retention of fund -Rs 55.890 million

According to Finance Department Khyber Pakhtunkhwa letter No. SOR.III (FD) 6-1/90/XIII dated 29.06.1991 which states that no amount should be kept in any commercial bank by any Drawing and Disbursing Officer unless expressly authorized by the Finance Department.

The Deputy Commissioner Nowshera during the financial year 2017-18 retained an unspent balance of Rs 55,890,217 in the designated banks account as on 30.06.2018 without authorization of the finance department. Detail is at Annexure-5

Irregular retention of fund occurred due to weak internal control.

When pointed out in August 2018, management stated that detail reply will be furnished within two days. However no reply was furnished.

Request for convening DAC meeting was made in October 2018, however, meeting of DAC could not be convened till finalization of this report.

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

AIR #19 (2017-18)

1.2.2.6 Non supply of furniture -Rs 1.399 million

According to Rule 30 of the Khyber Pakhtunkhwa Public Procurement of Goods, Works and Services Rules, 2014, each procuring entity shall plan its procurements with due consideration to transparency, economy, efficiency and timeliness, and shall ensure equal opportunities to all prospective bidders.

The District Education Officer (Male) Nowshera withdrew Rs 1,399,968 from Government treasury on account of purchase of furniture and paid to Pak German Wood Working Centre Peshawar during the financial year 2017-18.

Audit noticed the following irregularities: -

1. The amount was drawn from government treasury in advance and paid to Pak German Wood Working Centre without supply of furniture.

2. Open tendering system was not adopted. Therefore, neither competitive lowest rate was not ensured
3. Need assessment and demand of furniture was also not available on record.

The non-supply of furniture occurred due to weak internal control

When pointed out in August 2018, management did not furnish reply.

Request for convening DAC meeting was made in October 2018, however, meeting of DAC could not be convened till finalization of this report.

Audit recommends that supply of furniture be ensured and responsibility may be fixed against the person(s) at fault.

AIR #06 (2017-18)

1.2.2.7 Non disbursement of stipend -Rs 5.00 million

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

The District Education Officer (Male) Nowshera Rs 5,000,000 vide cheque No.0679981 dated 05-04-2018 from DAO office Nowshera during the financial year 2017-18 on account of scholar ship to the position holder students in Government schools in District Nowshera. However, the amount was not disbursed till date.

Non disbursement of scholarship occurred due to weak internal controls, which resulted in non payment to the deserving student.

When pointed out in August 2018, management stated that the amount of Rs 4,100,000 will be distributed amongst 41 schools after the cheque is revalidated from the DAO. The reply was not convincing as the cheque was received in time which was not disbursed amongst the student concerned.

Request for convening DAC meeting was made in October 2018, however, meeting of DAC could not be convened till finalization of this report.

Audit recommends payment of scholarship as per rules and action against the person(s) at fault.

AIR #07 2017-18

1.2.2.8 Unauthentic drawl of funds from designated account- Rs 29.964 million and irregular retention of fund Rs 9.02 million

According to Finance Department Khyber Pakhtunkhwa letter No. SOR.III (FD) 6-1/90/XIII dated 29.06.1991 which states that no amount should be kept in any commercial bank by any Drawing and Disbursing Officer unless expressly authorized by the Finance Department. Moreover, according to rule 77(ii) of CTR, every officer receiving money on behalf of the Government should maintain a cash book in Form TR 4 and all monetary transactions should be entered in the cashbook as soon as they occur and attested by the head of the office in token of check. The cash book should be closed regularly and completely checked.

The District Education Officer (Male) Nowshera retained an Rs 9,802,645 in the designated bank account (A/c No: 4025948698 NBP) during the financial year 2017-18. However, neither the amounts were reconciled with bank nor was justification available on record of the unspent balance. Moreover, a sum of Rs 29,964,016 was drawn from the designated account during the financial year however, the local office neither maintained Cashbook of the expenditures nor was further disbursement was shown to audit.

The irregular retention and unauthentic drawl occurred due to weak internal control

When pointed out in August 2018, the Management stated that detail reply will be furnished later. However, no reply was furnished.

Request for convening DAC meeting was made in October 2018, however, meeting of DAC could not be convened till finalization of this report.

Audit recommends enquiry and justification for non-maintain the cash book of the expenditures.

AIR #08 (2017-18)

1.2.2.9 Non recovery of pays & Allowances –Rs 975,309

According to Para 23 FTR Vol I, every government officer should realized fully and clearly that he will be held personally responsible for any loss sustained by government through fraud or negligence either on his part or on the part of his subordinate staff.

During audit of the District Education Officer Female Nowshera during the financial year 2017-18, it was observed a Certified Teacher of JICA Model School Jaloza Nowshera remained absent from official duty sine 07-09-2010 up to September 2014 and drew Rs 975,309. However, recovery of the pay and allowance was not made from the absent teacher.

The drawl of pays & allowance occurred due to weak internal controls.

When pointed out in August 2018, the Management stated that detail reply will be furnished after verification of record. However, no reply was furnished till finalization of this report.

Request for convening DAC meeting was made in October 2018, however, meeting of DAC could not be convened till finalization of this report.

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

AIR #01 (2017-18)

1.2.2.10 Irregular retention of fund Rs 6.292 million

According to Finance Department Khyber Pakhtunkhwa letter No. SOR.III (FD) 6-1/90/XIII dated 29.06.1991 which states that no amount should be kept in any commercial bank by any Drawing and Disbursing Officer unless expressly authorized by the Finance Department

During scrutiny of the Bank Statement of the designated bank account (A/c No: 4025948705 NBP) of the District Education Officer (Female) Nowshera for the financial year 2017-18, it was observed that Rs 6,292,739 was lying unspent in the designated bank of the local office as on 30.06.2018. However, the amount was retained in the designated account without authorization of the finance department.

The irregular retention occurred due to weak internal control

When pointed out in August 2018, management stated that Rs 1,062,000 were lying as remuneration of teachers training. The reply was not tenable as huge amounts were lying unspent in the designated account without authorization of the finance department.

Request for convening DAC meeting was made in October 2018, however, meeting of DAC could not be convened till finalization of this report.

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

AIR #06 (2017-18)

1.2.2.11 Un-authorized retention of Government money in bank accounts-Rs 6.639 million

According to Finance Department Government of KPK letter No. BO-1/FD/5-8/ 2017-18/ Economy Measures dated 30.06.2017, “ The Chief Minister directed that no Department should keep accounts in Banks other than those allowed by Finance Department and regular reconciliation be made on quarterly basis with Finance Department.”

The District Director Agriculture Extension, Nowshera retained Rs 6,639,807 in various Bank accounts without approval of the finance department .detail is at Annexure-A. The local office failed to credit the amounts to Government Treasury at the end of financial year, which is violation of the above-mentioned orders of the government.

The retention of Government money in bank account occurred due to weak internal control.

When pointed out in October 2018, the Management stated that detail reply will be furnished after verification of record. However, no reply was furnished till finalization of this report.

Request for convening DAC meeting was made in October 2018, however, meeting of DAC could not be convened till finalization of this report.

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

AIR Para # 2 (2017-18)

1.2.2.12 Irregular expenditure on account of pay and allowances of Rs.7.377 million

According to serial number 3 Appendix-B of the Rules of Business of District Governments 2016 which states that notwithstanding anything contained in the schedules referred in (1) and (2), establishment of new facilities, having recurrent financial implications and creations of posts in all devolved sectors shall be within the purview of the provincial government.

During audit of the accounts of District Council Nowshera for the financial 2017-18 it was observed that an amount of Rs7,376,858 was paid to 21 individuals on account of pay & allowances. However, these individuals were not regular government employees as they were employees of TMAs and were not regular government servants. Audit is of the view that only those employees are considered regular employees whose posts are created through Schedule of New

Expenditure (SNE), whereas no evidence of these employees was available at record.

The irregularity occurred due weak internal control.

When pointed out in December 2018, management neither submitted reply nor was DAC meeting convened till finalization of this report.

Request for convening DAC meeting was made in December 2018, however, meeting of DAC could not be convened till finalization of this report.

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

AIR No. 1 (2017-18)

TEHSIL MUNICIPAL ADMINISTRATIONS

1.3 TMA NOWSHERA/PABBI/JEHANGIRA

1.3.1 IRREGULARITY/NON-COMPLIANCE

1.3.1.1 Less realization of receipts -Rs. 5.620 million

According to clause 2 of policy guidelines circulated by LGRD- Local Council Board KP vide Number AO-II/LCB/6-11/2017 dated 20-02-2017 which states that the local council shall fix different dates in one advertisement for auction of the contract of local taxes. If no reasonable bid is offered then another advertisement be got published in the renewed and widely circulated newspapers through information department. The same practice shall continue to achieve the maximum increase or up to minimum of 20% over the last year approved bid/income.

The TMO Nowshera realized an amount of Rs. 47,480,000 from the contracts of “Cattle Fare Khat Killi and Cattle Fare Khueshgi” during financial year 2017-18. As per model terms and conditions of contract the reserve bid price was required to be Rs 53,100,000, against which an amount of Rs 47,480,000 was realized, which resulted into less realization of receipts amounting to Rs. 5,620,000 as per the following details: -

Description	Income for the year 2016-17	Target for the year 2017-18	Amount Realized	Less Realized
Cattle Fare Khat Killi	43,000,000	51,600,000	46,000,000	5,600,000
Cattle Fare Khueshgi	1,250,000	1,500,000	1,480,000	20,000
Total	44,250,000	53,100,000	47,480,000	5,620,000

The less realization occurred due weak internal control

When pointed out in December 2018, management stated that detailed reply will be furnished after scrutiny of the record. However, reply of the office is awaited.

Request for convening DAC meeting was made in December 2018, however, meeting of DAC could not be convened till finalization of this report.

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

AIR No. 3 (2017-18)

1.3.1.2 Non recovery of outstanding amount from contractor-Rs 2.334 million

According to Clause 7 of the Policy Guidelines for the auction of local councils contracts for the year 2017-18 which states that 2% penalty per day will be liable on contractor/firm for late deposit of the monthly installment. The contractor if fails to clear dues by 10th of each to which monthly installment relates, the contract may be cancelled and his security and advances deposited by the contractor shall be forfeited

TMO Nowshera awarded receipts contract of Rait, bajri and shingle etc during the Financial Year 2017-18 for against bid amount of Rs 8,800,000. The contractor was required to submit the bid amount in 11 equal monthly installments @ Rs800,000. However, Rs. 2,333,740 was outstanding against the contractor till. The contract was not cancelled at risk and cost of contractors nor was penalty imposed for late payment.

When pointed out in December 2018, management stated that detailed reply will be furnished after scrutiny of the record. However, no reply was furnished.

Request for convening DAC meeting was made in December 2018, however, meeting of DAC could not be convened till finalization of this report.

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

AIR No. 4 (2017-18)

**1.3.1.3 Irregular expenditure on account of purchase of vehicles from ADP
-Rs 13.376 million**

Finance Department Khyber Pakhtunkhwa order no. BO(PFC-III)FD1-5/TMAAs-ADP/2017-18, dated 04.01.2018 for the releases of ADP of Rs. 68.628 million for TMA Nowshera. "The amount shall be utilized only for the execution of Development schemes/activities in accordance with guide lines issued by Planning & Development Department and observance of all codal formalities as required under Rules.

The TMO Nowshera purchased 20 Suzuki mini hydraulic dampers for Rs. 10,951,500 and 4 tractors from millat tractor for Rs. 4,707,150 from the ADP in violation of the instructions of the ADP.

The lapse occurred due to weak internal control.

When pointed out in December 2018, management stated that detailed reply will be furnished after scrutiny of the record. However, reply of the office is awaited.

Request for convening DAC meeting was made in December 2018, however, meeting of DAC could not be convened till finalization of this report.

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

AIR No. 1 (2017-18)

1.3.1.4 Duplication of payment on account of LCB share of Rs 3.091 million

According to Para 23 of GFR Vol-I each Govt. officer will personally be responsible for loss sustained by Govt. through negligence or fraud on his part or on the part of his subordinate staff.

The TMO, TMA Pabbi during the Financial Year 2017-18 Paid Rs 3,091,088 to Local Council on account on account of 2% Local Council Board

share, pension contribution and group insurance etc. for the financial year 2016-17 through cheque no. 29442609 dated 01.11.2017, whereas the same amount was paid again from ADP fund through cheque No. 072710 on 23/5/2018 for the financial year 2016-17. This resulted in duplicate payment of Rs. 3,091,088 paid to LCB needs recovery.

The irregularity occurred due weak financial control.

When pointed out in December 2018, management stated that detailed reply will be furnished after scrutiny of the record. However, reply of the office is awaited.

Request for convening DAC meeting was made in December 2018, however, meeting of DAC could not be convened till finalization of this report.

Audit recommends recovery and action against person at fault

AIR No. 1 (2017-18)

1.3.1.5 Un authorized payment of District ADP and CMD from Tehsil ADP of Rs 15.864 million

According to the Rule 31(3)(f) KP Tehsil Municipal Budget Administration Rules 2016. No liabilities of development projects completed from the Provincial ADP or any other federal programme shall be charged to the Tehsil Fund.

The TMO, TMA Pabbi during the Financial Year 2017-18 made payment for Rs 15,864,241 of District ADP and CMD out of Tehsil ADP fund which was irregular. Detail at Annexure-7.

The irregularity occurred due weak financial control.

When pointed out in December 2018, management stated that detailed reply will be furnished after scrutiny of the record. However, reply of the office is awaited.

Request for convening DAC meeting was made in December 2018, however, meeting of DAC could not be convened till finalization of this report.

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

AIR No. 2 (2017-18)

1.3.1.6 Non recovery of outstanding receipts & income tax-Rs 1.536 million

According to Rule 51 of TMA Budget Rules 2016, the primary obligation TO (R) shall be to ensure that all revenue due is claimed, realized and credited immediately into the Tehsil Fund under proper head of account.

The TMO Pabbi failed to recover receipts and income tax Rs1,536,760 against the 16 receipts contracts during the financial year 2017-18. detail is at annexure-8

Non-recovery of outstanding dues occurred due to weak internal controls.

When pointed out in December 2018, management stated that detailed reply will be furnished after scrutiny of the record. However, reply of the office is awaited.

Request for convening DAC meeting was made in December 2018, however, meeting of DAC could not be convened till finalization of this report.

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

AIR No. 3 (2017-18)

1.3.1.7 Irregular expenditure on repair of transformers–Rs 14.15 million

According to SOPs for execution of repair of transformers Scheme, “On receipt of written report from MPA/District Member Zilla Council member regarding a damage transformer the representative of AD&PESCO will personally inspect the transformer and will write the detail of transformer i.e. Make, Serial no, PO No, Date and Year of manufacturing location capacity and

fault in separate register to be maintained for this purpose. And after repair the transformer will be checked by the committee including representative of PESCO, AD & Zilla council member concerned regarding all the tests and ensure the quality of repair of transformer.

Executing agency shall ensure the repair work through M&T Lab of PESCO, and the damage and repair work identified by the M&T lab should be carried out from the authorized/Approved workshops of PESCO and the repaired transformer shall be rechecked from M&T Lab before installation.

According to para-6 of Administrative Approval, work shall be completed within stipulated time up to 30-06-2018.

TMA Pabbi during FY 2017-18 paid an amount of Rs 14,157,800 to M/S Swat Electric Company on account of “Repair of Transformers at various UCs, of PK-12” out of CMD fund as per detail below;

S,No	Contractor	Name of scheme	Expenditure
1	M/S Swat Electric	Repair of transformer at UC D.I.K,Shah Kot, Jalozei, Speen Khak, Pabbi,Taru Jaba,Mohib Banda,Kurvi	7,505,260
2	M/S Swat Electric	Repair of transformer at UC D.I.K,Shah Kot,Jalozei,Speen Khak,Choki Mamraz, Akbar Pura and Taru Jabba	6,652,540
Total			14,157,800

The following irregularities were noticed.

1. Written report from MPA/District Member Zilla Council member regarding a damage transformer was not available on record.
2. Report regarding inspection by AD&PESCO of the transformer and the detail of transformer i.e. make, serial no, PO No date and year of manufacturing location capacity and fault in separate register was not maintained.
3. After repair the transformer was not checked by the committee including representative of PESCO, AD & Zilla Council member

concerned regarding all the tests and ensure the quality of repair of transformer.

4. Neither the local office ensured the repair work through M&T Lab of PESCO, nor was the damage and repair work carried out from the authorized/approved workshops of PESCO.
5. The repaired transformers were not rechecked from M&T Lab before installation.
6. No complaint/request from the community of District Peshawar for repair of their transformers was found on the record.
7. It is astonishing to note that all the installed transformers in a whole PK needed at a time repair of HT, LT coils, installation of bushes and transformers oils.
8. Rate Analysis of repair of HT, LT coils, installation of bushes and transformers oils were not found on the record.
9. According to the Administrative approval the scheme shall be started in financial year 2017-18 and shall be completed in June 2017-18, but scheme was started on December 2018.

The irregular expenditure occurred due to weak internal control.

When pointed out in December 2018, management stated that detailed reply will be furnished after scrutiny of the record. However, reply of the office is awaited.

Request for convening DAC meeting was made in December 2018, however, meeting of DAC could not be convened till finalization of this report.

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

AIR No. 4 (2017-18)

1.3.1.8 Irregular/unauthorized drawl of Pay and Allowances - Rs 3.434 million

According to Rule-157 of Treasury Rules Vol-I the cheques for more than Rs 200/- drawn in favor of local bodies, firms, private persons or Government servants (in respect of their personal Claims) shall be crossed "Payees A/C only". This Rule will however not apply to Federal Govt. Servants in r/o pay and allowances up to Rs. 2000/- per month. In this regard the Accountant General Office and all other concerned have also issued instructions for payment of pay and allowances to Govt. employees through their bank accounts only.

During audit of Tehsil Municipal Officer, Pabbi it came to notice that Rs 3,434,198 was paid to the employees on account of pay & allowances on cash basis during financial year 2017-18. Details of the cash payment are as under;

S.No	Particular	Amount
1	September 2017	3,058,977
2	October 2017	375,221
Total		3,434,198

The irregularity occurred due weak internal control.

When pointed out in December 2018, management stated that detailed reply will be furnished after scrutiny of the record. However, reply of the office is awaited.

Request for convening DAC meeting was made in December 2018, however, meeting of DAC could not be convened till finalization of this report.

Audit recommends inquiry and fixing responsibility besides payment of salary through direct credit system under intimation to audit.

AIR No. 6 (2017-18)

1.3.1.9 Non-recovery of Rs20.103 million and income tax Rs 3.700 million.

According to clause 41(1) of LGA, 2013 which states that 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.

Tehsil Municipal Officer, TMA Jehangira during 2017-18 awarded the contract of “Excavation of rate, bajri and shingle at Mian Essa Zone” to contractor M/S Shah Nawaz S/O Ashraf Khan at a bid cost of Rs 37,000,000 for the period of one year. However, receipts of Rs 20,102,559 and 10% income tax amounting to Rs3,700,000 was outstanding against the contractor.

None recovery of balance amounts occurred due to weak internal control.

When pointed out in December 2018, management stated that detailed reply will be furnished after scrutiny of the record. However, no reply was furnished.

Request for convening DAC meeting was made in December 2018, however, meeting of DAC could not be convened till finalization of this report.

Audit recommends recovery of Rs20,102,559 as principal amount and income tax Rs3,700,000 besides fixing of responsibility on person(s) at fault.

AIR No. 1 (2017-18)

1.3.2 Internal Control Weaknesses

1.3.2.1 Irregular appointments and promotion of Class-III & IV staff

According to Rule 3(7) (f) Function of the TMO relating to budget of KP Tehsil Municipal Budget Administration Rules 2016, “Abolition and creation of posts on the establishment of Tehsil or Town offices and examination of schedule of new expenditure with the approval of Provincial Government, read with Rule 22 (3) New Expenditure KP Tehsil Municipal Budget Administration Rules 2016, “The Statement of New Expenditure shall be subject to prior approval of Provincial Finance Department”.

TMO Nowshera during the financial year 2017-18 appointed and promoted Class- III, IV staff. Detail is at annexure-6. However, audit noticed the following discrepancies: -

1. 62 posts were created by the Local Council Board. However, Finance Department approval was not available on record.
2. In order to avoid the advertising the posts in newspapers, these posts were downgraded.
3. Complete merit lists were not prepared for all staff.
4. Experience and qualification were not considered for promotion.
5. Seniority list was not followed for promotion

The lapsed occurred due to weak internal control

When pointed out in December 2018, management stated that detailed reply will be furnished after scrutiny of the record. However, reply of the office is awaited.

Request for convening DAC meeting was made in December 2018, however, meeting of DAC could not be convened till finalization of this report.

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

1.3.2.2 Loss due to non-awarding contract to the lowest bidder-Rs 2 million

Para-23 of GFR Vol-I states that every government officer should realize fully and clearly that he will be held personally responsible for any loss sustained by government through fraud or negligence either on his part or on the part of his subordinate staff.

The T.M.O TMA Nowshera during FY 2017-18 tendered a work “Repair of transformer at different union councils in district Nowshera” with estimated cost of Rs 20 million. Four bidders participated in the tender process. The tender was awarded to M/S High Power Transformer Workshop at the rate of 28% below on the estimated cost. However, the rate of 38% below offered by M/S Wajid Ali Khan & Sons was not accepted without any reason. Therefore, government sustained a loss of Rs 2,000,000 by not including & accepting the lowest bid rate. detail is below

Name of scheme	Bid offered by M/S Wajid	Bid offered by M/S High power	difference	Estimated cost	Loss
Repair of transformer in different Union Councils of Rashakai, Bara Banda, Pir Sabaq, Zara Miana etc in District Nowshera	38 % below	28% below	10 %	20 million	2 million

The irregular expenditure occurred due to weak internal control.

When pointed out in December 2018, management stated that detailed reply will be furnished after scrutiny of the record. However, reply of the office is awaited.

Request for convening DAC meeting was made in December 2018, however, meeting of DAC could not be convened till finalization of this report.

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

AIR No. 5 (2017-18)

1.3.2.3 Irregular expenditure on repair of transformers–Rs 21.288 million

Non-imposition of penalty-Rs 1 million

According to SOPs for execution of repair of transformers Scheme, “On receipt of written report from MPA/District Member Zilla Council member regarding a damage transformer the representative of AD&PESCO will personally inspect the transformer and will write the detail of transformer i.e. Make, Serial no, PO No, Date and Year of manufacturing location capacity and fault in separate register to be maintained for this purpose. And after repair the transformer will be checked by the committee including representative of PESCO, AD & Zilla council member concerned regarding all the tests and ensure the quality of repair of transformer. Executing agency shall ensure the repair work through M&T Lab of PESCO, and the damage and repair work identified by the M&T lab should be carried out from the authorized/Approved workshops of PESCO and the repaired transformer shall be rechecked from M&T Lab before installation.

The T.M.O TMA Nowshera during the financial year 2017-18 paid an amount of Rs 21.288 million to two contractors on account of “Repair of Transformers at various UCs, in district Nowshera” out of CMD fund. However, audit noticed the following irregularities: -

The following irregularities were noticed.

1. Written report from MPA/District Member Zilla council member regarding a damage transformer was not available on record.
2. Report regarding inspection by AD&PESCO of the transformer and the detail of transformer i.e. make, serial no, PO No date and year of

manufacturing location capacity and fault in separate register was not maintained.

3. After repair the transformer was not checked by the committee including representative of PESCO, AD & Zilla council member concerned regarding all the tests and ensure the quality of repair of transformer.
4. Neither the local office ensured the repair work through M&T Lab of PESCO, nor was the damage and repair work carried out from the authorized/approved workshops of PESCO.
5. The repaired transformers were not rechecked from M&T Lab before installation.
6. No complaint/request from the community of District Peshawar for repair of their transformers was found on the record.
7. It is astonishing to note that all the installed transformers in a whole PK needed at a time repair of HT, LT coils, installation of bushes and transformers oils.
8. Rate Analysis of repair of HT, LT coils, installation of bushes and transformers oils were not found on the record.
9. According to the Administrative approval the scheme shall be started in financial year 2017-18 and shall be completed in June 2017-18. However, the work at serial.No-01 of the table below was not completed up till June 2018. therefore a penalty @10% for Rs1,000,000 was required to have been imposed & recovered which was not done.

The irregular expenditure occurred due to weak internal control.

When pointed out in December 2018, management stated that detailed reply will be furnished after scrutiny of the record. However, reply of the office is awaited.

Request for convening DAC meeting was made in December 2018, however, meeting of DAC could not be convened till finalization of this report.

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

AIR No. 6 (2017-18)

1.3.2.4 Un authorized payment from ADP to LCB of Rs 5.971 million

According to the Finance Department Khyber Pakhtunkhwa order no. BO (PFC-III)FD1-5/TMAs-ADP/2017-18, dated 04.01.2018 for the releases of ADP TMAs. "The amount shall be utilized only for the execution of Development schemes/activities in accordance with guide lines issued by Planning & Development Department and observance of all codal formalities as required under Rules.

TMO, TMA Pabbi during the Financial Year 2017-18 Paid Rs. 5,971,020 to Local Council on account of 2% Local Council Board share, pension contribution and group insurance etc. from the Annual Development program fund. LCB charge 2% share TMA from the receipts of TMAs which was required to have been paid from the local fund rather than from ADP. Moreover details of the calculation were not also available on record. Details of the payments are as under:

S. No	Year	Amount
1	2015-16	294,428
2	2016-17	3,091,088
3	2017-18	2,585,504
Total		5,971,020

The irregularity occurred due weak financial control.

When pointed out in December 2018, management stated that detailed reply will be furnished after scrutiny of the record. However, no reply was furnished.

Request for convening DAC meeting was made in December 2018, however, meeting of DAC could not be convened till finalization of this report.

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

AIR No. 5 (2017-18)

AD LGE&RDD

1.4 AD LG E&RDD NOWSHERA

1.4.1 IRREGULARITY/NON-COMPLIANCE

1.4.1.1 Un-authorized retention of Government money in bank accounts-Rs 21.425 million

According to Finance Department Government of KPK letter No. BO-1/FD/5-8/ 2017-18/ Economy Measures dated 30.06.2017, “The Chief Minister directed that no Department should keep accounts in Banks other than those allowed by Finance Department and regular reconciliation be made on quarterly basis with Finance Department.”

During audit of Assistant Director Local Government & Rural Development Department Nowshera during 2017-18, it was observed that Secretaries of various Village Councils in district Nowshera have retained substantial amount of Government money amounting to Rs 21,425,254 in PLS accounts of various banks (detail given below) without approval of the Finance department. Detail is at annexure-9

The retention of Government money occurred due to weak internal control.

When pointed out in December 2018, management stated that detailed reply will be furnished after scrutiny of the record. However, reply of the office is awaited.

Request for convening DAC meeting was made in December 2018, however, meeting of DAC could not be convened till finalization of this report.

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

AIR No. 3 (2017-18)

1.4.1.2 Irregular expenditure of Rs 2.800 million and overpayment to contractor Rs 1.538 million

According to Para 220 and 221 of CPWA Code, the Sub Divisional Officer, before making payments to the contractors is required to compare the quantities in the bills and see that all the rates are correctly entered and that all the calculations have been checked arithmetically.

The Secretary Village Council Mohib Banda under the administrative control of Assistant Director Local Government & Rural Development Department Nowshera during 2017-18 awarded a developmental work "Repair/ Construction of streets pavements, drains, culverts, side wall and installation of 08 hand pumps in Village Council Mohib Banda for Rs 2,800,000 to a Contractor named M/S Imdadullah and Brothers. Payment was made to the contractor for repair of streets, drains, culverts and installation 61 hand pumps (as per detail given below). However, no record entry was found for the paid items in MB page No. 23 concerned. Moreover, the expenditure was incurred without executing Agreement with the contractor and issuance of the Administrative Approval of the Competent Authority.

Quantity approved as per TS & BOQ	Qty as per final R/B & MB	Difference in quantity	Rate as per MRS-2017	Excess/recoverable amount Rs
08	61	53	6,000	318,000
28.35 meters 3" id T/well boring up to 100' and below	1658 meters	1629.65 meters	436.38	711,147
28.35 meters class D 2" PVC Pipe	1658 meters	1629.65 meters	312.51	509,282
Total recoverable amount				1,538,429

The irregularity occurred due weak financial control.

When pointed out in December 2018, management stated that detailed reply will be furnished after scrutiny of the record. However, reply of the office is awaited.

Request for convening DAC meeting was made in December 2018, however, meeting of DAC could not be convened till finalization of this report.

Audit recommends recovery and action against person at fault

AIR No. 15 (2017-18)

ANNEXURES

ANNEX-1

MFDAC

S.No.	Name of Office	Caption of Para	Amount
1.	District Govt	Non deposit of domicile fee - Rs 0.603 million	0.603
2.		Irregular payment of Honoraria – Rs 0.690 million	0.690
3.		Irregular/unauthentic expenditure of Rs 1.912 million	1.912
4.		Non-recovery of overpayment Rs 425,000 & Non-refunding of unspent balance Rs 154,900 totalling Rs 579,000	0.579
5.		Non reconciliation of expenditure -RS 1.43 million	1.43
6.		Non-imposition of penalty on late supply of medicines 0.982 million and doubtful payment of 4.230 million.	0.982
7.		Non deduction of HRA from doctors residing in Government accommodation or having designated Government accommodation in health facilities.	0
8.		Illegal operation of a banned NGO-IRC in health facilities of District Nowshera under the control of DHO Nowshera	0
9.	TMAs	Irregular and unverified expenditure on account of Pay& Allowances Rs 476,000	0.476
10.		Irregular payment Rs 0.9 million	0.9
11.		Doubtful expenditures on account of repair of furniture-Rs 439,995	0.439
12.		Irregular expenditure on installation of solar street lights–Rs 0.862 million	0.862
13.		Irregular payment on account of mobilization of plant & machinery and shrouding material-Rs 0.920 million	0.920
14.		Irregular payment on account of compulsory acquisition charges-Rs 1.093 million	1.093
15.	ADLG&RDD	Irregular and un-authorized payment on account of Installation of Hand pumps Rs971,916	0.971
16.		Non-crediting of profit into Government treasury-Rs 178,757	0.178
17.		Overpayment to contractor-Rs 303,457	0.303
18.		Non-crediting of profit into Government treasury-Rs 354,535	0.354
19.		Overpayment to contractor-Rs 131,155	0.131
20.		None crediting to Government various taxes. Rs237,500	0.237

Annex-2
Para 1.2.1.2

DETAIL OF IRREGULAR PURCHASE OF MEDICINE

Name of institutes	Budget	Expenditure	Performance security	Penalty amount
BHU	8,300,000	8,299,668	829,997	111,000
Integrated	6,000,000	5,999,600	589,960	30,240
DADP	10,000,000	10,000,000	1,000,000	102,993
Do	5,000,000	5,000,000	500,000	144,215
Category D	4,400,000	4,400,000	440,000	139,063
RHC	3,050,000	3,049,079	244,909	34,758
BHU Distt	6,000,000	6,000,000	600,000	420,000
CD MCH	3,550,000	3,549,610	354,961	0
Total	46,300,000	46,297,957	4,559,827	982,210

Annex-3
Para 1.2.1.4

DETAIL OF IRREGULAR PURCHASE OF EQUIPMENTS

Firm Name	Qty ordered	Rate	amount	performance security	Taxes	Late supply	Stamp duty
Novetek Pakistan	6	1175000	7050000	564000			70500
Noor enterprises	34	235000	7990000	639200	359550		79900
Noor enterprises	220	7900	1738000	139040	78210		17380
Noor enterprises	6	295000	1770000	141600	79650		17700
ultradent health care	1	392000	392000	31360	17640	27440	3920
paradise export	8	15000	120000	9600	5400		1200
paradise export	12	4000	48000	3840	2160		480
paradise export	25	12000	300000	24000	13500		3000
Medco	1	745000	745000	59600	33525	118160	7450
Medco	1	745000	745000	59600	33525		7450
Medco	1	198000	198000	15840	8910		1980
Latif brothers	1	1688000	1688000	135040	75960		16880
health care	6	145000	870000	69600			8700
Ideal business	5	300000	1500000	120000	67500		15000
MKJ associates	8	8739	69912	5592.96	3146.04		699.12
MKJ associates	35	11273	394555	31564.4	17754.98		3945.55
MKJ associates	35	14239	498365	39869.2	22426.43		4983.65
MKJ associates	35	8420	294700	23576	13261.5		2947
Qazzafi surgical	71	2400	170400	13632	7668		1704
Qazzafi surgical	12	16500	198000	15840	8910		1980
Qazzafi surgical	51	6200	316200	25296	14229		3162
Qazzafi surgical	10	27000	270000	21600	12150		2700
Qazzafi surgical	30	15000	450000	36000	20250		4500
Ihtisham surgical	50	1650	82500	6600	3712.5		825
Ihtisham surgical	50	26100	1305000	104400	58725		13050
Ihtisham surgical	130	4380	569400	45552	25623		5694
Ihtisham surgical	260	525	136500	10920	6142.5		1365

mirza niaz sons	30	12285	368550	29484	16584.75		3685.5
mirza niaz sons	50	4500	225000	18000	10125		2250
friends traders	1	2295000	2295000	183600	103275	500360	22950
friends traders	3	1445000	4335000	346800	195075		43350
friends traders	4	129500	518000	41440	23310		5180
matora engineering	2	5967000	11934000	954720		1523340	119340
matora engineering	1	9828000	9828000	786240			98280
med express	1100	575	632500	50600	28462.5		6325
med express	2	38900	77800	6224	3501	49721	778
IBS Pharma	2	26400	52800	4224	2376	241052	528
IBS Pharma	60	9000	540000	43200	24300		5400
IBS Pharma	3	83600	250800	20064	11286		2508
IBS Pharma	50	11000	550000	44000	24750		5500
IBS Pharma	1	850000	850000	68000	38250		8500
IBS Pharma	4	300000	1200000	96000	54000		12000
Allmed solutions	1	171720	171720	13737.6	7727.4		12020.4
Professional	5	11909	59545	4763.6	2679.525	43869.81	595.45
Professional	2	850	1700	136	76.5		17
Professional	100	225	22500	1800	1012.5		225
Professional	100	57.75	5775	462	259.875		57.75
Professional	4	50652.9	202611.6	16208.928	9117.522		2026.116
Professional	2	23940	47880	3830.4	2154.6		478.8
Professional	50	5734	286700	22936	12901.5		2867
Total			64365414	5149233.088	1560754		2515963

Detail of procurement and penalty for late supply

S/No .	Procurement of	Supplier	D W O	Due date	Total	Period in months	Penalty @ 2% per
1	Science	Jamil & sons	26.05.1	25.06.1	1,081,905	1	21,638
2	Science	Darulfaanoon	26.05.1	25.06.1	217,110	1	4,342
3	Science	Rise int.	26.05.1	25.06.1	1,250,755	1	25,015
4	Science	Darulfaanoon	26.05.1	25.06.1	47,121	1	942
5	Science	Rise int.	26.05.1	25.06.1	1,841,610	1	36,832
6	Science	Darulfaanoon	26.05.1	25.06.1	3,351,560	1	67,031
7	Science	Jamil & sons	26.05.1	25.06.1	2,409,710	1	48,194
8	Computers	Darulfaanoon	19.06.1	20.06.1	1,531,300	1	30,626
9	Furniture	Mardan traders	15.01.1	15.04.1	8,120,550	3	487,23
10	Furniture	SIDB	8.6.18	30.6.18	500,000	1	10,000
11	Furniture	SIDB	1.6.18	15.6.18	259,933	1	5,199
12	Furniture	SIDB	1.6.18	15.6.18	90,000	1	1,800
	TOTAL				20,701,55		738,85

Annex-4
Para 1.2.2.1

DETAIL OF IRREGULAR PAYMENT OF PAY & ALLOWANCES

S. No	Name of Officer / Official	Designation	BPS	Place of Posting	Place of Duty	monthly salary (Gross)	HPA Draw n	HPA due	Diff
1	Dr. Tariq Khan	PMO	19	NR-6110-RHC's	DHO Office	210825	72000	62000	10000
2	Dr. Aya Khan	SMO	18	NR-6110-RHC's	MRHS MH Pabbi	137824	72000	62000	10000
3	Dr. Yousaf Khan	SMO	18	NR-6110-RHC's	MRHS MH Pabbi	162061	72000	62000	10000
4	Dr. Sadia Muhammad	WMO	17	NR-6110-RHC's	MRHS MH Pabbi	110752	72000	62000	10000
5	Dr. Sehrish Khan	WMO	17	NR-6110-RHC's	MRHS MH Pabbi	110752	72000	62000	10000
6	Dr. Hina Fazal Khattak	Dental Surgeon	17	NR-6110-RHC's	MRHS MH Pabbi	110752	72000	62000	10000
7	Dr. Mansoor Ahmad	MO	17	NR-6110-RHC's	MRHS MH Pabbi	120753	72000	62000	10000
8	Dr. Hashim Saeed	MO	17	NR-6110-RHC's	DHO Office	120752	72000	62000	10000
9	Dr. Faiza Alam	WMO	17	NR-6110-RHC's	MRHS MH Pabbi	120752	72000	62000	10000
10	Dr. Ayesha Nowshad	WMO	17	NR-6110-RHC's	MRHS MH Pabbi	113775	72000	62000	10000
11	Dr. Zakir Khan	MO	17	NR-6110-RHC's	MRHS MH Pabbi	123282	72000	62000	10000
12	Dr. Aftab Alam	MO	17	NR-6110-	MRHS MH	113282	72000	62000	10000

				RHC's	Pabbi				
13	Dr. Khuram Shehzd Niazi	MO	17	NR-6110-RHC's	DHO Office	126005	72000	62000	10000
14	Dr. Abida Rehman	WMO	17	NR-6110-RHC's	MRHS MH Pabbi	110753	72000	62000	10000
15	Dr. Tanzeela Parvez	Gynecologist	18	NR-6334-Manki	MRHS MH Pabbi	161740	72000	62000	10000
16	Dr. Fauzia Rasheed	Dental Surgeon	17	NR-6334-Manki	MRHS MH Pabbi	110752	72000	62000	10000
17	Dr. Rubina Parvaiz	Gynaecologist	18	NR-6341-D I Khel	MRHS MH pabbi	140824	72000	62000	10000
18	Dr. Sadia Nasir	Surgical Specialist	18	NR-6341-D I Khel	MRHS MH pabbi	143347	72000	62000	10000
19	Dr. Sikandar Hayat	MO	17	NR-6115-BHU's	MRHS M I Pabbi	115050	72000	62000	10000
20	Dr. Fayaz Khan Khattak	MO	17	NR-6115-BHU's	RHC Khairabad	112327	72000	62000	10000
21	Dr. Najeeb Ullah Khan	MO	17	NR-6115-BHU's	MRHS M Pabbi	112327	72000	62000	10000
22	Dr. Kamran Khan	MO	17	NR-6115-BHU's	MRHS M Pabbi	115327	72000	62000	10000
23	Dr. Naila Israr	WMO	17	NR-6115-BHU's	MRHS M Pabbi	105327	72000	62000	10000
24	Dr. Ayesha Rehman	WMO	17	NR-6115-BHU's	MRHS M Pabbi	115327	72000	62000	10000
25	Dr. Ayesha Anwar	WMO	17	NR-6115-BHU's	MRHS M Pabbi	102797	72000	62000	10000
26	Dr. Akhtar Ali	MO	17	NR-6115-BHU's	MRHS M Pabbi	115327	72000	62000	10000
Total						3,242,792			260,000

S.No	Name of Officer / Official	Designation	BPS	Place of Posting	Place of Duty	monthly salary (Gross) in Rupees
1	Dr. Tariq Khan	PMO	19	NR-6110-RHC's	DHO Office	210825
2	Dr. Aya Khan	SMO	18	NR-6110-RHC's	MRHSMH Pabbi	137824
3	Dr. Yousaf Khan	SMO	18	NR-6110-RHC's	MRHSMH Pabbi	162061
4	Dr. Sadia Muhammad	WMO	17	NR-6110-RHC's	MRHSMH Pabbi	110752
5	Dr. Sehrish Khan	WMO	17	NR-6110-RHC's	MRHSMH Pabbi	110752
6	Dr. Hina Fazal Khattak	Dental Surgeon	17	NR-6110-RHC's	MRHSMH Pabbi	110752
7	Dr. Mansoor Ahmad	MO	17	NR-6110-RHC's	MRHSMH Pabbi	120753
8	Dr. Hashim Saeed	MO	17	NR-6110-RHC's	DHO Office	120752
9	Dr. Faiza Alam	WMO	17	NR-6110-RHC's	MRHSMH Pabbi	120752
10	Dr. Ayesha Nowshad	WMO	17	NR-6110-RHC's	MRHSMH Pabbi	113775
11	Dr. Zakir Khan	MO	17	NR-6110-RHC's	MRHSMH Pabbi	123282
12	Dr. Aftab Alam	MO	17	NR-6110-RHC's	MRHSMH Pabbi	113282
13	Dr. Khuram Shehzd Niazi	MO	17	NR-6110-RHC's	DHO Office	126005
14	Dr. Abida Rehman	WMO	17	NR-6110-RHC's	MRHSMH Pabbi	110753
15	Dr. Tanzeela Parvez	Gynecologist	18	NR-6334-Manki	MRHSMH Pabbi	161740
16	Dr. Fauzia Rasheed	Dental Surgeon	17	NR-6334-Manki	MRHSMH Pabbi	110752
17	Dr. Rubina Parvaiz	Gynecologist	18	NR-6341-D I Khel	MRHSMH pabbi	140824
18	Dr. Sadia Nasir	Surgical Specialist	18	NR-6341-D I Khel	MRHSMH pabbi	143347
19	Dr. Sikandar Hayat	MO	17	NR-6115-BHU's	MRHSM 1 Pabbi	115050
20	Dr. Fayaz Khan	MO	17	NR-6115-BHU's	RHC	112327

	Khattak				Khairabad	
21	Dr. Najeeb Ullah Khan	MO	17	NR-6115-BHU's	MRHSM Pabbi	112327
22	Dr. Kamran Khan	MO	17	NR-6115-BHU's	MRHSM Pabbi	115327
23	Dr. Naila Israr	WMO	17	NR-6115-BHU's	MRHSM Pabbi	105327
24	Dr. Ayesha Rehman	WMO	17	NR-6115-BHU's	MRHSM Pabbi	115327
25	Dr. Ayesha Anwar	WMO	17	NR-6115-BHU's	MRHSM Pabbi	102797
26	Dr. Akhtar Ali	MO	17	NR-6115-BHU's	MRHSM Pabbi	115327
27	Dr. Sadaf Zahoor	SMO	18	NR-6110-RHC's	CD Khatt Kaley	146347/-
28	Dr. Farhan Aziz Babar	MO	17	NR-6110-RHC's	BHU Khushmaqam	123775/-
29	Dr. Andaleeb Awan	Medical Officer	18	NR-6334-Manki	CH Akora Khattak	146749/-
30	Dr. Asia Gul	WMO	17	NR-6116-CDs	BHU Badrashi	123282/-
Total						3,242,792

Total= 3,242,792*12=38,913,504

Annex-5
Para 1.2.2.5

DETAIL OF IRREGULAR RETENTION OF FUNDS

S#	Account Title	Account No.	Bank	Account Type	Balance as on 30-6-18
1	DCO Nowshera	3078457290	National Bank of Pakistan, Saddar Bazar Branch Nowshera	Saving Account	39,648,835
2	DCO Flood 2010 NSR	4025965384	National Bank of Pakistan, Cantt Branch Nowshera	Current Account	8,866,207
3	DCO Miscellaneous fund	04070-00-3	Bank of Khyber Nowshera Branch	PLS	2,373,493
4	Benevolent fund	01712-00-4	Bank of Khyber Nowshera Branch	PLS	3,366,857
5	DC Nowshera Domicile	4078472110	National Bank of Pakistan, Saddar Bazar Branch Nowshera	Current Account	1,634,825
Total					55,890,217

Annex-6
Para 1.3.2.1

DETAIL OF IRREGULAR APPOINTMENT

S. No	Name of Official with existing post & BPS	Appointment/Promoted post with BPS	Date of Appointment / Promotion
1	Nazar ali shah, SW BPS 3	Fresh Appointment	16/1/2018
2	Masood Khan, SW BPS 3	Fresh Appointment	16/1/2018
3	Naveed Aslam, SW BPS 3	Fresh Appointment	16/1/2018
4	Atta Ullah, SW BPS 3	Fresh Appointment	16/1/2018
5	Muhammad Ali, SW BPS 3	Fresh Appointment	16/1/2018
6	Zeeshan Khan, SW BPS 3	Fresh Appointment	16/1/2018
7	Sadiq Ali Khan, SW BPS 3	Fresh Appointment	16/1/2018
8	Mohammad Yousaf, SW BPS 3	Fresh Appointment	16/1/2018
9	Ahmad Jan, SW BPS 3	Fresh Appointment	16/1/2018
10	Abbas Ali, SW BPS 3	Fresh Appointment	16/1/2018
11	Sajjad Hussain, SW BPS 3	Fresh Appointment	16/1/2018
12	Shadnan, SW BPS 3	Fresh Appointment	16/1/2018
13	Muhammad Noor, SW BPS 3	Fresh Appointment	16/1/2018
14	Irshad Ali, SW BPS 3	Fresh Appointment	16/1/2018
15	Muhammad Arif, SW BPS 3	Fresh Appointment	16/1/2018
16	Muhammad Shafiq, SW BPS 3	Fresh Appointment	16/1/2018
17	Aziz ur Rehman, SW BPS 3	Fresh Appointment	16/1/2018
18	Shafiq, SW BPS 3	Fresh Appointment	16/1/2018
19	Fakhrul Islam, SW BPS 3	Fresh Appointment	16/1/2018
20	Waqar Khan, SW BPS 3	Fresh Appointment	16/1/2018
21	Dilraaz Gul, SW BPS 3	Fresh Appointment	16/1/2018
22	Farman Ali, SW BPS 3	Fresh Appointment	16/1/2018
23	Bilal Khan, SW BPS 3	Fresh Appointment	16/1/2018
24	Zahid Hussain, SW BPS 3	Fresh Appointment	16/1/2018
25	Arif, SW BPS 3	Fresh Appointment	16/1/2018
26	Sajid Khan, SW BPS 3	Fresh Appointment	16/1/2018
27	Hassan Shah, SW BPS 3	Fresh Appointment	16/1/2018
28	Mukhtiar Mehmood, SW BPS 3	Fresh Appointment	16/1/2018
29	Gul Dost, SW BPS 3	Fresh Appointment	16/1/2018
30	Saleh Khan, SW BPS 3	Fresh Appointment	16/1/2018
31	Nawab Ali, SW BPS 3	Fresh Appointment	16/1/2018
32	Zahid Ali, SW BPS 3	Fresh Appointment	16/1/2018
33	Saeed Khan, SW BPS 3	Fresh Appointment	16/1/2018
34	Muhammad Ismail, SW BPS 3	Fresh Appointment	16/1/2018
35	Salman Khan, SW BPS 3	Fresh Appointment	16/1/2018
36	Muhammad Adil, Sanitation Driver	Fresh Appointment	02/02/2018

	BPS 4		
37	Muhammad Ishaq, Sanitation Driver BPS 4	Fresh Appointment	02/02/2018
38	Noor Elahi, Sanitation Driver BPS 4	Fresh Appointment	02/02/2018
39	Asim Khan, Sanitation Driver BPS 4	Fresh Appointment	02/02/2018
40	Muhammad Ibrar, Sanitation Driver BPS 4	Fresh Appointment	02/02/2018
41	Jibran Khan, Sanitation Driver BPS 4	Fresh Appointment	02/02/2018
42	Faizan Muhammad, Sanitation Driver BPS 4	Fresh Appointment	02/02/2018
43	Umar Zaman, Sanitation Driver BPS 4	Fresh Appointment	02/02/2018
44	Isfaq Ahmad, Sanitation Driver BPS 4	Fresh Appointment	02/02/2018
45	Basit Khan, Sanitation Driver BPS 4	Fresh Appointment	02/02/2018
46	Mohsin Ali, Sanitation Driver BPS 4	Fresh Appointment	02/02/2018
47	Tahseen Ali, Sanitation Driver BPS 4	Fresh Appointment	02/02/2018
48	Amjid Hussain, Sanitation Driver BPS 4	Fresh Appointment	02/02/2018
49	Adnan Khan, Shovel Operator BPS 4	Fresh Appointment	02/02/2018
50	Junaid Khan Shovel Operator BPS 4	Fresh Appointment	02/02/2018
51	Shehzad Faraz Shovel Operator BPS 4	Fresh Appointment	02/02/2018
52	Sarkar Zaman Shovel Operator BPS 4	Fresh Appointment	02/02/2018
53	Zahid Ali, Tube Well Operator BPS 4	Fresh Appointment	02/02/2018
54	Waseem Ullah, Tube Well Operator BPS 4	Fresh Appointment	02/02/2018
55	Shafaat Ali, Tube Well Operator BPS 4	Fresh Appointment	02/02/2018
56	Liaqat Sher, Tube Well Operator BPS 4	Fresh Appointment	02/02/2018
57	Muhammad Ishtiaq, Tube Well Operator BPS 4	Fresh Appointment	02/02/2018
58	Fawad Khan, Tube Well Operator BPS 4	Fresh Appointment	02/02/2018
59	Shah Rukh Khan, Naib Qasid BPS 3	Fresh Appointment	02/02/2018
60	Faisal Rehman, Naib Qasid BPS 3	Fresh Appointment	02/02/2018
61	Bilal Ahmad, Naib Qasid BPS 3	Fresh Appointment	02/02/2018

62	Muhammad Bilal Khan, Naib Qasid BPS 3	Fresh Appointment	02/02/2018
63	Yasir Wilayat, Road Mali BPS 3	Fresh Appointment	02/02/2018
64	Abdullah Khan, Road Roller Cleaner BPS 3	Fresh Appointment	02/02/2018
65	Fahad Alam, Road Roller Cleaner BPS 3	Fresh Appointment	02/02/2018
66	Muhammad Sadiq, SW BPS 3	Fresh Appointment	02/02/2018
67	Fakhr e Alam, SW BPS 3	Fresh Appointment	02/02/2018
68	Rizwan Ullah, SW BPS 3	Fresh Appointment	02/02/2018
69	Faqir Khan, SW BPS 3	Fresh Appointment	02/02/2018
70	Muhammad Kashif, SW BPS 3	Fresh Appointment	02/02/2018
71	Manzoor Khan, Tax Helper BPS 6	Promoted Junior Clerk BPS 11	02/02/2018
72	Abbas Khan Khattak, Tax Helper BPS 6	Promoted Junior Clerk BPS 11	02/02/2018
73	Muhammad Nawaz Tax Heper BPS6	Promoted Junior Clerk BPS 11	02/02/2018
74	Irfan Ullah Work Supervisor BPS 6	Promoted Junior Clerk BPS 11	02/02/2018
75	Jan Baz Sanitary Inpsector BPS 7	Chief Sanitary Inspector BPS 11	02/02/2018
76	Ubaid Khan Sanitary Supervisor BPS 4	Chief Sanitary Inspector BPS 11	02/02/2018
77	Imran Khan Tax Helper BPS 6	Tax Helper BPS 6	02/02/2018
78	Farhan Asad Record Keeper BPS 5	Tax Helper BPS 6	02/02/2018
79	Miftah ud Din Tax Collector BPS 4	Tax Helper BPS 6	02/02/2018
80	Hamayun Khan Work Mate BPS 5	Work Supervisor BPS 6	02/02/2018
81	Saja Ullah Sanitary Worker BPS 3	Sanitary Inspector BPS 7	02/02/2018
82	Khyal Muhammad NQ BPS 3	Sanitary Supervisor BPS 4	02/02/2018
83	Fasih ud Din Road Mali BPS 3	Tax Helper BPS 5	02/02/2018
84	Muhammad Arif NQ BPS 3	Record Keeper BPS 5	02/02/2018
85	Ahmad Faraz NQ BPS 3	Tax Collector BPS 4	02/02/2018
86	Robaid Khan BPS 3	Work Mate BPS 5	02/02/2018
87	Afiat Shah Road Roller Cleaner BPS 4	Road Roller Driver BPS 6	02/02/2018
88	Hamid Khan Road Roller Cleaner BPS 3	Road Roller Driver BPS 6	02/02/2018
89	Ashraf Maseeh Sanitary Worker BPS 4	Tractor Driver BPS 6	02/02/2018
90	Muhammad Fawad Sanitary Worker BPS 3	Sanitation Driver BPS 4	02/02/2018
91	Hamid Ali Sanitary Worker BPS 3	Sanitation Driver BPS 4	02/02/2018

Annex-7
Para 1.3.1.5

DETAIL OF UNAUTHORIZED PAYMENT

Months	District ADP	CMD	Total
July 2017	0	0	0
August	574,677	1,022,448	1,597,125
Sep	302,019	4,233,696	4,535,715
Oct	843,559	3,671,604	4,515,163
Nov	489,647	1,371,908	1,861,555
Dec	0	1,916,124	1,916,124
Jan 2018	73949	846,583	920,532
Feb	135,459	60,807	196,266
March	0	293,765	293,765
April	0	0	0
May	0	27,996	27,996
June	0	0	0
Total	2,419,310	13,444,931	15,864,241

Annex-8
Para 1.3.1.6

DETAIL OF NON RECOVERY OF OUTSTANDING RECEIPTS

S#	Name of contract	Name of contractor	Outstanding Amount	Income Tax
1	Catle fair Pabbi	Essa Khan	0	156,000
2	Local stand near TMA office	Islam Shah	0	120,000
3	Daily The bazari	Nawab Khan	72,000	180,000
4	Ching Chee Pabbi	Essa Khan	31,000	41,000
5	Local stand chirat road pabbi station	Islam Shah	0	156,000
6	Sign Board	Niaz Ali	7,500	15,000
7	Slaughter House	Nawab Ali	30,000	9,900
8	License Fee	Nawab Ali	175,000	50,000
9	Local stand Akbar Pura	Essa Khan	0	42,000
10	Local stand taru to pabbi	Essa Khan	0	34,000
11	Local stand taru to Peshawar	Khaista Gul	0	108,000
12	Local stand taru to Band Sheikh Ismail Kheil	Khaista Gul	0	31,200
13	Catle fair Mahajar Bazar Jalozei	Haji Khaista Gul	85,000	21,600
14	The Bazari fee manajar Bazar Jalozei	Nawab Ali	124,000	21,600
15	Local parking fee Mahajar Bazar Jalozei	Essa Khan	0	5,460
16	Catle fair fee Akbar pura	Nawab Ali	0	20,500
Total			524,500	1,012,260

Annex-9
Para 1.4.1.1

Detail of unauthorized retention of government money

S #	Name of VC/NC	Name of Bank	Account No.	Amount retained Rs
1	Aman Kot-II Pubbi	Bank of Khyber, Pubbi	PLS. 00194-00-8	2,465,957
2	Bara Banda	Bank of Khyber, Nowhsera Branch	PLS. 14338-00-9	4,843,931
3	Khair Abad	Bank of Khyber, Jahangira Branch	CD-00736-00-8	3,467,423
4	Shaidu-2	Bank statement for 2017-18 is not produced to Audit		0
5	Shaidu-1	NBP, Nowshera Cantt Branch	4101482224	41,390
		Bank of Khyber, Jahangira Branch	PLS-01185-00-4	4,913,374
6	Jalozai Mehal	NBP, Pubbi	Not mentioned	5,693,179
Total				21,425,254